



Leading Through Civilian Power

THE FIRST QUADRENNIAL
DIPLOMACY AND DEVELOPMENT REVIEW



2010



DEDICATION

Just as this report was going to press, America lost one of its most distinguished public servants. Richard C. Holbrooke was a rare talent, and he represented the best of our nation's civilian power. He understood that we cannot project our leadership unless we also promote our values. His first assignment as a Foreign Service officer in the early 1960s included a tour of duty in the Mekong Delta with the U.S. Agency for International Development. Later he oversaw the Peace Corps's efforts in Morocco. Out of government, he co-founded and led humanitarian organizations dedicated to saving lives. And in his final assignment, as the Special Representative for Afghanistan and Pakistan, he saw that the futures of the Afghan, Pakistani, and American people were inextricably connected.

As a diplomat, Ambassador Holbrooke was bold, tenacious, and creative—qualities that all of us at State and USAID aspire to. He personified the concept of Ambassador as CEO. He helped normalize our relations with China, helped Europe emerge from the Cold War, and was the main architect of the Dayton Accords, which ended the war in Bosnia 15 years ago. As a patriot and public servant, he devoted his life to the idea that American power could be used for good in the world. He left us far too soon, but his legacy will inspire Foreign Service personnel and development professionals for generations to come.

Although he spent much of his life in face-to-face negotiations, Ambassador Holbrooke always insisted that talk ultimately lead to action. In that spirit, we dedicate this report to his memory, and we rededicate ourselves to turning our ideas into action.

Leading Through Civilian Power

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How can we do better?

It's a question that business owners across the country are asking themselves every day. They want to make sure they're getting the most out of every dollar. It's an important exercise even in the best economic times. In tough times, it's critical.

Many government leaders ask themselves the same question. When I was a Senator, I served on the Armed Services Committee, where I watched the Defense Department go through its impressive Quadrennial Defense Review. I saw how the QDR provided a strategic plan for the department. It forced hard decisions about priorities, and it made sure those priorities were reflected in the budget. It was a clear-eyed answer to the question: *How can we do better?*

After I became Secretary of State, I started asking the same question. I could see that we did many things well. The State Department and USAID have phenomenal employees, from health workers serving in remote villages to Foreign Service personnel posted at bustling embassies to many other staff stationed across the United States. But I quickly learned that we could do more to equip our people to do their best work, spend our resources efficiently, achieve our objectives effectively, and adapt to the demands of a changing world.

So last year, I announced a sweeping review of diplomacy and development, the core missions of the State Department and USAID respectively. We consulted hundreds of people throughout the U.S. government and around the world. This report, the inaugural Quadrennial Diplomacy and Development Review (QDDR), is the result.

I have made the QDDR one of our highest priorities. Just as every business must get the most out of every dollar from its investors, State and USAID have to get the most out of every dollar from the American taxpayers; we also have to look ahead, planning for a changing world. It's ultimately about delivering results for the American people—protecting our interests and projecting our leadership in the 21st century.

As President Obama observed this year in his National Security Strategy, "We live in a time of sweeping change." New actors, good and bad, have the power to shape international affairs like never before. The challenges we face—nuclear proliferation, global pandemics, climate change, terrorism—are more complex than ever.

It's not enough simply to keep up with all of this change. We must stay ahead of it. To that end, we will build up our civilian power: the combined force of civilians working together across the U.S. government to practice diplomacy, carry out development projects, and prevent and respond to crises. Many different agencies contribute to these efforts today. But their work can be more unified, more focused, and more efficient.

The State Department and USAID will take a lead role in making that happen. We will provide the strategic framework and oversight on the ground to ensure that America's civilian power is deployed as effectively as possible. As the QDDR explains, we will work to break down walls between agencies. We will eliminate overlap, set priorities, and fund only the work that supports those priorities. We will empower our people to make decisions and hold them accountable for the results.

This begins with the Chiefs of Mission in our embassies around the world. Running an embassy is more complicated than ever. We will give our Chiefs of Mission the tools they need to oversee the work of all U.S. government agencies working in their host country, essentially serving as the Chief Executive Officer of a multi-agency mission. We will enhance their training, empower them to contribute to the evaluation of all personnel who serve at their posts, and engage them more fully in policymaking in Washington. It sounds basic, but it's the kind of change that will help us tap the full potential of our civilian power.

