

SPECIAL PRESENTATION

**“U.S. GLOBAL DEVELOPMENT POLICY
IN THE 21ST CENTURY”**

THE IMPLICATIONS FOR REFORM

INTRODUCTION BY:

**RUDY DELEON, SENIOR VICE PRESIDENT FOR NATIONAL SECURITY
AND INTERNATIONAL POLICY, CENTER FOR AMERICAN PROGRESS
ACTION FUND**

FEATURED SPEAKER:

CONGRESSMAN HOWARD BERMAN

MODERATED BY:

**KEN GUDE, ASSOCIATE DIRECTOR, INTERNATIONAL RIGHTS AND
RESPONSIBILITY, CENTER FOR AMERICAN PROGRESS ACTION FUND**

FEATURED PANELISTS:

JOHN NORRIS, EXECUTIVE DIRECTOR, ENOUGH

**PETER MCPHERSON, PRESIDENT OF THE NATIONAL ASSOCIATION OF
STATE UNIVERSITIES AND LAND-GRANT COLLEGES**

**ELI ADASHI, FORMER DEAN OF MEDICINE AND BIOLOGICAL SCIENCES
AND THE FRANK L. DAY PROFESSOR OF BIOLOGY, BROWN UNIVERSITY**

**AMBASSADOR WENDY CHAMBERLIN, PRESIDENT, MIDDLE EAST
INSTITUTE**

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MR. RUDY DELEON: Good morning and welcome to the Center for American Progress for our program on sustainable security presented by the center's Action Fund. I am Rudy DeLeon, senior vice president for national security at the center. Our topic this morning is "U.S. Global Development Policy in the 21st Century: The Implications for Reform."

Our keynote speaker is the chairman of the Foreign Affairs Committee of the U.S. House of Representatives, Representative Howard Berman of California. After Chairman Berman's presentation and a Q&A, my colleague at the center, Mr. Ken Gude, will chair a panel discussion on U.S. global development policy.

The panel will include Mr. Peter McPherson, president of the National Association of State Universities and Land-Grant Colleges and the former administrator of the Agency for International Development from 1981 to 1987 under President Ronald Reagan.

Wendy Chamberlain, the president of the Middle East Institute, a 29-year veteran of the U.S. Foreign Service and U.S. ambassador to Pakistan in 2001 and 2002.

Mr. John Norris, the executive director of the Enough program here at the center, an expert on Africa, a former member of the United Nations mission in Nepal. His career includes time at the U.S. Department of State and the Agency for International Development.

And Dr. Eli Adashi, the former dean of medicine and biological services at Brown University, an expert on global health issues with particular focus on women's health in the developing world.

Thank you to all of our guests this morning. Thank you also to the Hewlett Foundation for all their support to the Sustainable Security program here at the Center for American Progress.

In accepting the Nobel Prize for Peace in January 1953, the former secretary of state, secretary of defense and five star general, George C. Marshall, spoke to, and I quote, "The problem of millions who live under subnormal conditions and who have now come to a realization that they may aspire to a fair share of God given rights of human beings. Their aspirations present a challenge to the more favored nations to lend assistance in bettering the lot of the poorer. This is a special problem in the present crisis that it is of basic importance to any successful effort toward an enduring piece."

Continuing, General Marshall said, "Tyranny inevitably must retire before the tremendous moral strength of freedom and self-respect for the individual. But we have to

recognize that these democratic principles do not flourish on empty stomachs and that people turn to false promises of dictators because they are hopeless and anything promises something better than the miserable existence that they endure. However, material assistance alone is not sufficient. The most important thing for the world today, in my opinion, is a spiritual regeneration which would reestablish a feeling of good faith among men generally. Discouraged people are in sore need of the inspiration of great principles. Such leadership can be the rallying point against intolerance, against distrust, against the fatal insecurity that leads to war,” end of General Marshall’s quote.

To these ends and in addition to the Marshall Plan after World War Two, Congress in 1961 established the Agency for International Development with the responsibility of furthering America’s foreign policy interests in expanding democracy and free markets while improving the lives of citizens of the developing world.

Almost 50 years after the passage of the Foreign Assistance Act, the Obama administration is expected to soon complete two major studies on development assistance. As outlined in the work of our center’s program In Search of the Sustainable Security, these studies must seize the historic opportunity and need to restructure America’s foreign assistance programs and development tools.

First there is the State Department’s Quadrennial Diplomacy and Development Review. Secretary of State Hillary Clinton has said that the goal of the QDDR is to create more agile, responsive and effective institutions of diplomacy and development including how to transition from approaches no longer commensurate with current challenges.

Second is the NSC directive of the president authorizing a U.S. government wide review of global development policy expected to be completed shortly. Our former colleague from the center now at the National Security Council Gayle Smith is actively involved in the drafting of this report.

But when the studies are completed and it’s time for decisions to be made, the gavel will be in the hands of the chairman of the House Foreign Affairs Committee, Representative Berman of California.

Representative Berman has built a legacy in the House of Representatives on some of the most challenging national security and foreign policy issues. His work includes the recent reauthorization of the global U.S. HIV/AIDS prevention program, sanctions on apartheid South Africa that helped produce the historic change that we have all seen, strengthening U.S. public diplomacy programs, preventing the proliferation of weapons of mass destruction and including the means to deliver them – I actually remember that amendment to the defense bill and to that debate – and also a strategic approach to the Middle East peace process.

So we welcome this opportunity to hear Chairman Berman and for him to offer his perspectives on U.S. global development policy in the 21st century.

Mr. Chairman, thank you for being at the Center for American Progress.
(Applause.)

REP. HOWARD BERMAN (D-CA): Well, thank you very much, Rudy. It's good to sort of catch up with you again after – it seems like quite a while ago but you were working on many issues that I cared about in your days at the House Armed Services Committee and here we are again really 20 years later.

And also, it's good to be at the Center for American Progress. Just before I get into my comments, there are really two things other than sort of the gossip sheets that fly around Congress that I ask every morning just get printed out so that I can sometime during the day actually take a look at them. And one of those two newsletters is your publication, every morning that comes out and comes to our office.

So on very many issues – there are a few issues where I could take – we might have a slightly different interpretation but by and large you are a very regular and useful and excellent source of information for me about what's going on in the country and in Washington and I'm very grateful to it and honored to be here.

But on the particular issue we're talking about today, let me just make an introduction. I don't know where – there she is, a key person on the Foreign Affairs Committee who – this is an issue that I got into before I knew her but she has since come to work for the Foreign Affairs Committee and is really the key person helping us to drive this whole process in terms of the House and figure out how to make all of this happen and that's Diana Ohlbaum. I think some of you know her but many of you don't so – and she is a very good contact person.

I want to focus actually on your series of reports that, Rudy, you made reference to on sustainable security and also to apologize in advance. The best thing for me actually would be able to stay for that part of the program that I'm not going to be able to stay for because of meetings on the Hill, which is the panel afterwards.

In fact, some of your participants have been talking to me now for several years about how to shape these issues. And Peter McPherson particularly – I've had a number of contacts with on these issues so I am sure that you'll get in some ways a better sense of some of the issues in the foreign assistance reform from that panel.

But anyway, going to your series, three main aspects basically that you talk about: national security or the safety of the United States; human security or the wellbeing and the safety of people; and collective security or the shared interests of the entire world.

I think and strongly agree that all three elements must be reflected in our foreign policy and our national development programs.

And to realize this new approach to security, as you mentioned, Gayle Smith, who wrote several of the CAP reports and now serves on the National Security Council, outlined three steps.

