Thank you, Chairman Berman and Ranking Member Ros-Lehtinen for inviting me to testify today on this important subject. I know there are many Americans with a deep interest in developing countries and in the American foreign aid program who have great expectations for this committee’s efforts to address chronic problems in the aid program, and who look to your records as legislators who can work successfully to forge a bipartisan consensus to give up hope that something, finally, can be achieved in the 111th Congress to bring the program better focus, better management, and better results.

I should start off by noting that the fundamental issue we have been asked to address in this hearing has been the subject of bureaucratic infighting and endless conflict since December 1942 when Franklin Roosevelt set up the first independent civilian agency to take charge of relief and reconstruction in the liberated territories. It took exactly four days for the aid agency, the Pentagon and the State Department to begin what Dean Acheson later described as the “civil war within the Roosevelt Administration over the control of the economic policy and operations abroad.”

If you can find an enduring solution, you will solve a problem that has so far defeated twelve U.S. Presidents. I should warn you, however, that Acheson in his memoirs said “the struggle is an endless one to which there is no definitive answer.”

I believe that in examining the question of a militarization of development assistance we need to be careful with the terminology. “Development” as a term is such a loosely defined word that it becomes very easy to confound the different meanings of the word.

The Defense Department, for good practical reasons, refers to some of its military activities as “development” assistance. That is fine. What happens then is that USAID in reporting US development assistance spending to the OECD’s Development Assistance Committee, which issues a report on the development aid spending by the OECD or donor countries, then includes the DOD numbers in its claim for the US spending on development aid. One has to recognize, however, that inside the DAC every country does it best to find every single dollar or franc or peso it can find to puff up its numbers compared to the other members. There is nothing wrong with that in the DAC context, but using these numbers in other contexts can lead to analytical confusion.

The DOD programs we claim to other donors in the DAC are development assistance vary greatly. They include the Iraqi Relief and Reconstruction Fund and the Commanders’ Emergency Response Program, Drug Interdiction and Counter-Drug Activities, military-to-
military HIV/AIDS projects under the PEPFAR program, and an Overseas Humanitarian, Disaster, and Civic Aid program.

While they may fit the DAC definition of development assistance, they are not really development assistance as the term has traditionally been used in this Committee and in the development community generally.

The lion's share of the DOD programs included in the DAC numbers are the Iraqi Relief and Reconstruction funding and the Commanders' Emergency Response Program. If you examine those programs, there are clearly military spending on the civil-military, civic action, or pacification programs that are an integral part of a military strategy for winning those wars. These projects cannot and should not be measured by the standards this committee has long used to measure development programs' effectiveness. They are not about development. If they help bring an end to these wars, they are successful. If they do not, they are failures. Nothing else much matters.

These programs lead some to claim there has been a militarization of civilian foreign aid program. If I could re-define the issue somewhat, the underlying issue may be more the "civilian-ization" of the battlefield as civilian foreign affairs agencies and the domestic agencies find themselves incorporated into DOD's plans for the manpower needs of its military strategy of the two on-going wars and its plans for future conflicts.

DOD is not taking over State and USAID's functions. Instead, State and USAID have been tasked with the responsibility to manage what were once traditional DOD functions. In the case of Germany and Japan, it was the United States Army that was the occupying government and it was the armed forces that performed the functions that DOD now designates as State and USAID functions.

The question we should ask ourselves is whether State and USAID are the proper agencies to assume these functions and whether, perhaps, we need a new and different entity is more equipped to provide the services that DOD counter-insurgency strategy needs.

Under what DOD now calls a "whole of government" concept of waging counter-insurgency war, it appears that DOD expects not just State and USAID, but the domestic departments and agencies to be permanently incorporated into a national security strategy of unlimited duration.

At Princeton University on February 5\textsuperscript{th}, Chairman of the Joint Chiefs Admiral Mullen told an audience about a DOD vision that in ten years when someone is hired at USDA's Extension Service, the career expectation will be that the USDA employee will spend one out of every four or five years working in Afghanistan.

