

“Opportunities and Challenges in Collaboration Between USAID and State Department”

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Thanks for this opportunity – and honor. So many familiar faces. My special thanks to Alex Shakow, who organized this event, and Ann Van Dusen for the wonderful introduction.

As some of you know my background has been in the world of development, worked at AID decades ago in WID office. My two decades of work in microfinance place me squarely in the world of development.

When I became an Undersecretary of State I assumed the role of a high level diplomat, part of the “seventh floor” of the Dept of State. A great honor. My responsibilities spanned the spectrum of civilian security, covering from humanitarian aid to counterterrorism, all areas in which we can help governments protect their own people and create more just societies.

As U/S I was able to observe first-hand how State and AID interacted, and I also experience first-hand the possibilities and the constraints of making these two agencies collaborate well together.

Let me start with a few observations that serve as background, and then focus more on the State/AID collaboration at the implementation level in some of the areas in which I was directly involved. Let me first highlight some of the structural challenges that made collaboration difficult, and outline some of the useful lessons that emerged from our efforts at collaboration. This talk is based on my experience, on the areas I worked on, I won't seek to cover the gamut of all types of collaboration between State and AID. For example I didn't work in Global Health or Feed the Future – this talk focused on what we need in humanitarian aid, conflict prevention, TIP, human rights areas but the lessons apply more broadly.

When Secretary Clinton arrived at the State Department she inherited significant challenges from the previous administration:

1. The damage done by the wars in Iraq and Afghanistan was considerable;
2. Our defense-driven response to address national security has weakened the State Dept and diminished the array of tools available to us for our own foreign policy; Diplomacy was in a back burner;
3. So was development, but in this case more important was how diminished AID was as a development agency: MCC had been created; State Dept managed PEPFAR; removal of offices for making policy (PPC), even the AID mission statement was removed. Morale

was low, high quality development professionals left the agency, and many argued that it had become part of the State Dept.

4. The relationship between the two – AID and State was at a low-point.

It was in this context that Sec Clinton introduced the ‘smart power’ concept that increased the balance among the three D’s – defense, diplomacy and development in US foreign policy, arguing that the three were needed for the US to maintain its global leadership role, engage effectively with the rest of the world and ensure national security to its citizens.

The QDDR put on the table a set of concepts that anchored this new approach for our foreign policy. Among these – I can’t get into too much detail here - I know you have read every word of it - the most relevant was the focus on leading through civilian power and the call for a reform agenda for State and AID. State needed to adapt US diplomacy to meet new challenges, mitigate or eliminate threats, and address the global trends that were reshaping the international and global economic agendas.

AID had to reestablish its leadership role in international development which including rebuilding the agency itself – literally put back in place some of the functions it had lost under the previous administration... to become a world’s premier development agency, as Sec. Clinton called for.

These in and of themselves were tall orders.

But additionally, and central to this presentation was the key challenge the QDDR put forward, which was how civilian power represented through many government agencies but primarily State and AID made itself more coherent and more effective, how these agencies pulled together in one common vision to strengthen our leadership and our responses through a combined diplomacy development double punch.

Now, this was not easy. State and AID are very different agencies, with different priorities, different views of the world, and different ways of addressing national interests and national security. And in part because these differences are not well understood by each other - State and AID don’t know each other very well - it is difficult for either agency to perceive the comparative advantage each offered. This was hardly a mutual admiration society.

State sees the world from the perspective of national interests, using diplomacy to ensure national security. The focus is defining long term US foreign policy, thinking long-term. The main relationship is state to state and of course through the ambassador and other high level diplomats it interacts at the highest levels of power in the country, the Foreign Minister, the President. The culture of the Foreign Service Officer includes high degree of respect for the high diplomatic positions and great deference to those representing our country in these positions. It is a high honor and high responsibility. The first time I walked into a

room....everyone stood up... For these reasons, protocol plays an important role in the culture of the department and is particularly present in the embassies.

AID focuses on the development needs of the country, and while it of course aligns its development program with the policy priorities of the administration, it also concerns itself on the development needs of the country. It engages with government, though not generally at the highest levels, but it also engages with many civil society and other non-state actors, focused on practice and implementation, though in shorter term. AID brings technical expertise, day to day knowledge of getting things done, it gets out of the capital. Its culture clearly is less formal, less rigid.

In addition, the fact that AID had been significantly diminished – dismantled – contributed to the challenges. AID felt weaker, subservient, not respected, believed it was seen as the implementer of a policy it didn't help define.

Another additional and seldom acknowledged difference is that in Washington not everyone at State knows or really cares about AID's role was because it isn't relevant to their work. If one is working on nuclear proliferation, or political military issues or counterterrorism, or developing treaties or other agreement with countries, there is little or no interaction with AID. In fact the regional bureaus seldom engage directly with AID and they are the backbone of policy formulation.