The first was to create a national strategy to prioritize, integrate and coordinate United States policies and programs relating to global development. As many of you know, last spring I introduced a bipartisan bill in the House of Representatives calling for just such a strategy. The bill now has 125 cosponsors, 23 of them Republicans.

Shortly after the bill was introduced, the president issued a study directive to review U.S. policies and programs for global development and lo and behold put Gayle Smith in charge of it. At about the same time, as Rudy mentioned, the State Department began a Quadrennial Diplomacy and Development Review which is exploring ways to better integrate development into our diplomacy. So we are well on our way to completing the first steps, first step toward sustainable security.

The second step Gayle proposed while at CAP was to modernize our foreign aid system which includes replacing the almost 50-year-old Foreign Assistance Act. That's a step my committee is working on right now, an area I'd like to focus on today.

Foreign assistance is an essential element of our foreign policy and national security. It's one of our most potent tools for meeting basic human needs, advancing peace and mitigating crises, support human rights and democracy, building and reinforcing strategic partnerships, combating transnational threats, sustaining global environment and expanding prosperity through investment and trade.

In these difficult economic times it's particularly important to remind ourselves and the American people that the international affairs budget is little more than 1 percent of the entire federal budget and merely a small fraction of the amount we spend on defense. And only about a third of that 1 percent is really allocated to development and humanitarian programs.

We make it a priority to reduce poverty and alleviate human suffering around the world because it's the right thing to do and because it reflects the compassion and generosity of the American people. But our foreign assistance programs also serve our economic and national security interests.

Poor and unstable countries make unreliable trading partners and weak markets for U.S. goods and services. Conflicts, lawlessness, and extremism that threaten U.S. interest find fertile ground in places where basic human needs are not being met and fundamental human rights are not respected.

Done right, development assistance is a sound investment in a better, safer world. Yet U.S. foreign assistance laws and the system that implements them are significantly outdated and poorly suited to meeting the challenges of the 21st century.

The cumbersome architecture designed for a 20th century world in which two superpowers competed for influence is no longer adequate in an age where transnational threats such as terrorism, climate change, nuclear proliferation, fragile states and the spread of deadly disease demand broad cooperation.

The Foreign Assistance Act of '61, the foundation of our foreign aid system articulates at least 140 goals and 400 specific directives for foreign assistance but nowhere in there are clear priorities to guide decision making.

Overtime the agency created to administer our economic assistance and alleviate the worst physical manifestations of poverty, USAID, has lost its vast cadre of technical experts and the ability to serve as a leading center of research, innovation and policy coordination.

As a result and further exacerbating the problem, foreign aid programs have become fragmented across 12 departments, 25 different agencies and nearly 60 government offices without a coherent and consistent strategy to unite them. Antiquated rules, tortuous procedures, excessive earmarks – we know about those – lock-in funding levels more than a year in advance with little flexibility to adapt to quickly changing situations on the ground.

And because resource allocations are made without the benefit of quantitative program indicators and rigorous impact evaluations, there is little basis for determining which activities and approaches are the most effective and where the needs are greatest.

Of course, it's always far simpler to point out problems than to identify workable solutions. If foreign assistance reform were easy, it would have surely been done already. The goal of reform is to ensure that our aid reaches those who need it most and then it's delivered with the maximum effectiveness and efficiency. To achieve this goal we have to strike the right balance between a number of competing objectives and interests.

For example, we know that our investments will be more effective if the countries receiving aid play a bigger role in planning and delivering it. Yet, we also know that country processes for determining priorities are not always democratic, that key factors such as environmental and gender impact tend to be overlooked and that local distribution systems are often plagued by corruption.

We know we need to make aid more flexible in order to take advantage of unexpected opportunities, respond quickly to new challenges and remain relevant in the face of change. Yet, partner countries must be able to predict aid flows in order to budget responsibly. Congress has a key role to play in setting guidelines and priorities.

American taxpayers have a right to know how their aid dollars are being spent and what results are being achieved particularly in places like Afghanistan and Pakistan where there is an elevated risk of conflict and instability, we put a premium on high

visibly and quick impact of our aid projects, yet these gains are unlikely to be sustained unless intended beneficiaries are engaged in all stages of project design and implementation. A process takes considerable time and patience.

Recent experience also highlights the importance of conducting our aid programs under civilian leadership and control. This arrangement makes the most efficient use of our specialized development expertise and allows our military to focus on its core mission.

But civilian command can only be assured if we invest in building the capacity of our diplomatic and development agencies. President Obama pledged to boost our diplomatic corps by 25 percent over 2008 levels and endorsed President Bush's pledge to double the size of the USAID Foreign Service. In these tough economic times it will be a battle to ensure that our civilian agencies receive the resources and authority they need to do the job right.

Foreign assistance reform has been tried several times before ultimately without success. This time I think we have a unique opportunity to overhaul our foreign assistance programs to incorporate the lessons learned over the past few decades. Why?

Well, first we have an administration that clearly now it's quite manifest – it recognizes the value of foreign assistance and wants to make development along with diplomacy and defense a core pillar of our national security. I support and applaud Secretary Clinton's call to rebuild, quote, "rebuild USAID into the world's premier development agency."

Secondly, in the aftermath of Iraq and amid the effort in Afghanistan, the global AIDS pandemic, climate change and the international economic crisis, the American public is more aware of how much they are personally affected by what goes on in distant corners of the world and how much the rest of the world is affected by what happens here in the United States. The generosity and good will of our compatriots is reinforced by their understanding that we can do well by doing good.

And third, there's been a coordinated effort by a wide range of non-governmental organizations – and this is very important – corporations, foundations, and think tanks, such as CAP, to keep foreign assistance reform on the national agenda by coming together in common cause for an issue that otherwise might get lost in petty politics.

You're challenging us to rise above our differences and do what is right, not only for our national security but for human security and for collective security. There is nothing partisan about making our foreign assistance programs more effective and more efficient. We all have a responsibility as stewards of taxpayer funds to see that we get the biggest bang for the buck.

Whether you think we should spend more on aid or less – and I happen to believe it's more – you should want to ensure that it will be invested wisely and will bring optimum returns.

Let me return to the three fundamental steps on the path to sustainable security that CAP identified.

The first was national strategy for global development and the second was modernizing our foreign aid system.

The third and final step was for the United States government to reengage the international community and reposition this country to lead. It is a point well worth reinforcing.

We must all recognize clearly that no matter how well crafted our national strategy is, no matter how well written our foreign assistance laws, our security will be more sustainable if we have the support of other nations and the respect of their people.

Whether that means paying our dues to the United Nations on time and in full, working to create new global norms and standards, living up to our obligations under international law, the United States must lead by the power of its example and the strength of its ideals.

Undoubtedly there will be times when our interests diverge from those of other nations or we disagree on the means for their pursuit but that is exactly why we need these international bodies. We have built the most advanced and capable military in the world, yet in the 21st century fewer and fewer of the world's problems are so amenable to military solutions.

It's now time for us to build the most advanced and capable diplomacy in the world and deploy it on behalf of the children who go to sleep hungry, the women who die in childbirth for lack of skilled assistance and the communities ravaged by a preventable disease.

By rebuilding our own capacity to do good, we can reclaim the mantle of international leadership and with it the means to sustainable security.

And I'll stop here and will be happy to take questions on this or any subject you want to ask about for as much the time you have. And we're in pretty good shape in terms of time.

MR. DELEON: Okay. Good. So we'll open the floor to questions. I would ask that you identify yourself when you ask the question and if you're a member of the news media, we'll give you the first shot. So ma'am.

