

CRS Report for Congress

Weak and Failing States: Evolving Security Threats and U.S. Policy

Updated April 18, 2008

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Prepared for Members and
Committees of Congress

Report Documentation Page

Form Approved
OMB No. 0704-0188

Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.

1. REPORT DATE 18 APR 2008		2. REPORT TYPE		3. DATES COVERED 00-00-2008 to 00-00-2008	
4. TITLE AND SUBTITLE Weak and Failing States: Evolving Security Threats and U.S. Policy				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Congressional Research Service, The Library of Congress, 101 Independence Ave, SE, Washington, DC, 20540-7500				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT	18. NUMBER OF PAGES	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

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Summary

Although long a component of U.S. foreign policy, strengthening weak and failing states has increasingly emerged as a high-priority U.S. national security goal since the end of the Cold War. The past three *U.S. National Security Strategy* documents point to several threats emanating from states that are variously described as weak, fragile, vulnerable, failing, precarious, failed, in crisis, or collapsed. These threats include providing safe havens for terrorists, organized crime, and other illicit groups; causing conflict, regional instability, and humanitarian emergencies; and undermining efforts to promote democracy, good governance, and economic sustainability.

The U.S. government remains in the early stages of developing capabilities and resources for addressing a complex mix of security, development, and governance challenges confronting weak states. U.S. programs and initiatives fall under five main categories: (1) conflict and threat early warning, (2) international cooperation and diplomacy, (3) foreign development assistance, (4) post-conflict stability operations, and (5) interagency coordination. However, as U.S. policies toward weak and failing states have grown in priority and cost, particularly since 9/11, some policy makers and analysts have begun to question the Administration's commitment to addressing effectively the problems posed by these states.

Congress plays a crucial role in the funding and oversight of programs designed to address weak and failing states. Several recent bills and laws directly relate to and have changed aspects of U.S. policy toward these states. Among these include efforts to address (1) civilian post-conflict management authorities (S. 613/H.R. 1084), (2) temporary Department of Defense (DOD) funding transfer authorities to the State Department for security and stabilization assistance (H.R. 1585), (3) temporary DOD security assistance authorities and funding (expiring in FY2008), and (4) options for reforming foreign assistance and interagency coordination (as mandated in P.L. 108-199 and P.L. 109-364).

This report first provides definitions of weak states and describes the links between weak states, U.S. national security, and development challenges. Second, the report surveys recent key U.S. programs and initiatives designed to address threats emanating from weak states. Finally, it highlights relevant issues about U.S. policy toward these states that Congress may consider. This report will be updated as events warrant.

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Weak and Failing States: Evolving Security Threats and U.S. Policy

Scope of the Issue

Although long a component of U.S. foreign policy, successive U.S. Administrations have explicitly identified weak or failing states as U.S. national security concerns since 1998. The past three *U.S. National Security Strategy* documents all point to several threats emanating from states that are variously described as weak, fragile, vulnerable, failing, precarious, failed, in crisis, or collapsed.¹ These threats include providing safe havens for terrorists, organized crime, and other illicit groups; causing or exacerbating conflict, regional instability, and humanitarian emergencies; and undermining efforts to promote democracy, good governance, and economic sustainability. The President, in his 2005 *National Security Presidential Directive (NSPD) 44*, asserts that “the United States should work ... to anticipate state failure, avoid it whenever possible, and respond quickly and effectively when necessary and appropriate....”

To this end, the Administration has established as a goal the “transformation” of U.S. national security institutions “to meet the challenges and opportunities of the 21st century,” which includes strengthening weak and failing states.² However, as U.S. policy toward these states has grown in priority and cost — particularly since the terrorist attacks of September 11, 2001 — some U.S. officials and other analysts have begun to question the effectiveness of the Administration’s policies for dealing with these types of problem states. As the debate continues into the next presidential term, this is likely to continue to be a contentious area, with congressional involvement in U.S. policy toward weak and failing states flowing from its funding and oversight responsibilities.

Currently, policy makers and observers are advocating competing visions for addressing state weakness, which could pose significant consequences for U.S. national security policy and U.S. preparedness for combating 21st-century security threats. On one side of the spectrum are those who advocate a “Whole-of-Government” vision for strengthening weak states. Advocates of this approach perceive weak states to present multiple, interdependent challenges to political stability, military and security capabilities, and development and humanitarian needs. As a result, they recommend developing mechanisms and procedures for interagency

¹ White House, *National Security Strategy of the United States* (Washington, DC: White House, 1998, 2002, 2006).

² The White House first outlined this goal in the 2002 *U.S. National Security Strategy* and repeated it in the 2006 *U.S. National Security Strategy*, available at [<http://www.whitehouse.gov/nsc/nss.html>] and [<http://www.whitehouse.gov/nsc/nss/2006/>].

planning that coordinate all aspects of U.S. policy toward weak states. The implications of enhancing U.S. government interagency processes could be substantial for the legislative and executive branches. Supporters have discussed the potential for significant reform of congressional funding and authorizing responsibilities, as well as a substantial organizational overhaul of several federal agencies.