We will also pursue new ways of doing business that help us bring together like-minded people and nations to solve the pressing problems we all face. We will reform and update international institutions, and we'll use 21st century statecraft to extend the reach of our diplomacy beyond the halls of government office buildings.

In development, we are re-establishing USAID as the world's premier development agency. To make sure that our investments have the biggest possible impact, we will focus our efforts in six core areas where we have expertise. We're investing heavily in innovation to spark more advances in those areas. We're improving the way we measure results, and we will make funding decisions based on those results.

Other changes are more operational. We heard from State staff around the world that they spend too much time tied to their desks, fulfilling hundreds of reporting requirements mandated by both Congress and the Department. So we are streamlining workloads by limiting the length of reports and ending the practice of requiring two reports when one will do.

Many more reforms are detailed in the pages that follow. They all have one common purpose: to harness our civilian power to advance America's interests and help make a world in which more people in more places can live in freedom, enjoy economic opportunity, and have a chance to live up to their God-given potential. I am confident that we are on the way to fulfilling that purpose.

I would like to thank everyone who contributed their ideas and shaped this document. You set a high bar for every QDDR that will follow by helping us see how we can do better.



Hillary Rodham Clinton

Leading Through Civilian Power:

2010 QUADRENNIAL DIPLOMACY AND DEVELOPMENT REVIEW

EXECUTIVE SUMMARY

Somewhere in the world today, a jeep winds its way through a remote region of a developing country. Inside are a State Department diplomat with deep knowledge of the area's different ethnic groups and a USAID development expert with long experience helping communities lift themselves out of poverty. They are on their way to talk with local councils about a range of projects—a new water filtration system, new ways to elevate the role of women in the community, and so on—that could make life better for thousands of people while improving local attitudes toward the United States.

They are not strangers to this region, nor are they the only American officials to visit. Their mission is part of a larger coordinated strategy that draws on all the tools of our foreign policy. They have been preceded by colleagues from other agencies—irrigation specialists from the Department of Agriculture, public health professionals from the Centers for Disease Control and Prevention, experts in the rule of law from the Department of Justice, and more.

At the nearest U.S. embassy, our Ambassador manages a diverse and dedicated team drawn from across the U.S. government. Other U.S. posts around the region contribute insight and expertise. From Washington, colleagues are sending strategic guidance and resources.

To build an effective partnership with their host country and advance America's interests and values, these U.S. civilians on the ground will often have to work as a seamless team, bringing their unique strengths to bear and adapting together to fast-changing circumstances on the ground. That is exactly what they have been trained to do. They are the leading edge of America's forward-deployed civilian power, as comfortable in work boots as wing tips, and they are on the frontlines of our country's efforts to meet the challenges and seize the opportunities of the 21st century.

Civilian power is the combined force of women and men across the U.S. government who are practicing diplomacy, implementing development projects, strengthening alliances and partnerships, preventing and responding to crises and conflict, and advancing America's core interests: security, prosperity, universal values—especially democracy and human rights—and a just international order. They are the people who negotiate peace treaties, stand up for human rights, strengthen our economic cooperation and development, and lead interagency delegations to conferences on climate change. It is the civilian side of the government working as one, just as our military services work together as a unified force.

These civilians ask one question again and again: How can we do a better job of advancing the interests of the American people? The answer should be the same for every agency and department: We can work smarter and better by setting clear priorities, managing for results, holding ourselves accountable, and unifying our efforts. The first-ever Quadrennial Diplomacy and Development Review (QDDR) aims to meet these goals by setting forth a sweeping reform agenda for the State Department and USAID, the lead agencies for foreign relations and development respectively. It builds on the work of Secretary Clinton's predecessors, who recognized many of the needs we address here in reports such as Secretary Rice's *Transformational Diplomacy*. The QDDR follows in the footsteps of the quadrennial reviews by the Departments of Defense and Homeland Security in taking a comprehensive look at how we can spend our resources most efficiently, how we can achieve our priorities most effectively, what we should be doing differently, and how we should prepare ourselves for the world ahead.

To begin, we must do much more with what we have. Secretary Clinton began her tenure by stressing the need to elevate civilian power alongside military power as equal pillars of U.S. foreign policy. She called for an integrated “smart power” approach to solving global problems—a concept that is embodied in the President's National Security Strategy.