Q: My name is Hattie Babbitt. I was the deputy at USAID in the second Clinton administration. When the voice on the Hill was from Senator Helms, I must say this is a more pleasant voice on the issues that are important to the people in this room.

REP. BERMAN: I won't make any reference to the time that Senator Helms' voice and the Clinton administration's voice became one. (Laughter.)

Q: I wonder – you have not given us any kind of timeline or described the process for reaching these three goals and I wonder if you can give us some more detail on that.

REP. BERMAN: Well, I have to tell you I became chairman two years ago at the very untimely death of our former Chairman Tom Lantos. And based on my own feelings at that very time this sort of became a priority for me. We have always assumed this is only going to be successful if it bipartisan, if it is bicameral and if the administration is on board. We are not going to ram a rewrite of the Foreign Assistance Act through the Congress against the wishes of the administration and have it come into law. So I had this desire to do it very quickly and was tempered by the realism of how to get it done.

I still very much wanted at the beginning of last year to try and get this to happen. But in case no one noticed, things take time to get cranking around here, people coming into place sometimes later than we would have wished.

And the two things that Rudy mentioned in his opening comments and that I talked about, it took a while to get going but we got obviously a serious administration commitment both within the State Department and very importantly at the level of the National Security Council which provides a mechanism for bringing all those agencies and departments into this process. We got that going but it's going sort of late.

And then, having decided – one of my interests was to get our committees back into actually legislating. When I got here we used to do things like that and not just cede everything to the appropriators. But I also learned that it takes two Houses to actually legislate.

So realistically I think now we're doing a lot of things trying to increase the buy in, really working hard to get Republicans on board for this effort because they talk about foreign aid reform a lot in their rhetoric as well and I think there's a basis. Imagine we've put together working groups, we've issued several papers. I'd love to have something to present this year but realistically I think, the elections willing, that the achievement of the passage of legislation is going to have to be a next year priority.

I just want to clear away as much of the obstacles to that, have a pretty clear definition of exactly what we want to do, be working and absorbing the lessons of the two administration reviews and to what we're doing this year so we're really ready to move legislation next.

MR. DELEON: Sir.

REP. BERMAN: And by the way, I do – my comment on the – we have a lot of indications that both Senators Kerry and Lugar on the Senate side are deeply interested in this subject but it is in Senate.

Q: My name is Irving Rosenthal. I'm a former USAID mission director and now at American University teaching foreign aid. I have a concern or just raise a question about the difference between the great words that are said by Secretary of State Clinton on raising the level of development in AID but as you know better than I, it took over a year to appoint an AID mission direction and part of the reason it was done perhaps was the congressional letter to the president which said, get on the stick.

Well, I now note actually from a colleague inside of AID who's very disturbed that there has not been another political appointee to AID other than Mr. Shah who is providing leadership to AID.

The answer is perhaps – I mean, certainly, Mr. Shah but nobody else. Why isn't – perhaps following the comment of the lady there, what's the timeline? If there are no other political appointees, if there are no other people to provide leadership to AID, I don't see how things can move along. Thank you.

REP. BERMAN: That sounded like since I don't get – I don't have the power of appointment – that sounded like a comment more than a question in a way.

Q: Well, maybe another letter. (Laughter.)

REP. BERMAN: Look, just – I take your point very seriously. You need to get people committed to the vision in there. I also understand – I understand my own life. I'm deeply committed to a lot of these sort of comprehensive kinds of things and every day some crisis comes up that tries to pull you away. We've got an institutional (life ?) part of this to deal with. That's part of the problem. I mean, Haiti came up soon after Shah came in there and has absorbed a huge amount of USAID's energy since that time.

But there are larger issues than just getting the people in place. To what extent should USAID have more a role in the budgeting of foreign assistance programs, in the planning of – in the policy planning? And there is a tension here but I'll tell you. I'd much rather have a secretary of state who really cares about development than one that has so little interest in development that these tensions don't have to be worked through. And we have one who is keenly interested in it.

MR. DELEON: One or two more. I saw a hand up in the – sir.

Q: Good morning. My name is Harry Nimel (ph) from PATH. First, thank you very much for your leadership in foreign assistance reform and all the principles that

you've mentioned and that have come out in the discussion papers have been extremely timely, extremely relevant and critical.

Just now you mentioned research and innovation in relationship to USAID's capacity. That's the same point that's made in their annual reports to Congress on global health research and development. It's a point which hasn't been made in the discussion paper from your committee but clearly you're mentioning it as important now. And I'm wondering what your thoughts are now on this issue.

REP. BERMAN: On the issue of independent research –

Q: USAID's research – (off mike).

REP. BERMAN: Yes. I do think that's critically important. It's part of why I mentioned it now. I'm not so sure I agree that that hasn't been mentioned in the context of some of the papers that we've put out. Maybe not particularly – but when we're talking about in this – I mean, the State Department, for instance, has a – what's it called – Bureau of Intelligence and Research, right, and it has policy planning functions. Those are very valuable functions. I think there's a – at least my inclination is to think USAID should have that kind of capacity as well.

MR. DELEON: We'll do one more if that's okay.

REP. BERMAN: Yes. We're still only 20 minutes away from – (off mike).

Q: Thank you. My name is Susan Johnson. I'm the president of the American Foreign Service Association and I'd also like to thank you for the wonderful support that you give to the mission of all of our constituents. It's deeply appreciated. I'd be very interested in getting your views, since you're here, on some of the issues and perspectives you might have on the challenges of delivering foreign assistance in conflict or war zones. We are putting a lot of resources into that both human and otherwise and there are some questions about timing, about efficacy, about how that's seen and where that fits in. So I'd be very interested in your perspective.

REP. BERMAN: Yes. I don't have great wisdom to share. It's a very serious kind of a problem. It has to have a security environment to have the people who are best able to help get these programs going on the ground.

But on the larger issue though here I feel very strongly that for very understandable reasons, part of it being the loss of capacity in the USAID, we've seen a drift into the Defense Department of a great deal of important programs.

And everything I have a sense of is the troops who are involved in this and the people from the Defense Department involved in this care about this a lot but their whole background and training and mission wasn't designed for this kind of a program. And we

have begun a process of trying to pull that back into the civilian agencies understanding the need for the secure environment.

But underlying that there is a tremendous tension here when you're getting into the tribal areas of Pakistan or some of the contested provinces in Afghanistan or we obviously know how it occurred in Iraq. This is not such an easy problem to resolve.

MR. DELEON: Mr. Chairman, thank you so much for being with us today.

REP. BERMAN: All right, Rudy. Thank you very much.

MR. DELEON: We hope you'll be back often as this debate unfolds.
(Applause.)

MR. KEN GUDE: Good morning. We're delighted to have such a large and wonderful crowd here today. We thank Chairman Berman for his remarks and comments and graciously affording the opportunity to take questions directly from you.

We're now going to turn to our distinguished panel. My name is Ken Gude. I am the associate director for international rights and responsibilities here at the Center for American Progress.

And we have four very distinguished panel members here that are going to be providing their comments and insights on this very, very relevant issue of reforming U.S. foreign assistance programs.

Joining us right now we have Peter McPherson. He is the president of the National Association of State Universities and Land-Grant Colleges, former administrator of the Agency for International Development from 1981 to 1987 during the Reagan administration.

And we have Dr. Eli Adashi. He's a former dean of medicine and biological services at Brown University, an expert on global health issues with a particular focus on women's health in the developing world.