DOD's plans to rely on State and USAID as a practical solution to its needs. We have to recognize that DOD's personnel crisis brought about by two demanding regional wars is not just
in the uniformed services. DOD's civilian employee workforce was slashed by 36%, from 966,000 in 1997 to 623,000 in 2007. They have a serious human resources problem.

What DOD needs in Iraq and Afghanistan, and in possible future conflicts, is a surge capacity to provide a large number of civilians with specific technical qualifications into the combat zone to design and execute its civil-military, civil action, pacification or “hearts-and-minds” activities. State and USAID do not have the personnel on their payrolls to provide the services that are being demanded. Examining the current and recent State recruitment efforts for personnel for Iraq and Afghanistan, the list includes urban planners, urban mass transit transportation planners, museum curators, tourism promotion experts, city managers, parks and recreation specialists, and commercial bank advisors. It makes no sense to expect the State Department to provide the expertise to re-design the bus routes in Iraqi cities and towns or to provide museum curators. These are not core competencies of the State Department.

What we see is that State has been tasked to function in Iraq in a role not much different from the one DynCorp, MPRI, and hundreds of other contractors perform. State has become a general, all-purpose staff augmentation contractor providing services to DOD. State has no particular expertise in this field and no one has providing a convincing explanation why State should be responsible for hiring these employees on its payroll instead of DOD hiring them on its own.

State and USAID may be a particularly inappropriate source of staff augmentation services. Both agencies adopted, in the aftermath of the Beirut embassy bombing, a zero tolerance policy toward employee safety risks overseas. One of the recent ambassadors in a war zones made his policy perfectly clear to his staff – “no one gets killed on my watch.”

As a result, there is an extraordinarily heavy personnel security burden on any State or USAID operation in these war zones. I was in Saigon on TDY at the embassy in 1971 during the Vietnam War. The security problems in Iraq and Afghanistan make the Vietnam War era pale by comparison. Foreign Service officers have served in war zones for many decades. They were in London during the Blitz, in Vietnam and Cambodia in the 1960s and 1970s, in Congo during the rebellion in 1960 and 1961. But until now, when Foreign Service employees served in combat zones, the risk was being killed as collateral damage. In Iraq and Afghanistan, our Foreign Service employees are prime targets, and that is a very different situation.

As a result of today's stringent personal security requirements, State and USAID employees do not appear able to perform the functions that the counter-insurgency strategy calls for. The reports are that almost all the State and USAID employees in these war zones are confined to the Embassy or USAID compounds and rarely leave the compound. One USAID employee in Baghdad calls it the Foreign Service version of assisted living with your housing, the cafeteria, the gym and the office all there on the compound, and you are not allowed to leave.

It is hard to believe that having hundreds of State Department and USAID employees trapped in fortified bunkers cut off from the population in these countries contributes in any way to the
success of our efforts there. The security measures when employees do leave the compound are so aggressive that it may well be that we improve our relationships with the local population by staying in the compound.

This cannot be a satisfactory answer to DOD needs. We need to examine not whether we should ask DOD to reduce its role in these activities, but whether State and USAID should give the management and execution of these DOD projects back to DOD.

Ultimately in a war zone where American troops are in combat, US government activities other than the State Department’s conduct of diplomacy should be subordinate to the military needs. It follows that the most logical department to lead and execute these programs is DOD. A key principle of successful warfare is unity of command. If DOD is going to take the lead in these war zones, the most efficient and effective way to achieve unity of command is for DOD to have its surge capacity under its own management.

What DOD may need is to create a new entity within DOD to provide it with the civilian employee surge capacity. It could recruit and hire civilian employees who are better suited for the work than those State and USAID are able to offer. What is needed in these highly insecure combat zones are civilian employees who are young, physically fit, capable of providing their own security, and who have the technical skills that DOD is seeking. This could work very well. If you are in need of agricultural extension advisors to work in a war zone, your ideal recruitment pool may well be the cohort of those extraordinary young man or woman who went into the military, served honorably, and finished their under the GI bill and got degrees in animal science, agronomy or another applicable field.