The starting premise of the QDDR is that to achieve this vision, and the savings and performance it can yield, we must recognize that civilian power in the world is not limited to State and USAID alone. We have seen astonishing growth in the number of civilian agencies that engage in international activity: energy diplomacy, disease prevention, police training, trade promotion, and many other areas.

When the work of these agencies is aligned, it protects America's interests and projects our leadership. We help prevent fragile states from descending into chaos, spur economic growth abroad, secure investments for American business, open new markets for American goods, promote trade overseas, and create jobs here at home. We help other countries build integrated, sustainable public health systems that serve their people and prevent the spread of disease. We

help prevent the spread of nuclear weapons. We support civil society groups in countries around the world in their work to choose their governments and hold those governments accountable. We support women's efforts to become financially independent, educate their children, improve their communities, and help make peace in their countries. This is an affirmative American agenda—a global agenda—that is uncompromising in its defense of our security but equally committed to advancing our prosperity and standing up for our values.

Empowering the people who carry out this work to deliver results for the American people is the ultimate goal of this report. Hundreds of experts from across State and USAID participated in QDDR working groups, and many more from inside and outside government offered suggestions. This report reflects their experience, as well as the strategic vision of the Secretary and the senior leadership of both agencies.

Although this kind of review inevitably emphasizes what we can do better, it is important to start by recognizing and commending State and USAID's long history of successfully advancing America's interests abroad. Much of what we do, we do very well. This QDDR does not, and need not, focus on those areas of success. Instead, Secretary Clinton directed the QDDR to focus on specific opportunities for improvement, where we need to adapt, where we can fulfill our missions more efficiently.

The QDDR begins by assessing the world as it is today and the changes we expect in the years ahead. Key global trends are reshaping international affairs and placing new demands on our diplomats and development experts. Threats loom, including violent extremism, nuclear proliferation, climate change, and economic shocks that could set back global prosperity.

At the same time, the forces that fuel these challenges—economic interdependence and the speedy movement of information, capital, goods, and people—are also creating unprecedented opportunities. Power in the international system, once exercised more or less exclusively by a handful of great powers, is now shared by a wide array of states, institutions, and non-state actors. And the information revolution has accelerated the tempo of international affairs. It has unleashed new threats, as when confidential diplomatic communications are published online, endangering lives around the world and undermining efforts to promote the common good. But it also offers extraordinary opportunities for more people in more places to participate in global debates and make a difference in the lives of people in need. After the earthquake in Haiti this year, individual donors used text messaging to raise \$40 million for the recovery.

U.S. diplomats, development experts, and civilian specialists grapple with the implications of all these trends every day. Their ability to do their jobs—and deliver results for the American people—depends

on our capacity to adapt to and shape this changing world. The recommendations of the QDDR are all aimed toward this end. They will save money, but more importantly, they will save lives.

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The rest of this executive summary is divided into four sections: **Diplomacy for the 21st Century**, which shows how we will adapt our diplomacy to new threats and opportunities; **Transforming Development to Deliver Results**, which highlights our efforts to re-establish USAID as the world's preeminent development agency; **Preventing and Responding to Conflict and Crisis**, which describes how we will improve our ability to operate in fragile states and help stop conflicts before they happen; and **Working Smarter**, which explains how we will improve our approaches to planning, procurement, and personnel.

Diplomacy for the 21st Century



Secretary Hillary Rodham Clinton delivers remarks to the President's Forum with Young African Leaders at the Department of State, August 3, 2010.

Traditional diplomacy—the kind conducted in government ministries, palaces, and the headquarters of global organizations—remains an indispensable tool of our foreign policy. But the diplomatic landscape of the 21st century features an increasingly varied set of actors who influence international debates: more states capable of acting on their own diplomatic agendas, a variety of

U.S. government agencies operating abroad, transnational networks, corporations, foundations, non-governmental organizations, religious groups, and citizens themselves. U.S. diplomacy must adapt to this landscape. It must also reshape it.

To do that, our Ambassadors will have to direct and coordinate global civilian operations in the field and pursue diplomatic initiatives that involve many disparate parts of the U.S. government. They also have to be prepared to go beyond the state to engage directly with new networks, from the private sector to the private citizen.