To my left, we have Ambassador Wendy Chamberlain. She is currently president of the Middle East Institute and a 29-year-veteran of the U.S. Foreign Service. She was also ambassador to Pakistan in the critical years of 2001 and 2002 and we'd be delighted to hear some of her comments about her experiences there during that time.

And finally on my extreme left we have John Norris. He is the executive director of the Enough project here at CAP, an expert on Africa, a former member of the United Nations mission in Nepal. His career includes time at both at the United States State Department and the Agency for International Development.

So our format today is going to be I'm going to be directing some questions here to the panelists. We're going to try and then have a good discussion with back and forth from each of them and then at the end we'll open it up to some questions from the audience as I know you're going to be eager to express your views and ask direct questions to these panelists.

We're going to start with Peter. Peter, you've often said that your time as director of USAID is a little bit different than what the current administrator has now. You often say that you had a pretty strong access to the president. You could get meetings. You had a pretty much direct line into President Reagan. I'm wondering if you could provide some of your insights about your experience and also what you think the authorities of the aid administrator should be.

MR. PETER MCPHERSON: I think you need to divide this issue in two components: one, the informal strength or access of the administrator, and two, the formal structure. There's no question I had an advantage because I'd been President Reagan's general counsel during the transition and the early days the White House legal counsel and I knew Ed Meese and Jim Baker and worked with them well. I mean, that really helped in those days.

I formally reported to the president. I never really expected to see the president much in any one-on-one way when I went over to the State Department. So I went to see Al Haig up front and then George Shultz when he became secretary and said to each of them in turn, Mr. Secretary, I report to the president but I don't really expect to be over there much. Why don't I report to you, Mr. Secretary, and come to your senior staff meetings every morning. Al Haig, I think, through what a smart young captain this man is. But it worked extremely well. And they both seemed to respect this and they clearly supported it.

I don't think it's possible to be an effective AID administrator without a relationship with the secretary. You need that support. Having said that, I don't think it's possible to have a strong AID administration without more formal powers than the current party has. That gets away from the legal structure and the rest of this, who he or she should report to but you've got to have budget authority. If you can't create your own budget, you're a contractor, not an agency.

And I hope Jack Lew really feels that. He's a budget guy. He knows that this is important. I worked with stock men all the time. They're not going to return to those old ways where we set our separate budget but you've got to have some capacity.

And secondly, and Rajiv says that they're going to get this together – and Rajiv, by the way, is a very powerful person intellectually and capacity so I think that's a real plus. You've got to have policy. And you've got to have people Bush and now Obama pushing hard for more people. Frankly, I think we know in concept how to have a strong AID.

Now whether these two – the two reviews, however, we know how to do this. You get a person who has the capacity. You've got a – we know the basic structure. My hope is that we'll get it done and I think the secretary is a very big supporter of this but she won't be secretary forever and we need this structure put in place.

MR. GUDE: Great. Thanks, Peter. Shifting gears a little bit we're going to turn to Eli here. You were actually in the State Department recently working on the Global Women's Health Initiative. We often hear about the fragmented nature of foreign assistance program. We have program X, we have program Y, we have program Z, they overlap, they disconnect. It's kind of a mess and jumble. But the Global Health Initiative was trying to maybe consolidate some of those programs. And I was wondering if you could describe your experiences there and whether or not this is a good model for consolidation.

MR. ELI ADASHI: I would say at the outset the answer is yes. And I think to be responsive to your question, we probably don't need to go any further than the president's own statement back in May 5th I think it was of 2009 when the Global Health Initiative was actually announced.

And I'll pick perhaps two points to, again, in an effort to be responsive to what you just asked. There were clearly other points made but let me perhaps pick two. First – and I'm obviously paraphrasing – but the president said at the time that all of our global health efforts will henceforth reside under a single umbrella, a single umbrella, the Global Health Initiative.

And while not quite as Peter already pointed out, a single-line budget item, nevertheless, one could not ignore a very serious intent to engage in government wide programming to integrate at all levels, to, if possible, walk away from what was – as you suggested – a fragmented and stovepiped enterprise and to do our best to do away with what currently is a compilation of disease specific initiatives. So that was point number one and I think that was clearly a new day.

The second point that might perhaps be useful to mention – and I'm paraphrasing again – the president says that whereas support for HIV, malaria and tuberculosis remains strong, increased support will be directed to maternal and child health, to reproductive health and family planning and to neglect the tropical diseases and health system strengthening.

So just those two broad strokes I think illustrate a very different approach that attempts at these or takes the first step or provides the first installment towards this idealized construct we're all thinking about.

And finally, just to bring this up to date, I would say the administration kept its pace of progress primarily by releasing several deliverables in the course of the last year, the first of which was the PEPFAR strategic plan which was released in early December led by Ambassador Goosby and more recently in early February the GHI implementation

report, still a consultation document that was released in early February, an effort led by Deputy Secretary Lew's office.

And while many principles were enunciated at that time perhaps to pick two, I would say the effort to infuse a woman and girl centered approach was perhaps one. And the other was a very strong emphasis on measurement and evaluation in the interest of accountability and transparency.

So while clearly just the first step, clearly not perhaps broadly embraced by every single constituency, I think on balance that message resonated well both domestically and abroad. And yes, I think can be characterized as a first installment on the long road with many issues to still resolve.

MR. GUDE: Thanks, Eli. Turning to Ambassador Chamberlain, you were in Pakistan in 2001, in 2002 and I think it's probably fair to say that your mission changed radically on September 11th, 2001. You were there where the rubber meets the road where we're seeing how USAID and State Department and Defense Department really interact on the ground. Also you were there at a time when perhaps short-term objectives, political objectives may have overridden some of our medium and long-term development goals.

I was wondering if you could maybe talk a little bit about how you saw it from Pakistan and your experiences there and how that could relate to the challenges of reforming our foreign assistance programs now.

AMB. WENDY CHAMBERLAIN: Well, thank you. It's very interesting. When I first arrived in Pakistan in August of 2001, of course AID was not there. Pakistan was still under the Pressler Amendment. AID had been suspended as had our military liaison – (inaudible) – the exchanges. And the relationship was really at a very low point. Of course, just a short month later the world changed.

One of the first things we did was to lift the Pressler sanctions, provide grant aid of \$600 million which was enormous at that time. It doesn't seem like that much anymore with the big numbers that are being thrown around. But that enabled Pakistan to qualify for a World Bank program which is enormously important and it lifted Pakistan out of a pariah state almost and set its economy on shape and enabled Pakistan to be a stronger partner for us in the operations in Afghanistan.

The second tier policies that I helped launch was to bring USAID back and AID didn't reestablish its program there until June of 2002. Of course, it's ballooning now with the Kerry-Lugar funds, \$1.5 billion going into Pakistan. You have an enormous program in Pakistan.

But I'd like to caution that we shouldn't hype that because \$1.5 billion on an annual basis sounds like an awful lot and it's anticipated for five years so \$7.5 billion seems like an awful, awful lot but it is a teardrop in the ocean when you come to evaluate

the needs of Pakistan. And if expectations are too high for what the United States is able to do, we will be facing a larger problem with Pakistan in the trust gap in the future.

So I think we have to be very careful about how we administer that assistance. And this gets to the heart of some of the reforms that are going on.

I believe personally that if we continue to use the type of mechanisms that have worked very well for us over the years but may not be so well suited in a post-Cold War, post-globalized situation where you actually have a pretty substantial middle class in a country like Pakistan, if we continue to use the centralized approach, top down USAID designs the country program, let's RFP the contract to favorite NGOs, then we will fail.