But at AID everyone in the agency is aware of State Department and what it does.

This, in highly summarized fashion, highlights several characteristics that presented structural challenges to collaboration.

In areas where both agencies have resources and are engaged directly at the country level, the QDDR sought to define decision-making responsibilities and collaborative processes for these two agencies but it fell short of untangling the lack of clarity that existed. In several of these, it punted.

Now note that the preparation of the QDDR involved a myriad of task forces composed of State and AID staff which attempted to put in place collaborative operational framework. Even when this didn't happen, what the QDDR accomplished was the initiation of a debate, a discussion, in some cases a forging of relationships that served as a useful entry point to defining responsibilities and developing collaborative mechanisms that could arrive at a more aligned vision and set of actions.

Some of the lessons that emerge from my experience:

First, essential to collaboration: development and diplomatic professionals representing their agencies must see each other as sharing common interests, have

the goodwill necessary to collaborate and to respect each other's agencies, and seek to learn more and understand better the other agency and how it works. They know that the system can allow one to obstruct, and that it is up to them to make it work. So personalities become very important. I can't emphasize enough the need for **respectful interaction** in both directions, mandated and demonstrated at the highest levels – no, State staff are not stuck up buttoned down arrogant people to only know how to write cables and have no idea what the country is about, and no, AID staff are not extended Peace Corps types who want to make friends with the locals, who only see their short-term projects, who understand little about foreign policy, and who are always complaining, whining, insisting that they are being disrespected. I have heard all this. Part of the role of leadership is to eliminate these rigid unhelpful notions and develop mutual respect.

Second, agencies must find ways to develop a common understanding of what is going on in a place, whether it's in conflict prevention, displaced persons, refugees, trafficking in persons, vulnerable groups such as religious minorities or others. For us joint assessments, joint trips with principals from both agencies contributed to defining a common vision, and a division of labor and resources. This doesn't mean agencies don't get possessive over people and money and disagree and jockey to take the lead, but the effort to collaborate mandated from the highest levels becomes the working priority. When we started collaborating from the start – for example I would include AID as part of the delegation in the U/S trips, never done before as an ongoing practice, my bureaus' principals would do the same...this is how we started building relationships.

Third, communication. Mechanisms must be put in place to maintain ongoing communication, discussion, information sharing at various staff levels between the agencies.

This ongoing interaction may be the most important element and one can put in place the mechanisms. For example in humanitarian aid the QDDR put in place a monthly working group comprised of State PRM, IO, AID – DCHA, and the UN to coordinate the USG voice on humanitarian policy. These have helped divide up the responsibilities and has decreased the fragmentation – this has been in place for three years. OFDA and PRM, each with considerable resources in humanitarian aid (billions) are generally working better. These have also facilitated more effective emergency responses, coordinated Hill briefings, and joint travel. Sounds so simple to do.

In the case of conflict stabilization response – OTI and a new bureau at State, CSO it was particularly important to ensure AID access to State Dept shaping of policy. This access also includes the ambassadors. Kenya, where election-related violence was the most pressing concern State and AID worked together to incorporate this priority into their

work. AID convened meetings in the Rift valley, there was temporary additional staffing for AID. This was an effort in making policy and practice work together. Election violence was contained.

At my level, the Deputy Administrator and I scheduled a monthly meeting – his place or mine – small, only four people in the room and we compared notes, complained to each other, praised each other, sought to address ongoing – and there were plenty – shortcomings. I collected input from all my bureaus for these meetings - the interaction was informal, respectful, and focused on improved collaboration – we did this until the very end. And we developed trust.

The fourth which flows out of the one above is recognition of the **value added** by each agency and hence the importance of working together. Once you combine their respective strengths your punch is much stronger. For example, Secretary Clinton created the Global Woman's Issues GWI, with its head at an ambassadorial level precisely to give this issue higher priority, to integrate it into our diplomacy, and thereby enhancing the development work of the WID office. The concept of value added also translated, for example, in convening policy meetings in Washington in which both agencies participate, sharing information, and incorporating both into the responses. When Ambassador Princeton Lyman the US Special Envoy to Sudan and South Sudan brought AID concerns into the dialogue with Sudan and South Sudan it enhanced our efforts. In Washington, when we noted the mutual interest in working with vulnerable groups, particularly LGBT and persons with disabilities, State and AID offices work together to convene important conferences on these issues, which took place at AID.

Let me stop here. While we made some inroads there is still much work to be done. Additionally, AID is moving forward and advancing effectively in rebuilding itself to become a premier development agency.

The lessons for implementation – mutual respect, common understanding, communication and appreciation for value added are more widely applicable – and while many challenges remain but the experience of the last four years has added to the tool kit for improved collaboration. Now it's up to those representing these agencies to make these tools and new ones work.