I. LEADING THE IMPLEMENTATION OF GLOBAL CIVILIAN OPERATIONS

At the heart of America's civilian power are the men and women who work every day, many of them in dangerous and difficult circumstances, to advance our interests and values. Today, they include not just diplomats and USAID development experts, but also civilian specialists from other agencies and departments who have deep knowledge of key fields, such as public health, agriculture, justice and law enforcement. These agencies and departments have their own mandates and objectives, which makes coordination all the more important.

To achieve our goals—for example, helping a country make a peaceful transition to democracy—all these people must work together. That is only possible if the Chief of Mission is empowered to direct and supervise these efforts.

In partnership with other agencies, we will:

- **Empower and hold accountable Chiefs of Mission as Chief Executive Officers of interagency missions.** We will work with other agencies to ensure that Chiefs of Mission can contribute to the evaluation of all personnel at post, engage directly in high-level policymaking in Washington, D.C., where possible, and have clear reporting structures for all U.S. civilians in-country. We will also seek input from other agencies in reviewing the performance of our Chiefs of Mission.
- **Prioritize interagency experience and talents as criteria for choosing and training Chiefs of Mission and Deputy Chiefs of Mission.** We will also expand their interagency training.
- **Fundamentally change our management approach by turning to the expertise of other federal agencies where appropriate—before** engaging private contractors. This will help all federal agencies build lasting relationships with foreign counterparts and reduce our reliance on contractors.

II. ADAPTING U.S. DIPLOMACY TO MEET NEW CHALLENGES

Secretary Clinton has said that solving foreign policy problems today requires us to think regionally and globally, to see the intersections and connections linking nations and regions and interests, and to bring countries and peoples together as only America can. Our diplomats need the training and the means to build these innovative new partnerships. We will:

- Make a series of organizational changes within State to make our work on transnational issues more effective. Most of these changes would not require new staff—they are designed to unify efforts that are already underway, eliminating gaps and overlap. We are:
 - **Creating an Under Secretary for Economic Growth, Energy and the Environment** to enhance our effectiveness on these interconnected global issues.

- **Establishing a new Bureau for Energy Resources** to unite our diplomatic and programmatic efforts on oil, natural gas, coal, electricity, renewable energy, energy governance, strategic resources, and energy poverty.
 - **Elevating economic diplomacy as an essential strand of our foreign policy** by expanding State's role on geo-economic issues. This includes appointing a Chief Economist, who will create a new early-warning mechanism—coordinated with other similar systems throughout the U.S. government—to identify issues at the intersection of economics, security, and politics.
 - **Creating an Under Secretary for Civilian Security, Democracy, and Human Rights** to organize our efforts most effectively to advance human security.
 - **Expanding the capacities of the Under Secretary for Arms Control and International Security Affairs** by establishing a new Bureau for Arms Control, Verification, and Compliance and restructuring the Bureau of International Security and Nonproliferation.
 - **Working with Congress to establish a Bureau for Counterterrorism**, which will enhance our ability to counter violent extremism, build partner capacity, and engage in counterterrorism diplomacy.
 - **Establishing a Coordinator for Cyber Issues** who will lead State's engagement on cybersecurity and other cyber issues, including efforts to protect a critical part of diplomacy—the confidentiality of communications between and among governments.
- **Deepen engagement with our closest allies and partners.** We will strengthen our regional cooperation through forums such as like trilateral meetings between the United States, Japan, and the Republic of Korea. And we will partner on new and emerging challenges, as we are doing with NATO on cybersecurity.
 - **Build relations with emerging powers** through Strategic Dialogues that connect experts throughout our government with their counterparts in partner countries. We will also continue redeploying personnel to new centers of influence and begin new outreach beyond capitals.

- **Expand our capacity to engage regionally** by establishing regional embassy hubs as bases for experts in cross-cutting issues such as climate change or conflict resolution. These experts will “ride the circuit” between posts in the region.
- **Integrate our bilateral, regional, and multilateral diplomacy**—through specific changes to our regional bureaus and the Bureau of International Organization Affairs—in order to deliver better results in regional and multilateral institutions. The Principal Deputy Assistant Secretary in each regional bureau will be tasked with overseeing engagement with multilateral institutions.

