Leading through Civilian Power

2010 Quadrennial Diplomacy & Development Review

2010 → 2014 → 2018 → 2022 →

To lead in this new century, we must often lead in new ways.

Secretary of State Hillary Rodham Clinton
September 8, 2010

To advance American interests and values and to lead other nations in solving shared problems in the 21st century, we must rely on our diplomats and development experts as the first face of American power.

We must lead through civilian power.

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What is the QDDR?

Secretary Clinton launched the Quadrennial Diplomacy and Development Review (QDDR) to improve the efficiency and effectiveness of State and USAID in delivering results for the American taxpayer, by modernizing their capabilities and aligning their efforts as core pillars of America's civilian power

The QDDR began fourteen months ago. Many recommended changes are already underway; others will be implemented over the coming years

The QDDR is an ongoing commitment to review, right-size and institutionalize reform. The Report commits to the QDDR as a quadrennial exercise at State and USAID

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Trends Reshaping the Global Landscape

A New Geopolitical and Geoeconomic Landscape	• Emergence of new centers of influence • Diffusion of economic power
Diffusion of Power to Non-State Actors	• As new partners • As new threats
Growing Costs of Conflict Crisis, and State Weakness	• 36 active conflicts, 55 fragile states • Acute natural disasters and humanitarian emergencies • Military and civilian missions increasingly overlap
The Pace of Global Events Has Accelerated	• Technological innovation • New connectivity • Evolving role of public opinion
The Line Between Domestic and International Politics has Blurred	• Increasingly states' domestic government agencies are increasingly working abroad to fulfill mandate

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QDDR Driving Ideas

Effective Civilian Power	• Diplomacy and development must be mutually reinforcing
Global Civilian Operations	• Responding to global challenges requires civilians to move beyond the Embassy and into the field, carrying out programs, and engaging with diverse sectors of the population on the ground
A New Approach to Interagency Collaboration	• Embracing and leveraging the contributions of all U.S. agencies operating overseas and coordinating their efforts in-country
Adapt and Thrive in a Rapidly Changing World	• Anticipating, preventing and responding with flexible, rapid and integrated capabilities
Focus on Cost-Effectiveness and Results	• Consolidating, streamlining and identifying efficiencies in current operations • Measuring success of outcomes, not inputs • Aligning personnel and procurement with strategic objectives