By being based in DOD, this entity could offer more attractive recruitment incentives. With 623,000 civil service employees, DOD may be to hire several thousand civilian employees to surge its capacities in a war zone and then absorb these employees into its large civil service personnel cohort as vacancies occur by attrition. DOD might be able to offer urban planners or parks and recreation specialists that if they go to Iraq or Afghanistan and serve well, at the end of the tour they would be must-place candidates in a related position within DOD’s civilian workforce.

In practice it may be far easier to meet DOD needs with such an offer than the one now on offer at State and USAID – go overseas on a one-year temporary appointment, work in truly harsh conditions, put your life on the line, and get fired when the year is up.

There is a second category of DOD activities we call development in our reports to the DAC. These are the projects DOD carries out in non-combat zones such as building or repairing clinics and schools, drilling wells, carrying out immunization campaigns or sending doctors, nurses and Special Forces Medical Sergeants to provide hands-on medical diagnosis and treatment in remote areas. While DOD calls these projects development, they have other purposes. Working in resource constrained remote areas provides important training opportunities for military
personnel. Working with the host country’s armed services gives DOD important insights into the capabilities of their forces and builds relationships that may be called upon later on in peacekeeping or other operations. To an important extent, these are also public relations exercises that DOD hopes will have a positive return in the future. Not to be overlooked, these are also morale boosters for the troops who participate.

Because they have a multiplicity of purposes and development is not necessarily the prime one, it is no surprise that these programs on a strict cost-benefit analysis would hard to justify on the basis of their development impact alone. Inherently operating in remote regions chosen for their degree of difficulty is expensive, as is using uniformed personnel whose training and long term post-service benefits represent a significant cost factor.

But the projects are good. US ambassadors find them very attractive because they represent a tangible activity that brings good public diplomacy benefits. It is hard to believe that these projects are not well received among host country citizens and officials.

These activities do not compete with State and USAID programs in large part because we largely abandoned school building and water well drilling projects during the 1980s and 1990s when they were deemed to be not sustainable development. Some have criticized these projects for failing to address on-going costs, and on occasion schools have been built before teachers could be found or clinics built with no nurse available. These are not problems unique to the DOD projects.

Until our foreign aid program and that of other donors begin to address the desperate financial circumstances of the poorest countries, it is to be expected that these schools and clinics will not be well-maintained. The Government of Malawi tries to provide health care to its citizens on a budget that is less than two cents per capita per day and tries to educate primary school children on a budget of $15 per child and that has to pay for teacher salaries, books, paper and pencils and other supplies. When they are as flat broke as they are, deferred maintenance is inevitable. In a country like Malawi where half the nurses graduated each year leave the country for jobs in England, South Africa and other wealthier nations, they are always going to have a shortage of nurses and difficulties filling vacancies. This is part of the reality of their society.

The civic action projects can be easily worked into a civilian-led foreign assistance strategy and do not represent any threat of militarization of our development assistance program.

The Committee posed the question what are the causes of the Defense Department's role in foreign policy and foreign assistance. If the question is what can be done to assure that the civilian foreign agencies retain their lead role in development assistance, I would urge you to look at the HELP Commission’s report and the recommendation on page 85 that foreign assistance be based on realistic country-by-country or region-by-region assessments about strategic conditions, that we establish specific achievable goals for US assistance for each country, that we determine the cost of achieving these goals and then make a long-term, specific
commitment with the partner countries.

If we want to defend the role of the civilian agencies, the path to that objective is country ownership of the American assistance activities in that country. State and the foreign aid agencies (not just USAID) need to negotiate with the governments of the countries, especially with the democratically elected governments, and reach a common strategy and a detailed plan for US foreign assistance from all sources. There is no problem with DOD being part of the plan. The agreement could well specify that in a particular year DOD civic action teams will arrive to rehabilitate certain schools, just as it might specify that during a certain fiscal year USAID’s education program will provide the funds to replace worn out textbooks, or that the CDC with PEPFAR funding will provide for the costs of adding a certain number of medical or nursing school students to meet desperate human resource shortages. Ideally, there would be coordinated agreements with other donors so that overall there is a comprehensive approach.