III. ENGAGING BEYOND THE STATE

Today, non-state actors—from NGOs, religious groups, and multinational corporations to international cartels and terrorist networks—are playing an ever-greater role in international affairs. To be effective in the 21st century, American diplomacy must extend far beyond the traditional constituencies and engage new actors, with particular focus on civil society. We cannot partner with a country if its people are against us. We will answer this call by embracing the latest tools and technologies, as well as the innovators and entrepreneurs behind them, and integrating them into our diplomacy and development. We will:

- **Embrace 21st Century Statecraft** to connect the private and civic sectors with our foreign policy work by bringing new resources and partners to the table; better using connection technologies and expanding, facilitating, and streamlining our public-private partnership process.
- **Make public diplomacy a core diplomatic mission** by building regional media hubs staffed by skilled communicators to ensure that we can participate in public debates anywhere and anytime; pioneering community diplomacy to build networks that share our interests; and expanding people-to-people relationships.
- **Incorporate women and girls** into all our public-engagement efforts.

IV. SUPPORTING OUR DIPLOMATS AS THEY TAKE ON NEW MISSIONS

To do their jobs, American diplomats must have the right tools, adequate resources, and the flexibility to try new approaches. We will:

- **Streamline reporting requirements** so our diplomats have more time to engage their counterparts and the public. We will consolidate duplicative reports and limit the length of reports, while improving monitoring and evaluation.
- **Ensure that all State employees have access to the most effective locally available personal communication technology.**
- **Establish a new global standard for risk management** that protects our people while allowing them to meet the demands of more dynamic missions.

Transforming Development to Deliver Results

Development stands alongside diplomacy as the twin pillar of America’s civilian power. Through development, we seek to invest in countries’ efforts to achieve sustained and broad-based economic growth, which creates opportunities for people to lift themselves, their families, and their societies out of poverty, away from violent extremism and instability, and toward a more prosperous future. Ultimately, development helps countries become more capable of solving their own problems and sharing in solving common global problems.

For the United States, development is a strategic, economic, and moral imperative—as central to our foreign policy as diplomacy and defense. The 2010 National Security Strategy defines our objective: “Through an aggressive and affirmative development agenda and commensurate resources, we can strengthen the regional partners we need to help us stop conflict and counter global criminal networks; build a stable, inclusive global economy with new sources of prosperity; advance democracy and human rights; and ultimately position ourselves to better address key global challenges by growing the ranks of prosperous, capable and democratic states that can be our partners in the decades ahead.” The President’s Directive on Global Development elaborates on this objective, and the QDDR presents State and USAID’s to achieve it.

We are transforming both State and USAID to ensure our development commitment delivers the results we expect.

I. FOCUSING OUR INVESTMENTS

In many countries, we have sought to do too many things, spreading our investments across many sectors and limiting their impact. We will focus and deepen our investments and empower our development professionals to deliver in areas that build on our core strengths. We will:

- **Make USAID the lead agency for the Presidential initiatives on:**
 - Food security (known as Feed the Future) immediately with the appointment of a Global Food Security Coordinator; and
 - Global health (known as the Global Health Initiative), with a target date of September 2012, if defined benchmarks are met.
- **Focus our development efforts in six specific areas** that build on our strengths: sustainable economic growth, food security, global health, climate change, democracy and governance, and humanitarian assistance. In each area, we will invest in women and girls at every turn, with the goal of empowering them.

II. PRACTICING HIGH-IMPACT DEVELOPMENT

American assistance has saved millions of lives and helped people around the world provide a better future for their children, but we have too often focused on service delivery rather than systematic change. We are modernizing State and USAID to promote high-impact development. We are changing the way we do business, shifting from aid to investment—with more emphasis on helping host nations build sustainable systems. We will:

- **Transform our model of doing business** with host nations and other donors so that it relies more on host nations' systems and indigenous organizations, emphasizes accountability and transparency, and improves coordination with other donors, NGOs, and the private sector. We will make our investments predictable and sustainable by implementing multi-year plans for foreign assistance.
- **Incubate innovation and develop best practices** by creating a Development Lab at USAID and establishing an Innovation Fellowship that will bring 20 to 25 leading development thinkers to work there.