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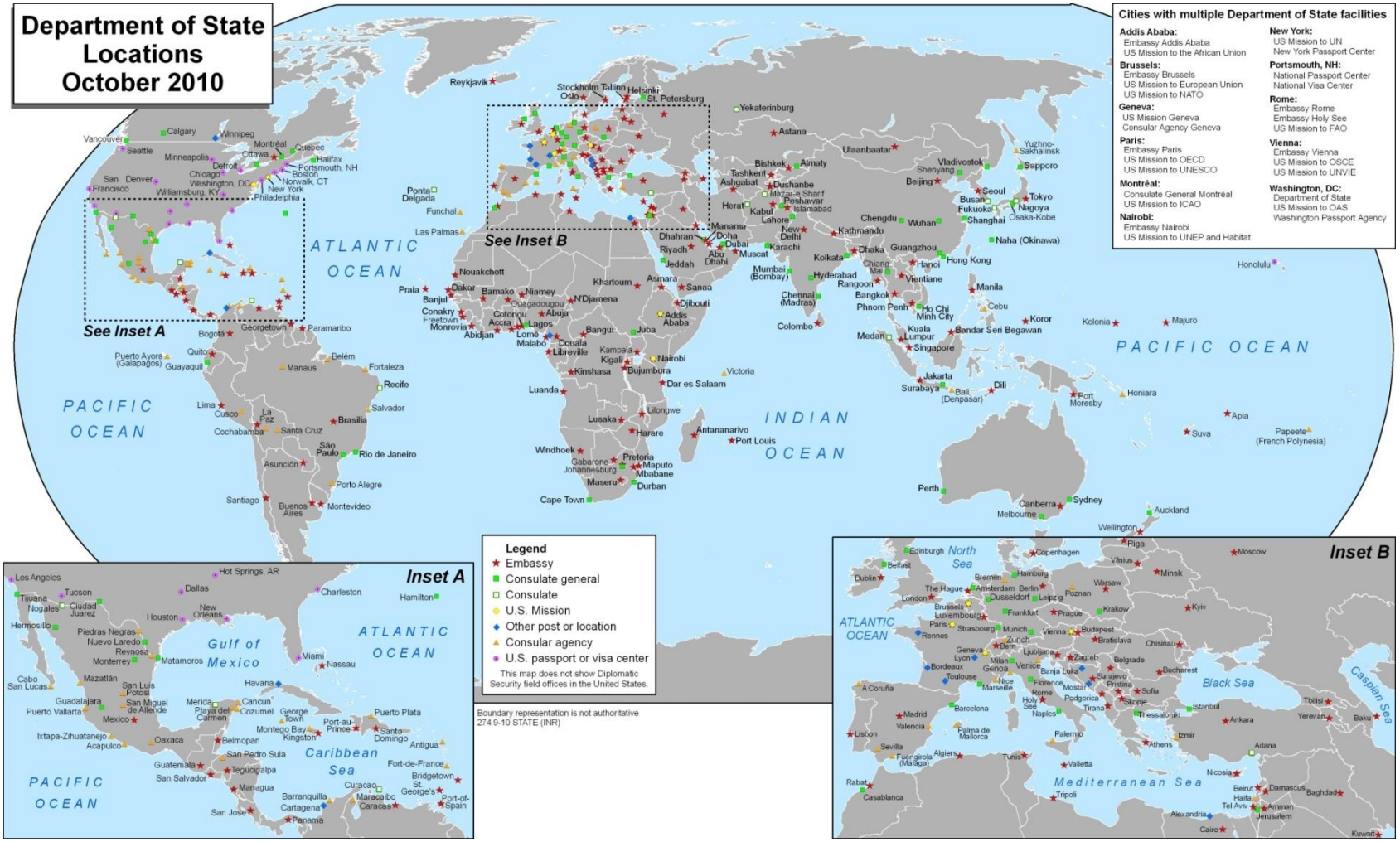
Adapting Diplomacy to Meet 21st Century Challenges



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Building a New Global Architecture of Cooperation

Challenge

- The current international order was created for the world of 1945
- Diplomacy, today, has become more complicated:
  - Ideological blocs have dissolved requiring greater engagement of individual states
  - Emerging powers influence global affairs
  - Regional organizations are on the rise
  - International organizations have proliferated: new institutions need clear direction; existing institutions need updating and reform
  - Virtually every nation has the technological and political means to make its voice heard and its power felt

QDDR Response

- Lead and institutionalize Strategic Dialogues with emerging powers
- Enhance regional capabilities through designated regional hubs and issue-specific experts engaging regional organizations
- Reform and deliver results through multilateral institutions by elevating multilateral affairs in regional bureaus and linking bilateral, multilateral and regional diplomacy

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A New Approach to Interagency Collaboration

Challenge

- A striking aspect of the diplomatic landscape today is the expanding role government agencies play overseas
- Breadth and depth of expertise across the interagency is a potent force for U.S. foreign policy
- To be effective, the international efforts of diverse agencies must be coordinated and complementary

QDDR Response

- Empower and hold accountable Chiefs of Mission as CEOs of multi-agency missions and engage them in high-level interagency decision-making in Washington
- Develop a response framework that outlines interagency roles and responsibilities and procedures for planning and responding to crisis
- Draw on the skills and expertise of other agencies before turning to contractors

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Organizing the State Department to Address 21st Century Challenges

Challenge

- Transnational issues (e.g., energy, economics, human security) overlap multiple bureaus
- Insufficient internal coordination across issues limits our ability to advance objectives in Washington and overseas
- The changing global context and today's pressing challenges require a different approach and distinct capabilities

QDDR Response

- To streamline operations and improve outcomes consolidate functional issues and realign bureaus
- Consolidate human security functions: Reorganize to establish the Office of the Under Secretary for Civilian Security, Democracy, and Human Rights
- Consolidate transnational issues: Reorganize to establish the Office of the Under Secretary for Economic Growth, Energy, and Environmental Affairs
- Prioritize energy—including energy security and energy access—by consolidating all energy matters into a Bureau of International Energy Affairs
- Increase focus on the use of illicit financial networks by consolidating efforts under a Special Coordinator for Sanctions and Illicit Finance