Our current system is plagued with ad hoc decision making. I remember former chairman Lee Hamilton saying to a witness who did not have an alternative proposal that you cannot beat something with nothing. That is a fundamental truth. Our civilian development assistance agencies unfortunately engage in very little forward planning and it creates a vacuum. If State and USAID had a specific plan agreed upon with the host government, then attempts by DOD or other agencies to intervene could be successfully deflected. It would tend, as well, to place the DOD interventions into a more rigorous, long-term development framework and that could have very beneficial effects for both the US development efforts as well as for the host country’s ability to incorporate those efforts into its own strategies and plans.

Many will argue that the first step should be to increase funding and add thousands of new employees to State and USAID to fend off what they perceive as encroachments onto State and USAID’s turf by DOD. Realistically, if this becomes a contest for whom can spend the most money, generate the most paperwork, and send the biggest team to interagency meetings, then State and USAID will lose every time. Just to give you an idea of the balance of forces, current plans call for AFRICOM to have a staff of 1,300 at its headquarters. The Bureau of African Affairs at the State Department has a staff of 100.

A particular challenge in maintaining a strong role for USAID in development assistance is posed by the chronic mismanagement at the agency. Three recent USAID Administrators wrote in the December Foreign Affairs magazine that the agency is dysfunctional. Many Members of Congress have stated baldly that the agency is broken.

The agency needs to repair itself and earn the confidence of the rest of government before it should be given significant more program or operating expense funding. It makes no sense to take important new challenges and assign them to an agency whose own administrators call dysfunctional.

USAID has a very expensive and labor-intensive approach to how it conducts its business. CDC
USAID's general approach to project design requires a heavy personnel cost. No federal agency is more addicted to spending money on sponsoring conferences, seminars and workshops for itself and its contractors. A few years ago Congress discovered that 95% of the funds appropriated to combat malaria were used to sponsor conferences, seminars, consultant reports and other advice-giving activities and almost nothing was being spent on proven malaria prevention and treatment techniques. Since such activities have a high USAID labor content, and reducing them could free up substantial personnel resources. USAID needs to do a serious study of how its employees spend their time and manage their time more effectively. When it costs up to $4,000 per day for each day that an employee is at work in an overseas office, this should be a constant subject of management attention.

USAID also needs to catch up with the 21st Century. Much of its approach was adopted in the 1960s. The developing world has changed radically since USAID was first created. Country ownership where the democratically elected host government sets the priorities and specifies the project design criteria for contractors to bid on could save USAID considerable personnel resources now devoted to the development of new projects and could enhance project sustainability.

Most importantly, USAID needs to re-establish an agency management structure. Over the decades successive USAID Administrators have adopted a geographic notion of delegation of authority that shipped out to the field almost total authority over the agency's operations. It is a very hard agency to manage. We have today seventy or so independent USAID offices who pretty much march to their own drummer. This may be one reason why the White House and State often prefer to look to DOD or agencies other than USAID to carry out new programs or initiatives.

Finally, if I could address the Committee's question about AFRICOM. It is too early to assess AFRICOM's development efforts since the organization is not fully launched, but it is clear there is a problem in meeting DOD's expectations for how AFRICOM will be received in Africa. I think the resolution to this issue will depending on adopting a lower key approach to dealing with Africa. General Zinni as the CENTCOM used to describe himself as the Pro-Consul and traveled in a manner that did not contradict that description. It may work well in other areas, but in Africa is just too much. With a proposed staff for the AFRICOM Commander, there is no place in Africa where it could set up its headquarters because it would be just too large a presence.

The military have tremendous skills in areas that Africa desperately needs technical assistance. Africa is a high cost, low wage economic environment because it lacks that middle tier of skills
and expertise that keeps the infrastructure operating. If we could find an efficient way to tap DOD's skills in training skilled technicians and transfer that knowledge to Africa, it could be a tremendous gift to the continent. This is an area that has been largely abandoned by USAID and one in which DOD could work as part of an integrated strategy for development in one or more countries.