- **Strengthen monitoring and evaluation** by establishing new requirements for performance evaluations, designing rigorous impact evaluations, linking evaluations to future funding decisions, and promoting the unbiased appraisal of programs and the full disclosure of findings.
- **Make our aid more transparent** by (among other steps) creating a new Web-based “dashboard” that will publish data on State and USAID foreign assistance.
- **Focus on gender equality and elevate investment in women and girls**, which is important in its own right and as a way to maximize results across the board.

III. REBUILDING USAID AS THE PREEMINENT GLOBAL DEVELOPMENT INSTITUTION

President Obama, Secretary Clinton, and Administrator Shah have committed to rebuilding USAID as the world’s preeminent development agency, capable of delivering on America’s commitment to promote high-impact development around the world. With the continued support of Congress, we will:

- **Make development a core pillar of U.S. foreign policy by elevating USAID’s voice** through greater representation in the interagency policymaking processes, by making USAID mission directors in the field the primary development advisors to U.S. Chiefs of Mission, and by confirming the USAID Administrator as Alternate Governor of select regional development banks.
- **Continue implementing the USAID Forward agenda**, which includes establishing a Bureau of Policy, Planning, and Learning; strengthening USAID’s budget management capacity; incorporating science and technology in our development efforts; and reforming procurement systems.
- **Build USAID’s human capital** by increasing the number of USAID Foreign Service Officers, expanding mid-level hiring, and creating a new Senior Technical Group Career Track to provide a career path for USAID’s technical experts.

IV. TRANSFORMING THE STATE DEPARTMENT'S SUPPORT FOR DEVELOPMENT

Diplomacy and development are mutually reinforcing. Effective development helps stabilize countries, which makes them more effective diplomatic partners. And effective diplomacy strengthens the collaboration between our countries, which helps advance our shared development goals. With this interdependence in mind, we will:

- **Commit more of our senior diplomats' time to advancing development issues.** We will also improve communication and coordination between our diplomats and development professionals.
- **Build “development diplomacy” as a discipline at State** through expanded training on development issues for diplomats and by offering best practices for managing foreign assistance.
- **Improve the management of foreign assistance resources** by ensuring that funding is linked to performance and strategic plans, that principles of aid effectiveness are put into practice, and that various foreign assistance funds are integrated.

Preventing and Responding to Crisis and Conflict

It is more important than ever to address the problems of fragile states. People, money, and ideas can move around the world so quickly that conflict, even in distant countries, has become a far greater threat to the United States. Weak governments and failing states create safe havens for terrorists, insurgencies, and criminal syndicates. Conflict near major economies and supply routes can shock distant markets. Tensions that may escalate to mass atrocities undermine America's deepest values, especially democracy and human rights.

We have already begun to address these trends; today more than a quarter of State and USAID's personnel serve in the 30 countries that are at the highest risk for conflict. More than 2,000 civilian personnel are deployed to Afghanistan and Iraq alone.

U.S. Secretary of State Hillary Clinton and USAID Administrator Rajiv Shah talk with U.S. Ambassador to Haiti Kenneth Merten ahead of a meeting with aid workers and Haiti's President René Prével in Port-au-Prince, Haiti, on Jan. 16, 2010, just days after Haiti's devastating 2010 earthquake.



AP PHOTO

But our civilian capabilities have largely been ad hoc and poorly integrated with those of other federal agencies and partner nations. We must learn from our experiences as we define the civilian mission and give our people the training, tools, and structures they need.

I. EMBRACING CONFLICT PREVENTION AND RESPONSE WITHIN FRAGILE STATES AS A CORE CIVILIAN MISSION

Successfully responding to the dangers presented by fragile states begins with a clear civilian mission: prevent conflict, save lives, and build sustainable peace by resolving underlying grievances fairly and helping to build government institutions that can provide basic but effective security and justice systems. Over the longer term, our mission is to build a government's ability to address challenges, promote development, protect human rights, and provide for its people on its own. To meet this responsibility, we need clearly designated, accountable leadership within and between State and USAID, as well as complementary capabilities in each agency. To implement this vision we will:

- **Adopt, between State and USAID, a lead-agency approach** with a clear division of leadership and responsibility. Under the guidance of the National Security Staff, the State Department will lead for operations responding to political and security crises, while USAID will lead for operations in response to humanitarian crises resulting from large-scale natural or industrial disasters, famines, disease outbreaks, and other natural phenomena.