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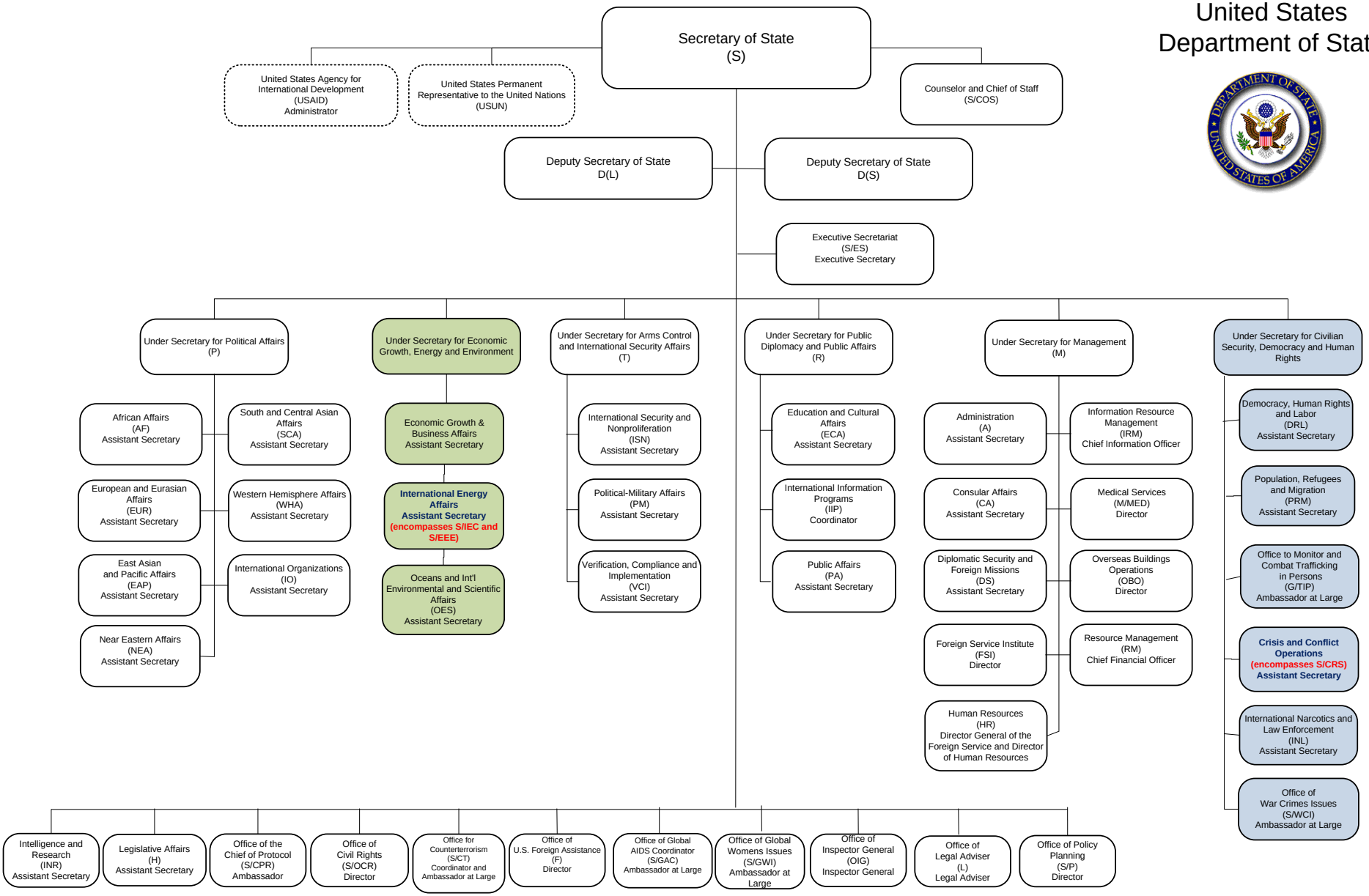
United States Department of State



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Engaging Beyond the State

Challenge

- Public opinion increasingly matters in overseas domestic and international politics, even in authoritarian states
- Non-state actors, ranging from non-governmental organizations to businesses, religious groups to community organizations, are playing an ever greater role in international affairs
- Diplomats must have the time, tools and capabilities to advance US interests beyond the capitol