We need to reevaluate how we can use our aid, not to fix a problem in a transactional way, build a school, output pro-American sentiment but rather how can we use our assistance to incentivize the type of reforms that the Pakistani themselves, the government, the middle class are going to have to implement themselves with their own buy in, their own knowledge, their own culture for it to be sustainable.

And for that I – you know, let's take a page of what Arne Duncan is doing over at the Department of Education with Race to the Top. That stimulus money, \$4 billion to education isn't going to fix every school in the United States, school system in the United States but it's to incentivize those who will support, have good ideas, innovative ideas for reform. We ought to be doing that in Pakistan as well.

MR. GUDE: Thanks, Wendy. So John, we've heard a lot just this morning but also over the years about the need to reform U.S. foreign assistance programs. I'd like to maybe take a little bit of a big picture and look at that. We heard Congressman Berman here describing his committee's role also that Senator Kerry and Senator Lugar in the Senate are very interested. The president is very interested. The secretary of state is committed to this issue. We have the NSC. We have the QDDR. What's going on here? Are we really going to get this done now, this time?

MR. JOHN NORRIS: Yes. It's a good question. And you know, Rudy began by quoting the words of George Marshall. I'd like to start by quoting the words of one of Peter's colleagues, George Shultz who said the trouble with Washington isn't that it's one thing after another. It's that it's the same damn thing over and over again. And I think if we're looking at –

MR. GUDE (?): (Off mike.)

MR. NORRIS: Well, there you go.

MR. GUDE (?): It was a great line.

MR. NORRIS: And I think if we're going to get to successful aid reform there's two classic turf battles that really need to be addressed and worked out. The first one that

people have kind of danced around a little bit today and not taken on particularly head on is the tension between state and AID. This has been a fight that's been going on for at least 20 years.

AID has been steadily pushed further and further into the State Department and I don't think it makes a great deal of sense. I think that for aid to be effective, it needs a considerable degree of autonomy and hopefully budget autonomy as well.

Diplomats simply aren't trained to be development experts. It's a very different skill set. Soldiers are not trained to be development experts. You send a soldier into a place, his mentality, his training is to get a job done. You put him on the ground in Afghanistan, somewhere else, these guys will build a wonderful school in 10 days, have it up, shiny, hand off the keys with no thought about, are there teachers? Is this a sustainable model? Will it be paid for over time? Is this what the community wants? Does it fit in within the national school system, all those things?

And similarly the pressures at the State Department on ambassadors are considerable to negotiate day-to-day diplomacy, to make deals, to advance the national interest, yet development is a fundamentally long-term goal.

To think that an ambassador is really going to light up with joy when we tell him the work this development expert is doing is going to make a revolutionary change in agriculture in Kenya in 15 years. This ambassador is going to be in another country, is going to be out of the Foreign Service and talking about rewards that far down the road simply don't add up for the average ambassador.

So I think we should respect that development is a professional endeavor and needs to be treated that way and people need real autonomy and real skills to make it work.

And I think the second half that's really important and Chairman Berman talked about a little bit is the congressional pressures on foreign assistance. It's not only that the Foreign Assistance Act is five decades old. It is that the actual act itself really isn't that bad.

It's that every single year additional things have been added to the Foreign Service Act that we have provisions that people have to buy American pickup trucks in Congo or Laos. We have requirements – and I've been on the absurd end of some of these requirements after a day of doing kind of field conflict assessment in Liberia or Sri Lanka I'm supposed to sit down and fill out a time sheet, kind of a nanny state of aid assistance. The requirements for evaluation and measurement are so extreme in some cases that it feels like literally somebody delivering a set of paperclips across their desk is going to take a whole evaluation and monitoring report to justify why it's done.

And if Congress really wants aid reform to be effective, they have to allow aid professionals to go about their business and be willing to accept a few mistakes now and

again. I think there's been this kind of zero tolerance towards AID that any mistake is perhaps a career killer.

And if you look at the State Department and certainly if you look at the Pentagon or CIA, career professionals are given much, much more liberty to go about their business. And if you look at the one part of AID that really has always worked incredibly well it is foreign disaster assistance and the humanitarian efforts in part and in large part because they've been exempted from an awful lot of the regulations that they're doing life saving work, they're very empowered professionals, they're allowed to go about their business, some mistakes are made. That's okay. They're doing a greater good.

And I think if we really want development to work, again, it's a matter of trusting the professionals to do professional work. So I think those are the twin forces are behind the stage right now.

And then the last point that I would add that I think is very important in terms of the politics of all this is there's been a real tendency, I think, since September 11th to talk about not only development but diplomacy as well in almost purely national security terms.

And I understand why people do it. It helps justify budgets. It's easier to explain to a member of Congress or the public why the work of AID is in vital national security interest. But it's ultimately not going to serve development or diplomacy very well.

There's lots of parts of development and diplomacy that aren't strictly in national security interest. They're in our economic interest. They're humanitarian. They're the right thing to do. They're part of the collective good. And those are very important parts of these programs and I don't think it serves anybody's interest to think of this purely as a national security endeavor because if we do that over time somebody's going to say well, planning sorghum in Kenya really doesn't advance our national security and let's just put that money into the Pentagon and then I think development won't really have a leg to stand on.

MR. GUDE: Trying to maybe tie that point together with something else that you raised. One of the things that we're clearly seeing as both a good and a challenge, I think, is the role of the military is taking in traditional development exercises. One of the reasons I think they can do that more easily than USAID or even the State Department is that they can order the service members to go and do it.

So how do we address that challenge? How do we recognize that the military's playing a larger role for good, I think, and with good intentions but they have the capacity to do in ways that maybe USAID doesn't. And wondering if you or anyone here has reactions to that.

MR. MCPHERSON: I think there needs to be a formal agreement between defense and state and AID as to relevant roles. Congressman Berman, Ike Skelton, I

think Lowey, had a bill up there to set such a process, to get it underway. This never really happened. But that's important, it seems to me.

And secondly, we've got to have resources and people on the civilian side of it to have it happen. In many ways, that's been the open door for why the military does things. I was in Iraq in the last few weeks at Crocker's ambassadorship there looking at some things and the military was talking to me about what they could do in terms of agricultural – long-term agriculture production in Iraq and I thought, wonderful good young men and women but I thought this is – you're really in the wrong field. It just didn't make sense.

But I thought that Berman-Skelton-Lowey formal agreement, we should understand there is a role for the military boots on the ground when there's such an insecurity that workers can't get around. We wouldn't have gotten the conversion, the currency in Iraq like we did in '03 without the military. But the military didn't design the new currency.

MR. GUDE: Eli, do you want to –

MR. ADASHI: Just briefly I would say to probably address something or take up something that John said about flexibility on site, perhaps others have articulated that too, in disaster response, absolutely true. USAID is fully empowered to do what it needs to do and the military, as you know, I believe beginning in Iraq implemented the so-called CERP program, Commander Emergency Response Program, which again frees local commanders from, shall we say, undue bureaucratic pressures, and allows them to contextualize what they need to do on the ground.

Of course, when you talk about the USAID field mission, which is a much longer point of view, some empowerment clearly is in place and perhaps additional empowerment needs to be added. But there's something to be learned from the emergency powers that have been – traditionally been afforded USAID in disaster responses and more recently afforded the military in terms of humanitarian response and the like on the ground.

AMB. CHAMBERLAIN: Just let me give you a little war story, a field story to illustrate John's point about military community action programs and then make a comment.