- **Integrate State’s capabilities through a new Under Secretary for Civilian Security, Democracy and Human Rights.** We will also create a new Bureau for Crisis and Stabilization Operations to serve as the locus for policy and operational solutions for crisis, conflict, and instability.
- **Strengthen USAID’s conflict and transition work** by adding more expertise in response, recovery and stabilization for the Office of Transition Initiatives, by training staff in these issues, and by expanding systems and management.
- **Help coordinate U.S. crisis response through a new international operational response framework,** which will draw on the capabilities and expertise found across federal agencies and improve civil-military collaboration.
- **Ensure that women are integrated into our efforts** to prevent conflict and respond to it.

II. EXECUTING CONFLICT PREVENTION AND RESPONSE IN THE FIELD

To execute this vision of a unified effort, our Embassies and Missions in the field need the right staffing, facilities, security, and resources. With that goal in mind, we will:

- **Draw on expertise across and outside the U.S. government** by proposing to replace the Civilian Reserve Corps with a more flexible and cost-effective Expert Corps that will let us work with experts outside the U.S. government and quickly deploy them to the field.



Civilian Response Corps member stands with African Union peacekeepers and soldiers from Minni Minawi’s Sudan Liberation Army faction aboard one of their “technicals” in Umm Baru, North Darfur. He deployed from 2006 to 2008 as part of an effort to stabilize the political, security, and humanitarian crisis and its impact on the people of Darfur.

- **Expand the contributions of international partners** by building their capacity for foreign policing in crisis and conflict operations and by supporting reforms to modernize and improve U.N. peace operations.

III. BUILDING AN EFFECTIVE CAPABILITY TO REFORM SECURITY AND JUSTICE SECTORS

Governments mired in conflict and crisis are often unable to protect their own citizens from violence, crime, and corruption. Where instability creates transnational threats, the United States must be ready to assist—in particular by helping our partner countries build effective and accountable security and justice institutions. We are modernizing our ability to provide this kind of assistance. We will:

- **Integrate security- and justice-sector assistance** through comprehensive efforts, including convening core security actors, management and oversight bodies, justice institutions, and civil society.
- **Adopt a whole-of-government approach** that integrates the skills of other federal agencies—and, where appropriate, state and local governments—in the design and implementation of security- and justice-sector assistance efforts.
- **Link our security- and justice-sector assistance to development** by emphasizing host nations' ownership of programs and supporting programs that address their concerns.

Working Smarter: Reforming Our Personnel, Procurement, and Planning Capabilities

American taxpayers expect their money to be used efficiently and effectively. The QDDR sets forth a plan to make State and USAID meet their expectations by focusing on results and holding ourselves accountable. In the past, we have judged our efforts on inputs rather than outcomes—on dollars spent rather than results delivered. The QDDR shifts this mind-set at every level. It details specific reforms in personnel, procurement, and planning that will allow us to work smarter to advance our nation’s interests and values.

I. BUILDING A 21ST CENTURY WORKFORCE

Smart power requires smart people. The success of America’s diplomacy and development depends on our ability to recruit, train, deploy, and motivate the very best people with the right expertise.

During the past five years, State and USAID have significantly expanded operations in frontline states such as Afghanistan, Pakistan, and Iraq. Yet our overall workforce has not grown significantly. As a result, both agencies suffer from historic understaffing. To meet these challenges, the Administration and Congress worked together to increase hiring. While this is a good start, we need a sustained commitment. For our part, we will:

- **Deploy the right people to the right places at the right time** by creating new opportunities for overseas deployment of the Civil Service, using limited-term appointments to put experts in the field, and expanding opportunities for State’s Civil Servants to convert to the Foreign Service.
- **Ensure we have the expertise to address 21st century challenges** by retaining expert Locally Employed Staff, tripling midlevel hiring at USAID, seeking expansion of USAID’s non-career hiring authorities, expanding interagency rotations, and establishing a technical career path at USAID that leads to promotion into the Senior Foreign Service.
- **Foster innovation** by seeking revisions to the Foreign Service Examination so that it can better identify innovative thinkers and entrepreneurial leaders. We will also reward innovation in leadership posts, expand training for critical skills, and launch a Development Studies Program.