QDDR Response

- Integrate public diplomacy as a core diplomatic mission throughout the State Department and particularly in regional bureaus
- Implement a 21st century statecraft agenda with particular focus on technology, women and girls, and community diplomacy
- Revise the current risk management posture to enable State, USAID and other civilian officials to engage more broadly—yet responsibly—with communities
- Provide personnel with communication tools for 21st century engagement
- Make it easier for the private sector to partner with the U.S. Government

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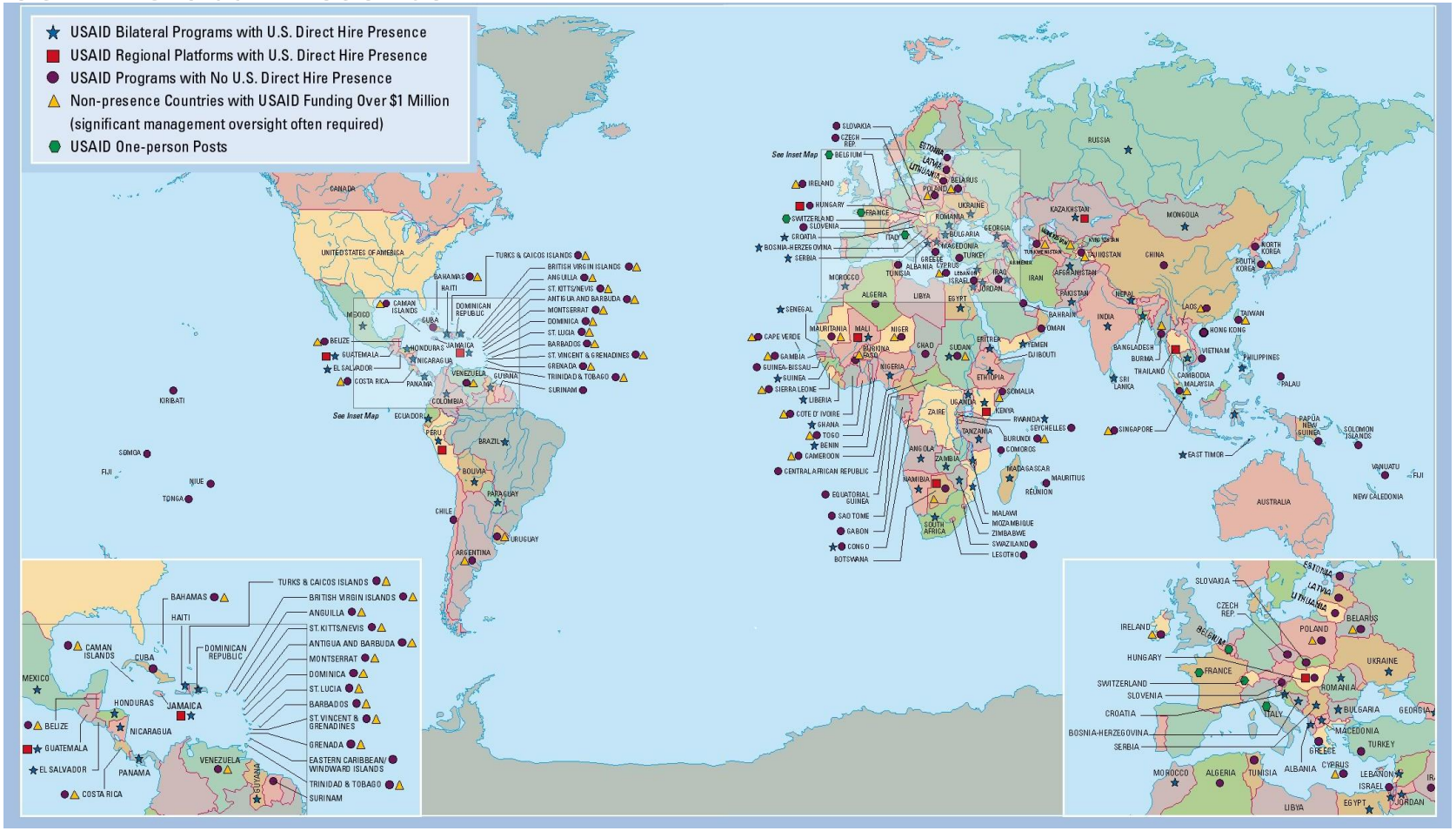
Reforming Development to Deliver Results