When I was ambassador to Laos in the mid-'90s, also a country at that time that had no AID program, still a communist country, still – because I have always been one of those Foreign Service officers that understands the importance of what USAID does and its mission to our diplomacy and to our national interests. I was grabbing at all straws to get as much assistance into Laos as we could.

And the military out of the Pacific Commander offered to send a community action team of engineers to Laos, build a couple of schools, just little cement block little

schools, two-classroom schools out in the countryside to give their engineers some experience, they said, and I thought that's terrific. I talked the communist government into accepting it, one of the first aid type programs that they agreed to accept in years and years.

They went out to – well, sort of right along the Ho Chi Minh trail down in southern Laos, built a couple of schools. And I went down to visit. It was very interesting because another Chinese engineering team came and planted a tractor building a little road right next to the school site obviously with cameras going all the time. Anyway, a little bit of Cold War competition.

But after about three or four months, the cement block in the school cracked. The school was uninhabitable and it was dangerous for the kids to be in it. It was a total waste of money. And we were saying that the value of our assistance was \$250,000. Well, I suppose it was if you consider the time and the transport and the salaries of all the engineers that came over to do it but the Japanese were building schools all over the country for a value of \$30,000.

So it became an embarrassment particularly because it was a school that didn't work and they couldn't fix it. So our diplomacy action took a step back. And I asked the military not to build anymore schools and that made me very unpopular.

But the comment I'd like to make – that's the war story. The comment I'd like to make is I'm feeling good about this. A lot of us who are committed to USAID and have been for years and the mission of focusing on the people abroad, not just the American people as clients but also people of the world ought to feel a little bit better about the kind of discussions that we are having now because I see both defense and diplomacy, the other two Ds as accepting the mission of development, understanding the importance finally after decades that folks in AID have been talking about that we are strengthened when people around the world are strengthened, when they're in better health, when they're educated, when they have jobs. This strengthens the United States.

And if these other – if there's turf battles, if everybody's trying to jump into it, well, that is in a sense a victory for our mission. We've got to work it out. We've got to work it out bureaucratically. That's what we're doing. I really appreciate the remarks that the chairman made. I think I could associate with almost every remark made here on the panel. I think it's a healthy process but in the end of the day let's feel good about where this nation is going in terms of its commitment to development.

MR. MCPHERSON: Can I pick up on – really, that's a good point, Wendy. I mean, everybody wants to be in this territory and they didn't use to be. I want to pick up on something, an idea that you had a few minutes ago which I thought is really interesting to explore and that is you compared what we might do with the Department of Education's Race to the Top.

What the secretary has is a pot of money, a few billion dollars actually, and he said to the states, here's a criterion on which you will get – you can compete for this money. It's charter schools, it's measuring things, it's a fairly tough sort of criteria. And he's laid it out there and schools and states are now coming in to compete for it.

Well, I think we know that countries are successful when it's driven by countries, when reform is driven by countries. We've had a long time learning that but it's true. And that's what the MCC is about. But this would take it one step further.

At one time we had an African Development Account that we put together in the '80s and it went through a couple shifts but it was there. It was for all kinds of work in any country in Sub-Saharan Africa, great flexibility. But why couldn't you have an account like that and have people compete, have countries compete for money in that pot instead of expecting to program it. That's one step further than what we had in the original account. The account had flexibility but we didn't have continent wide competition. I think that's kind of interesting actually.

AMB. CHAMBERLAIN: Exactly, and just very briefly, one sentence. The difference between the MCC approach and the Race to the Top approach is MCC says, here's the pot of money, do the reforms first and you get it. Race to the Top says, here are our values, here are the goals that we want to see achieved, give us the good ideas to get there and you'll get the money.

And I think that, certainly if I start looking at the Kerry-Lugar program in Pakistan where one of the big obstacles to it is (distressed ?), if we went to the Pakistanis and said, you know what, you probably know how to fix your systems better than we do so you give us the ideas and we'll help you get there. I think that would be very important.

MR. MCPHERSON: The Race to the Top is very tough criteria. Would you have tough criteria or would you let countries – would you have general growth or something with this?

AMB. CHAMBERLAIN: I'd have tough criteria.

MR. MCPHERSON: Okay? What do you think about that, John?

MR. NORRIS: Well, you've got an excellent point and the real lesson of development is that it works in countries that are committed to development, that there people in leaderships committed to development and it really doesn't work in those places where it's not.

But we also I think need to recognize that part of the debate right now is the very odd historical moment we find ourselves in where if you look at the development dollars that are being spent including by DOD and others, huge numbers being dropped into

Afghanistan, huge numbers being dropped into Pakistan, Iraq, places that haven't had leadership that we would normally say is committed to reform, is committed to results.

You look at a place like Pakistan, you say, you spend 40 percent of your national budget on the military. It's absolutely unsustainable. You've done it for a long time.

MR. MCPHERSON: (Off mike) – Cold War too though.

MR. NORRIS: Sure.

MR. MCPHERSON: This is just – we thought this was going to end when the Cold War was over.

MR. NORRIS: Yes. But I mean, I think we have to realize that there are these special cases that I think are really distorting how the turf battles over aid are fought, how people, including the American public, view the efficacy of these efforts.

Yes. I absolutely agree that there should be ways to have countries compete for these dollars. I think the MCC process is a bit laborious. I mean, there's a lot of complaints that countries have to go through so much and so much energy for actually filing for the process that those energies and times could actually probably be better spent actually doing development. But I think the idea is correct.

MR. ADASHI: Just to point out that MCC is not alone in this new paradigm perhaps. Obviously, the Global Fund operates in a similar way and countries are given the opportunity to do the planning, to do the application and then judgment is passed on funding.

So I completely agree that that plus the whole concept of country ownership is the way to go. It can't be done in failed states. It can't be done in conflict areas. But obviously those are countries that neither MCC nor the Global Fund will go to anyway. So the principle applies for countries where the circumstances are such that they would permit that and that would be a great idea to expand and perpetuate.

MR. GUDE: Building up something that Wendy said that we've reached kind of a – at least a period of broad consensus on the need for development and how it's reached across normal constituencies that maybe didn't accept the need for it previously but I'm just concerned maybe, and maybe my concern is unfounded, that in this era of A, very difficult politics, and B, significant budgetary pressure, whether that consensus has reached – come to us at a time when it's not going to be able to be implemented given the difficulties that just about anything is facing in Congress now and what is likely to be a very ugly budgetary environment for now and in the future. I wonder if there's any reaction.

MR. NORRIS: I think the secretary of state is feeling pretty good about the likelihood that aid and state budgets are in pretty good shape in the next cycle but I think this is a real concern going forward.

You know and I think part of this goes to the huge misperceptions that there's always been about aid that it's 20 percent of the federal budget or a huge percent of gross national product.

You know, we've seen poll after poll that says this. And part of it is because it's always been easy to demonize that this is the Marshall plan, that this is money down foreign – (inaudible). You know, it's an easy thing to be up on if you just want to score cheap political points.

But I also think probably the understanding in the public when they're asked this poll question is also a little more sophisticated. When people say how much you think goes to foreign aid, I don't think the average respondent says, oh, they're talking about just AID. I think they think the U.S. soldiers stationed in Korea along the DMZ I think they think about Pakistan and Iraq and the military cost of defending other states.

So I think there is a little bit of misperception but certainly having Secretary Gates and other folks out there talking about the importance of development and non-military tools I think is hugely important. But an awful lot of it will be the day-to-day success of the programs on the ground.