II. MANAGING CONTRACTING AND PROCUREMENT TO BETTER ACHIEVE OUR MISSIONS

As obligations in the frontline states expanded and overall staffing levels stagnated, the State Department and USAID increasingly came to rely on outside contractors to supplement their ranks. While grants and contracts do have certain benefits, we need to restore government capacity and expertise in mission-critical areas. We will:



Boys gaze out at the horizon in El Fasher, Sudan.

- **Create a more balanced workforce** to ensure we have the appropriate mix of direct-hire personnel and contractors, so the U.S. government has the capacity to set priorities, make policy decisions, and properly oversee grants and contracts.
- **Leverage the experience and expertise of other agencies** with the skills to advance U.S. objectives, before turning to outside contractors.
- **Ensure that our approach to procurement advances America's development objectives and saves money** by fostering more competition for our contracts and using host-country businesses and NGOs where possible.

III. PLANNING AND BUDGETING FOR RESULTS

To maximize our impact, we need a planning and budgeting process that allows for sound policy decisions. The QDDR sets forth such a process. It includes the right stakeholders and allows longer-term planning that aligns priorities and resources to produce results.

We have already taken several key steps. The first-ever Deputy Secretary of State for Management and Resources has brought greater coherence, efficiency, and accountability to strategic planning and budgeting. At USAID, the new Office of Budget and Resource Manage-

ment will enhance the agency's role in executing the budget for the development programs it manages. And we have taken the first steps in developing an integrated, transparent, and coordinated process for the State/USAID FY2012 budget.

But there is more to be done. We will:

- **Establish multi-year strategic plans for State and USAID that reflect priorities and guide resource requests and decisions.** We will develop a high-level strategic planning process, strategies for regional and functional bureaus, and Integrated Country Strategies that bring together all country-level planning for diplomacy, development, and broader foreign assistance into a single, overarching strategy.
- **Better align budgets to our plans by transitioning to a multi-year budget formulation** based on the strategies for countries and bureaus.
- **Improve monitoring and evaluation systems** to strengthen the way we measure performance and share best practices.
- **As of FY2013, USAID will submit a comprehensive budget proposal** that, with the Secretary's approval, will be included in the broader State foreign assistance request.
- **Work with the National Security Staff and our interagency partners toward a national security budgeting process** that would allow policymakers and lawmakers to see the whole of our national security priorities.

FROM REPORT TO REFORM

Through the QDDR, we have identified key trends that will shape international affairs in the years ahead, taken a clear-eyed look at our capabilities, developed recommendations for reform, and made tough choices about priorities and resources.

This process has helped State and USAID work better together. But maintaining America's leadership in the world will require more than State and USAID. It will take cooperation across the whole of government. Through the QDDR, State and USAID have committed to helping drive that cooperation.

Execution is everything. We are fully aware of the reams of paper in published reports that simply gather dust on bookshelves across Washington, D.C. Secretary Clinton is adamant that the QDDR not be one of those reports. She has asked the Deputy Secretary of State for Management and Resources and the USAID Administrator to oversee implementation and has provided the staff necessary to get the job done.

It will be an ongoing process. Some of the reforms are already complete; others are underway. But they cannot all be done at once. This is why we will ask Congress to mandate that this review be done every four years, as it has done for the Department of Defense. We should implement the reforms in this report knowing that, in a few years, we will have to look back and measure our own success.

It won't be easy. Change is hard. It requires vision and vigilance. It also requires resources. Of course, we recognize the need for fiscal constraint, and we will work smarter to ensure that every dollar with which we are entrusted advances the security, prosperity, and values of the American people. And we will make the trade-offs and hard choices required to ensure that we invest wisely. Yet, as President Obama has said, America's security depends on diplomacy and development. We will work with Congress and other U.S. agencies to secure the resources we need, while holding ourselves accountable for the results the American people expect.

Every day, the United States faces new challenges and new opportunities. Our engagement with the world must be dynamic. That is the goal of this continuing QDDR process: to keep the State Department, USAID, and every element of our civilian power at the cutting edge of global leadership. We must seize this moment and lay the foundation for lasting American leadership for decades to come.

The full version of the QDDR is available for download at www.state.gov/qddr.