USAID Global Presence



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Greater Coordination and Focus

Challenge

- To be world class in any area of development requires both depth and scale. It also requires that diplomacy and development are mutually reinforcing
- Too often productive members of societies are excluded
- Feed the Future (FTF) and the Global Health Initiative (GHI) are foreign policy priorities that require the U.S. to demonstrate a new way of working in diplomacy and development: building sustainable systems; collaborating and acting as a one government across U.S. agencies; and, partnering with other countries, multilateral institutions, NGOs and the private sector

QDDR Response

- Consistent with the Presidential Policy Directive on Global Development, concentrate programming by focusing investments in areas in which we have a comparative advantage:
  - Sustainable Economic Growth
  - Democracy and Governance
  - Food Security
  - Global Health
  - Climate Change
  - Humanitarian Assistance
- Integrate women and girls' participation, protection and outcomes in to development programs
- USAID will assume leadership and accountability for the Global Hunger and Food Security Initiative. As USAID builds capacity and achieves defined benchmarks, it will assume leadership of the Global Health Initiative

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High Impact Development

Challenge

- Country ownership is critical to achieving sustainability
- The number and types of actors in the development arena continues to increase, but coordination has not kept pace
- Today's international landscape requires more development entrepreneurs like those who helped lead the Green Revolution and develop oral rehydration therapy
- Successful development programs must be scalable and sustainable
- Development has evolved into a measurable discipline, requiring evaluation, monitoring and results

QDDR Response

- Focus on partnerships, not patronage, by expanding collaboration with: national and local governments; bilateral, multilateral and private donors; and in-country local implementers
- Innovation as a driver of sustainable development: incentivize, incubate, scale, and leverage science and technology
  - Establish Development Innovation Ventures (DIV) to develop breakthrough ideas and game changing approaches within USAID and the development community
  - Engage professionals from leading academic institutions, social entrepreneurial ventures and the private sector to work with USAID through an Innovation Fellowship program
- Measure outcomes, not inputs
  - Monitoring and evaluation capabilities
  - Transparency
  - Sustained commitment for results

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Building USAID as the World's Premier Development Agency

Challenge

- USAID experienced a 38% decline in its workforce between 1990 and 2007 resulting in diminished capacity to manage programming and resources
- Reduced capacity has increased reliance on contracting to fulfill USAID's mission
- Other U.S. agencies and offices have assumed roles that affect USAID's programming

QDDR Response

- Advance the following QDDR reforms, introduced as part of USAID Forward:
  - Triple mid-level hiring at USAID by increasing the cap on mid-level Development Leadership Initiative hires from 30 to 95 per year
  - Bolster USAID's policy leadership by creating the Policy, Planning and Learning Bureau and the Office of Science and Technology
  - Build budget capacity through the Office of Budget and Resource Management, to prepare a comprehensive USAID budget proposal by FY13, to be reviewed and approved by the Secretary and Deputy Secretary and incorporated into the overall assistance budget
  - Create a Working Capital Fund by charging a fee for acquisition and assistance awards to help align and fund USAID programs
  - Introduce more outcome-level indicators to track program progress and launch a new evaluation policy starting in January 2011