MR. ADASHI: I'll just make several points. First of all, I do believe that the foreign assistance in general has been exempted from the general constraints that are now being applied to discretionary spending. So that's a bright side, a bright point anyway.

There are also strong arguments to be made that we are way behind other developed countries in terms of what we put into development in terms of the growth of national product.

And last but not least, and you've heard this in a variety of congressional circumstances, and that quote seems to be reverberating repeatedly and it has to do with the realization that despite the financial hardships right now this may be precisely the time in which an ounce of prevention could actually save us substantial costs later down the line.

So of course that's a laudatory comment, laudatory suggestion. Whether or not the reality, political realities in Congress will permit going beyond what the president, for example, proposed or even approve what the president proposed remains to be seen.

MR. NORRIS: Some of our best friends are Scandinavian. One point I would add and I would certainly recommend to everybody the article that Peter, Brian Attwood and Natsios penned in Foreign Affairs I think it's a great articulation of the importance,

not only of long-term development but some of the arguments for structural independence from three very different administrators who served three very different presidents. It's a good read.

But on the budget side, there is one other point that I think that you raised in your article that it's really important in terms of congressional discipline that there is a real tendency to heavily earmark those things that are popular.

And there's a real tendency to say things that are for child survival, the things that are absolutely the most kind of mom, apple pie, sexiest things that you could defend in the aid budget whereas economic growth, agricultural assistance, lots of really important parts of the development budget consistently get shortchanged just because they're kind of seen as orphans because there's isn't the support in Congress.

And again, I think that's an area where the administration needs to be more forceful and lay out and risk some political capital to get support for those areas of development.

MR. MCPHERSON: But it's interesting though, we've got kind of almost an iron triangle. You've got various groups in this country that lobby for components including the universities that I work for. You've got the administration year by year that argues for what are in effect administration earmarks. I mean, it's not just a congressional thing. It's administration earmarks. And you've got the congressional earmarks. And no place in this triangle table is developing countries.

Somehow or the other we've – and you talk to people like Berman and Lowey, I mean, they're just really good people and they want to know what developing countries think but there's no place in the classes for it.

It's why a country-driven idea which is beginning to emerge a lot in the discussions or like Wendy's thought of some sort of Race to the Top – which I'm really quite intrigued with, Wendy. It's another twist, the next step here.

I think we're all caught in a process that we all wish were changed but there's no way to really change it unless we fundamentally reconceptualize it.

AMB. CHAMBERLAIN: Which we need to do.

MR. MCPHERSON: Which we need to do. And groups like CAP are an important part of all this. I think we ought to think about this question of Race to the Top comparison.

AMB. CHAMBERLAIN: We'll talk. We'll talk about it.

MR. MCPHERSON: We'll talk about it.

MR. GUDE: I think with that we're going to open it up for your questions. We are going to do two at a time. We ask that you wait for the microphone. Emma has a microphone here. Please identify yourself. Please be conscientious to your other audience members and keep your questions short and please be sure to have a question in it. So we will go – I'll try to do one from each side so in the back there in the green.

Q: Hi. I'm Mindy Reiser (sp). I had the opportunity to work on AID projects particularly in Central Asia. To Mr. McPherson particularly. Over the past several decades the international community through OECD, thorough the DAC has spent a lot of time on harmonization of AID. The World Bank has been pushing this.

So the first question is what impact has all of this had to your mind on AID and its linkage to some interesting initiatives, not that they've all been successful or implemented. And also nobody here has particularly talked about the World Bank. I realize the PRSPs, the poverty reduction strategy papers, is also not a perfect process but in that there is at least a mechanism for NGOs in country to articulate priorities and some opportunity for the developing country to indicate what it would like to see happen. So if Mr. McPherson particularly with his perspective could comment on that and its impact on USAID and development in this country, I'd appreciate it.

MR. GUDE: Great. Before you answer, Peter, we're going to go one more question at a time and we'll go to you again, sir. Thank you.

Q: I think that the group has agreed that development is a very special process. It's unique and it's different from all the other special interest groups. When I worked for the Budget Bureau, I spent an awful lot of time fighting the Department of Agriculture because it wanted to take over all of overseas agricultural development. I'm actually raising this question to Dr. Adashi.

As we heard that development is a specialty, that we need a country approach and as you've criticized the special interest such as PEPFAR, do you see your own field as health as also a special interest? And are you prepared – you're dean of a school – to teach your students that health is important but it has to be part of the larger development process?

MR. GUDE: So Peter first and then Eli.

MR. MCPHERSON: Go ahead. Go ahead, doctor.

MR. ADASHI: Thank you, Peter. As you know, there is tremendous interest by young people in general, medical students included, in serving in what might be the contemporary version of the Peace Corps at least the way we knew it.

And yes, I don't for a moment suggest that health is the sole element of development. And clearly, side by side with the Global Health Initiative we have a food security initiative. We have a climate initiative. We have a variety of developmental

processes moving, I would say, somewhat in parallel going forward. And it is those that this larger group I think is discussing about harmonizing.

I suppose I'm presenting a somewhat narrow point of view only because it seems like the Global Health Initiative has been announced early, has moved fairly nicely forward but in parallel other initiatives are obviously underway. So health is clearly just one element of the puzzle.

And by the way, I meant no criticism to PEPFAR or to any specific disease initiatives. I think they're all important. How one apportions the budget is clearly an ongoing and I think legitimate debate but a difficult one to resolve which I don't think we here probably can make a significant contribution to.

But clearly your point is well taken. Health is critical. People have to be healthy to be able to realize their full potential. But beyond that, there are other elements that are equally important for a person's overall wellbeing.

MR. MCPHERSON: The question about harmonization and about donors working together, U.S. leadership in that effort, this was never really fully successful. I think it did help when we had the DAC chair as a matter of form. People like Gray Love (ph) who you were a member of was just wonderful as a DAC chair.

I do think that the bank is a critical player in all of this. And the bank got sort of beat up for a few years and has backed off from playing as much donor leadership role as it used to play. I've argued to Zoellick and others that needs to return.

I've gone to some countries over the last few years when I go visit the AID mission, I ask ahead of time to see the other donors and I seem to get them together. And you know, too often the other donors – this is the first time they've gotten together. You get the Germans and the EC – I mean, it's just – how would it be the first time that they get together?

The bank needs to play – and we're not powerful enough in terms of amount of money. We can do it in some countries, maybe in Pakistan, for example, where we have enough money so we can be a convener, though the Pakistan government needs to be the co-convener if not the full convener.

AMB. CHAMBERLAIN: (And ?) UNDP.

MR. MCPHERSON: Right, but the UNDP doesn't have any money and nobody really worries what the UNDP thinks most of the time. I mean, in the end, this is a power game in my view. And the U.S. could – back in the '80s we could get these folks together and talk to them and I expected my mission directors to do that. They couldn't – I was very unhappy if they couldn't get that done. The bank is a key player.

MR. NORRIS: On the bank – it's obviously a huge player and it has enormous resources and would certainly support the idea of it playing an important coordinating role and donors coordinating with it. I think the bank continues to bump up against a couple of challenges that have made that role much harder.

One – (inaudible) – just horribly slow. It moves in a span of years often in terms of getting money actually out the door, on the ground. And in a lot of the countries that we're talking about today that kind of lag time is more and more of a problem. And it's a huge problem in transitional and post-conflict countries where the bank has huge resources but has a hard time actually getting things done in real time.