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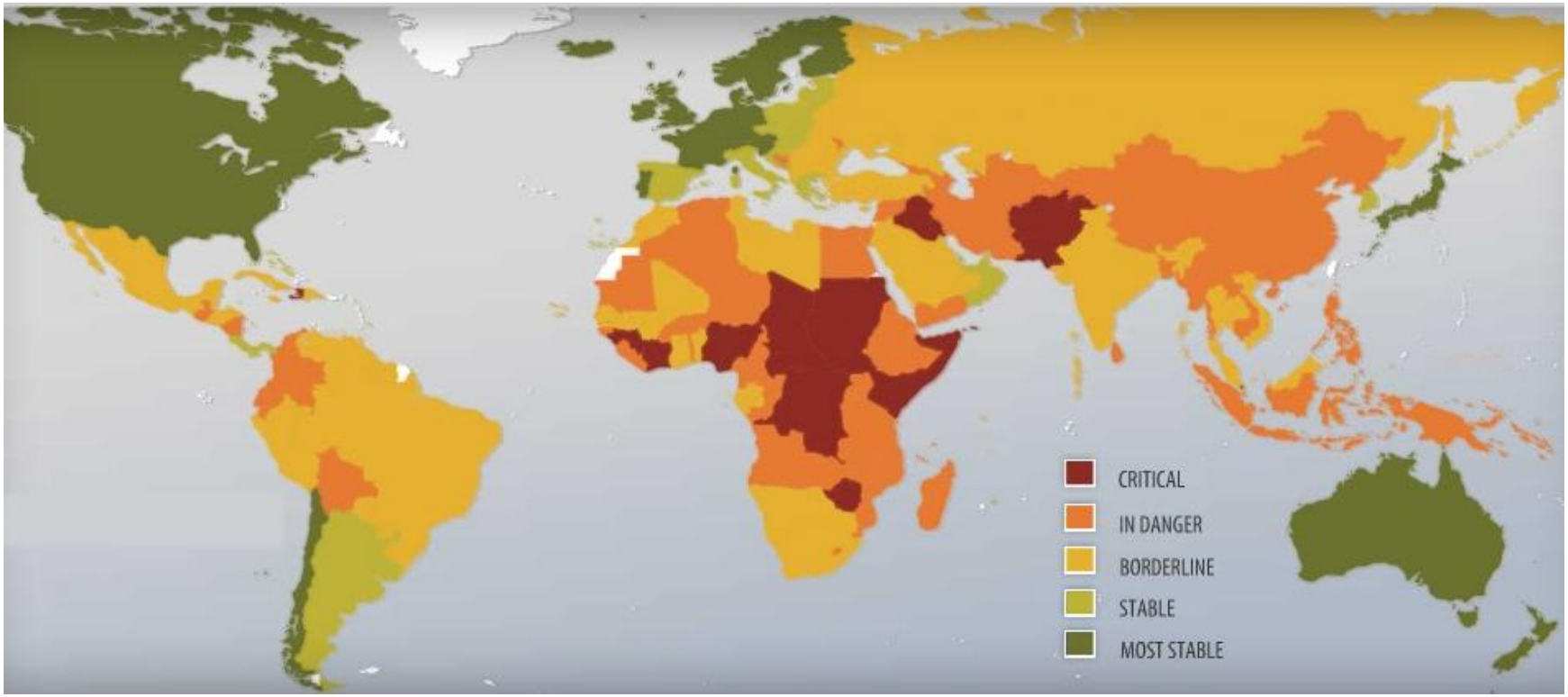
Preventing and Responding to Crisis, Conflict and Instability

From *The Failed States Index 2010*

Collaboration between *Foreign Policy* and *The Fund for Peace**



*Not an official USG product

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Embrace Conflict Prevention and Response as a Core Mission

Challenge

- Crisis, conflict and instability in the world threaten U.S. interests and national security
- Since the end of the Cold War, State and USAID have steadily taken on more missions in dangerous places, focusing on conflict prevention, mitigation and resolution, stabilization, facilitating political transitions, and protecting displaced populations
- More than 25 percent of State Department and 38 percent of USAID officers serve in the 30 countries classified as highest risk for conflict and instability
- As the speed, scope, and scale of conflicts and crises increase, State and USAID need a new approach to conflict and crisis prevention and response
- Investments in civilian activities today can avert costly military interventions tomorrow

QDDR Response

- Recognize conflict prevention and response as a distinct discipline
- Build a center of excellence, compiling knowledge and best practices on conflict prevention
- Better support embassies and USAID missions for crisis and conflict prevention and response
- Establish an Under Secretariat for Civilian Security, Democracy, and Human Rights
- Recognize the role of women in conflict prevention and recovery
- Strengthen security and justice sector assistance capability as key prevention and response tool

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Prepare State and USAID for Crisis Response and Prevention