The second part is – and I understand the complex political and governing rules that lead to this but the bank still has a very hard time acknowledging the real politics that are going on in any given country that they try to treat their programs and their initiatives as largely apolitical. And, you know, development is necessarily and inherently a political –

MR. MCPHERSON (?): Change is political.

MR. NORRIS: Yes. Change is political. And I worked in countries where literally there was a coup and the leadership changed overnight and the bank acted as if nothing had changed. And I think that is a real problem and I think getting bank experts who actually know what's going on in a country – they've got some spectacular economic experts who really understand an economy but in terms of actually understanding who's up, who's down, what's going on socially, culturally and politically in a place I think they have a lot more challenges.

MR. MCPHERSON: What's interesting, this move to – (audio break) – missions with real power was a key move. It's only, what, 15 years ago when the bank, the only in the people from the bank had no real power. And that has helped a lot. All your points are well taken just that sort of the only party is not – that's the problem.

MR. GUDE: I think we have time for one more round of two questions so – and they're both going to be on the right side. So you here and then one in the back.

Q: Thanks. My name is Jessica Lehman (ph) and I just spent the last six months embedded with the Marines in Helmand province and I'll be going back for another year working for a USAID contractor. My question addresses the military aspect of USAID.

With the military taking more and more development roles especially in conflict zones, how well do you think the civil-military relationship is working and do you feel there needs to be development training for the military such as the civil affairs teams who are able to go into the areas where USAID can't because they frankly have more boots on the ground.

MR. NORRIS: I think you should tell us. (Laughter.)

MR. GUDE: And in the back.

Q: Thank you. Good morning. I am Emira Woods with the Institute for Policy Studies. Thank you for convening this session today. I guess I wanted to piggyback really on this – the previous question and it's really in regards to the other end of the spectrum, the disaster response end of the spectrum and the role of the military there.

John, I just really applauded your comment when you said U.S. foreign disaster assistance was probably one of the great success stories. But I think the question mark that's raising really is in regards to especially the more recent disaster responses, Haiti being the most, I think, egregious where you had 21,000 troops at its height going in to pretty much lead the disaster response even though ostensibly it was USAID in that role.

I guess I think that follows on the tsunami response and a few others where you see this creeping role of the military in disasters response and escalating numbers, 21,000 troops it's more troops than U.N. peace keepers in the DRC, than any of the U.N. peacekeeping missions anywhere in the world actually.

So I guess I'd like to couple with the previous questioner and ask in terms of the overreach of DOD even in disaster response. Thank you.

MR. GUDE: Anybody want to – (off mike) – that?

AMB. CHAMBERLAIN: Just a real quick observation and this is just a very personal view. I would not confuse (coin ?) and what the military is doing with development. I think it's short term and development is long term. I think it's important, I think it's useful. I support it.

But it is basically transactional. We move into a village, we do whatever they want, if it's to build a little bridge so they can get across the river, if it's to build a school or whatever it is and that stabilizes that area in the short term.

Development it's long term. It's five-year, 10-year programs. It's transformational. It's building institutions. And what military does is not really institution building. Let's not confuse it.

MR. ADASHI: I'm very sensitive to the tension that I think was brought up on a number of occasions between USAID and defense but an argument can, I think, be made that in a disaster area and an acute disaster response the military is a critical player. To be sure, when the president announced the Haiti initiative, he did clearly assign the coordinating center responsibility to the USAID administrator.

And so one would like to hope that USAID was and is working in close collaboration with the Defense Department.

But USAID could not have brought the hospital ship Comfort to the area. It could not have brought a carrier, could have not organized the airport the way it needed to be organized, could not put together a field hospital the way the military could. They are good at that kind of thing and they need to be collaborating, of course, with USAID.

I think they are folding out of Haiti right now. And what you're looking at now is the longer term kick-in of USAID's effort to rebuild and transform Haiti into the Haiti of the future.

And I think that goes back to your point. One needs to make a clear distinction between acute disaster responses or conflict areas where the military plays a central role and we really cannot ride it off. We can embed development people in the military unit as I think Reuben Brigety on a number of occasions suggested but we cannot just ignore them in an acute and conflict context.

On the longer term development course I completely agree. That's not their mission. They could be helpful. There's always the Army Corps of Engineers. There are things that the Army can do that the USAID infrastructure simply cannot. And it's just important to collaboratively draw on those resources and maximize all of those for the benefit of the country recipient.

MR. NORRIS: On the two questions, I think – on the military question in a place like Afghanistan, you know, clearly it's a very uneasy marriage in a lot of ways. You know, I've had military guys come up to me and say, you know, who's in charge of the NGOs which it was like, who's in charge of herding cats? There is no answer. And at times you feel like you need a translator between NGOs and the military.

And it frankly puts a lot of civilians in I think a fairly dangerous spot because it really encourages people on the ground to view humanitarian aid workers, development aid workers all as part of this military industrial complex and it's all part of this international intervention.

And sadly, it is journalists and humanitarians and development workers who bear the brunt of that because the quickest way to scare out a military operation sometimes is to go after those people who are the softest targets and those are the people doing aid work and development work.

There's a lot of problems with the speed with which military guys get rotated in and out. I feel like there's a lot of situations where you kind of get a military guy who's pretty well educated on kind of the basics of reconstruction assistance 101, then he's gone, you get a new guy. I'm sure you had some of this in your own work and you start from scratch.

So there has to be a way to kind of square that circle without further investing huge amounts in DOD in terms of trying to have them be post-conflict reconstruction experts.

But I think a lot of the work that's been done since the mid-'90s we've gotten a lot better at transition assistance, the establishment of the Office of Transition initiatives at AID. There are people that know that murky ground between humanitarian assistance and long-term development better and better.

But I think just some of the ways that we approached Afghanistan and Iraq particularly really alienated that community of experts unfortunately who wanted no part of it and I think that was a real lost opportunity that set both Iraq and Afghanistan efforts back by a series of years and frankly hurt our standing in the international community in the process.

On the military and humanitarian assistance in a place like Haiti or after the tsunami, I mean, part of it is that both Haiti and the Tsunami were absolutely cataclysmic events, that they were disasters of an enormous scale and the folks that – the Office of Foreign Disaster Assistance are logistics experts and need to tap into whoever's got logistical capacity and on something like that there probably – there weren't many alternatives other than the U.S. military.

But I think what's really important is the experts at AID still guide the effort and help avoid some of the most obvious mistakes in terms of the types of assistance you're delivering, how you go about it, doing it in a way that doesn't spill tensions in the community and is designed to being to feed into a transition and long-term development program over time.

MR. GUDE: Okay. Give a closing comment to Peter and –

MR. MCPHERSON: Well, one, congratulations for getting this group together. I very much appreciate my colleagues' comments. I thought that, John, your description of each one of the missions and how they were distinct was excellent.

I believe that this administration cares about this issue. The president within the last couple of weeks dropped in a little meeting in the NSC specifically to talk about this. Some of you have heard about this. It was very interesting. He seemed to know – have a grasp as clearly as the secretary does.

They haven't yet moved to really deal with it though. And they're smart people. They understand the issue. It can't be done – it (is ?) the Gordian knot, but there are some knots that can be cut and they need to do that. They've got a really good person as administrator, a good bureaucrat as well as being smart. You need both in that game. I wish them well because I think their heart is very much in the right place and they've got to deal with it.

MR. GUDE: Great. Well, thank you all very much for coming. (Applause.) And I want to thank Chairman Berman, my fellow panelists here, my colleagues at the

Center for American Progress Action Fund and of course, the Hewlett Foundation. So thank you very much and have a wonderful day.

(END)