Challenge

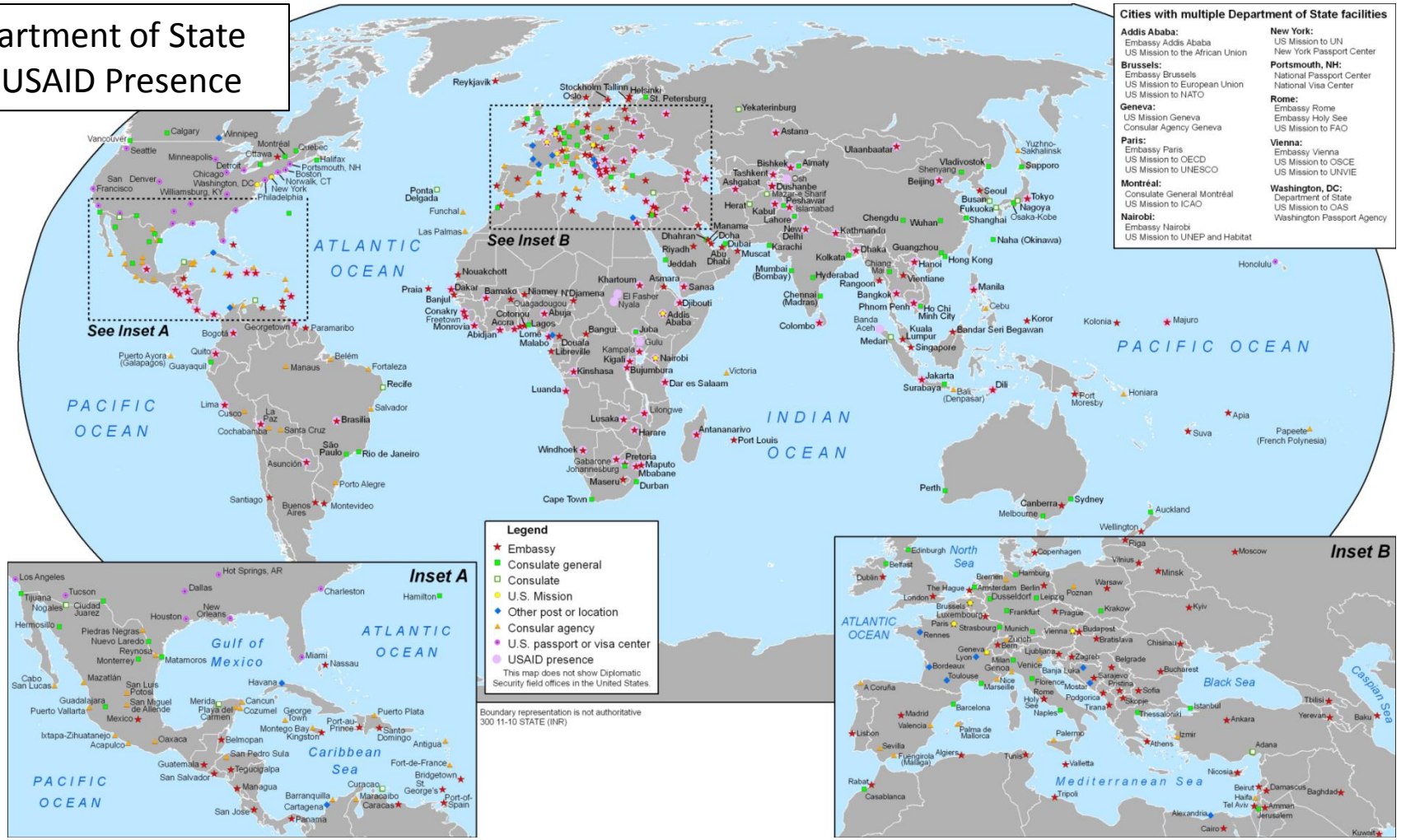
- Adopting crisis response and prevention as a core mission requires new tools, training, personnel and ways of doing business, both in Washington and in the field
- We have not successfully institutionalized mechanisms and approaches that can be applied across a range of crises and conflicts
- We need to recruit and train technical experts, and institutionalize structures that ensure our work delivers the best results

QDDR Response

- Lead agency approach: State will lead in political and security crises and conflicts; USAID will lead in humanitarian crises caused by large-scale natural disasters, famines, disease, etc. USAID drives humanitarian response under State lead in acute political and security situations like Pakistan
- Consolidate State expertise into a Bureau for Crisis and Conflict Operations (CCO) encompassing the operations of S/CRS and crisis and conflict prevention capabilities
- Build deployable civilian surge capability by making the Civilian Response Corps more flexible and cost-effective
- Expand the USAID Office of Transition Initiatives (OTI) and reinforce in-country reporting to the Chief of Mission
- As the CCO bureau evolves, review the best location to support and fulfill the political mandate of OTI

Working Smarter

Department of State and USAID Presence



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Recruiting, Training and Retaining a 21st Century Workforce

Challenge

- U.S. diplomats and development experts are the backbone of America's civilian power. State and USAID must recruit, train and retain a 21st century workforce
- Over the past five years, State and USAID have been called upon to significantly expand their presence and operations in frontline states such as Afghanistan, Pakistan, and Iraq
- Global civilian operations require a workforce that is ever more innovative, entrepreneurial, collaborative, agile and capable of taking and managing risk

QDDR Response

- Close the experience gap by tripling mid-level hires in the Development Leadership Initiative at USAID and expanding limited-term appointments at State
- Recruit and retain highly skilled Foreign Service Nationals by creating expert level positions at USAID
- Seek more flexible hiring authorities to attract expertise; enlarge the pool of candidates with specialized skills
- Expand Foreign Service Officer conversion opportunities for State Department Civil Service and Foreign Service personnel
- Tie promotion to training and expand the range of training opportunities

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Reforming Contracting and Procurement

Challenge

- Though State and USAID's responsibilities in the frontline states have expanded, staffing levels have stagnated
- Much of what used to be the inherent work of government has been sourced to private actors—both for-profit and not-for-profit
- Contracts and grants themselves have become high-profile instruments of U.S. diplomacy and development

QDDR Response

- Build and rebalance the workforce: Improve oversight and accountability by in-sourcing positions appropriate for direct hire personnel at State and expanding direct hire staff at USAID
- Enhance competition for contracts by broadening the partner base through smaller and more focused awards by USAID and dividing large State contracts into discrete units
- Leverage increased use of local partner country systems to strengthen local government, civil society and private sector capacity
- Draw on the personnel of other agencies before turning to contractors

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Planning and Budgeting for Results

Challenge

- Ability to make sound decisions while maximizing the impact of resources is essential to fulfilling our mission
- State and USAID must both rationalize and improve planning and budgeting processes
- The ability to publicly justify State and USAID activities and demonstrate results requires expanded measurement and evaluation capabilities and evidence-based decision-making

QDDR Response

- Elevate strategic planning by charging State's and USAID's policy planning offices—together with the Deputy Secretary for Management and Resources—with responsibility for developing high-level guidance that leads to a joint State/USAID Strategic Plan
- Based on the guidance and Joint Strategic Plan, Chiefs of Mission will produce a multiyear Integrated Country Strategy that combines all elements of country-level planning into a single strategy. USAID will lead the formulation of the development component of Integrated Strategies
- Integrated Country Strategies will serve as the basis for mission and bureau budget requests
- State and USAID must both strengthen and rationalize planning and budgeting processes
- State and USAID will emphasize results by measuring outcomes—not inputs—and improving monitoring and evaluation capabilities

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Planning and Budgeting with the Department of Defense to Meet National Security Requirements

Challenge

- "[T]he United States' interagency tool kit is still a hodgepodge of jury-rigged arrangements constrained by a dated and complex patchwork of authorities, persistent shortfalls in resources, and unwieldy processes." – Secretary of Defense Robert Gates
- Today's most pressing challenges demand a comprehensive response that integrates civilian and military power and allows us to deploy these tools in a coordinated and flexible way

QDDR Response

- Apply joint planning and budgeting processes developed in Iraq and Afghanistan to other complex situations as we examine the creation of a unified National Security Budget
- Establish an Overseas Contingency Operations title in State/USAID's annual budget to reflect the extraordinary civilian costs and whole of government effort in frontline states

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Implementation

The Quadrennial Diplomacy and Development Review is an ongoing commitment. Some of these recommendations are already underway; many will be launched in the next year; and some require a longer period to implement and achieve

The Deputy Secretary for Management and Resources and the USAID Administrator will oversee QDDR implementation

Secretary Clinton is committed to ensuring these changes are made and the benefits of civilian power are realized

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Our security depends upon diplomats who can act in every corner of the world, from grand capitals to dangerous outposts; development experts who can strengthen governance and support human dignity; and intelligence and law enforcement that can unravel plots, strengthen justice systems, and work seamlessly with other countries.

President Barack Obama
May 27, 2010

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