At the other extreme are those who are critical of U.S. nation-building activities; they fundamentally question the appropriateness of state weakness as a lens through which to identify national security threats. Instead, such analysts recommend developing strategies to combat current threats, such as international terrorism, transnational crime, and nuclear weapons proliferation, regardless of how strong a state is. In the case of conflict or post-conflict situations, some critics also discourage institutionalizing potentially costly U.S. stabilization and reconstruction capabilities. Some critics also claim that the concept of strengthening states inherently prescribes a Western model of state function that may not be appropriate in all situations.³ If U.S. national security policy priority on weak and failing states is not necessary or desirable, the existence and funding levels of several recently created programs and strategies to combat weak states threats may be called into question.

U.S. policy toward weak and failing states currently hangs in an uneasy balance between these two perspectives. In recent years, this has resulted in a proliferation of new programs designed to address the challenges of strengthening weak and failing states. The recently created Office of the Coordinator for Reconstruction and Stabilization (S/CRS) in the Department of State is mandated with leading and coordinating U.S. efforts for conflict prevention and response in failing states; in this capacity, S/CRS has sought to implement a whole-of-government approach for addressing conflict in failed states since 2006.⁴ U.S. weak states initiatives, however, remain limited by a lack of interagency cohesion and unclear resources across agencies to carry out programs to strengthen weak states and combat potential national security threats emerging from such states. Pointing to these limitations, some observers question whether U.S. commitment to strengthening weak states is in decline.

In light of the current debate, possible oversight questions for Congress relating to U.S. policy toward weak and failing states include the following:

- Is there a need for an interagency strategy to coordinate agency responses to weak and failing states?
- When is it appropriate for the United States to prevent or respond to situations of state failure abroad?

³ Rose E. Brooks, "Failed States, or the State as Failure?" *The University of Chicago Law Review* 72 (Fall 2005).

⁴ State Department, Office of the Coordinator for Reconstruction and Stabilization, "Fact Sheet: A Whole-of-Government Approach to Prevent, Resolve, and Transform Conflict," August 23, 2006.

- How effective are U.S. programs in preventing state failure?
- To what extent are U.S. government “early warning” predictors of state failure influencing policy planning?
- What do other countries do and how can international cooperation on weak and failing states be improved?
- What types of unintended consequences could U.S. policies to strengthen weak states have in the short- and long-term?

This report is intended to serve as a primer on weak and failing states and related U.S. policy issues. The report first provides definitions of weak states and describes the links between weak states and U.S. national security and development challenges. Second, it surveys recent key U.S. programs and initiatives designed to address threats emanating from weak states and identifies remaining issues related to the new programs. Finally, it highlights potential legislative issues that Congress may be asked to consider.

Definitions and Characteristics

No universal definition for “weak state” or “failing state” exists. Some analysts describe state weakness as the erosion of state capacity — a condition characterized by gradations of a regime’s ability to govern effectively, which, in its most extreme form, results in the complete collapse of state power and function. Most countries in the developing world fall along this spectrum, exhibiting at least some elements of weakness. Failing states, which are seen as including only a handful of countries in the world, exhibit more pronounced weaknesses than others. Among the universe of weak and failing states, there is no single pathway to failure. In some cases, states are characterized by gradual, yet persistent, institutional decay and political instability. In other cases, states rapidly tumble into failure, faltering under the weight of political instability, an acute natural disaster, or economic crisis. Based on quantitative development indicators, weak and failing states tend to be among the least-developed and most underperforming states in the world.

Notable U.S. government and government-affiliated efforts to describe weak and failing states focus on four major, often overlapping, elements of state function. Factors stressed include (1) peace and stability, (2) effective governance, (3) territorial control and porous borders, and (4) economic sustainability.

- **Peace and Stability:** Failing states are often in conflict, at risk of conflict and instability, or newly emerging from conflict. Lacking physical security, other state functions are often compromised; frequently cited examples of such states today include Sudan and Iraq.
- **Effective Governance:** Countries can also be hampered by poor governance, corruption, and inadequate provisions of fundamental

public services to its citizens. In some cases, as in North Korea or Zimbabwe, this may occur because leaders have limited interest, or political “will,” to provide core state functions to all its citizens. A government’s perceived unwillingness to provide adequate public services can incite destabilizing elements within a state.⁵

- **Territorial Control and Porous Borders:** Weak and failing states may lack effective control of their territory, military, or law enforcement — providing space where instability can fester; the Pakistan-Afghanistan border and the Sahel region of Northern Africa are common examples where such elements of state weakness exist.⁶
- **Economic Sustainability:** Many weak states are also among the poorest countries in the world. Arguably as a consequence of other security and political deficiencies, weak and failing states often lack the conditions to achieve lasting economic development. Such countries include Bangladesh and many in Sub-Saharan Africa.

Links to U.S. National Security Threats

Failed states have appeared as a matter of concern in *U.S. National Security Strategy* documents since 1998, though the term had long been the topic of significant academic debate and implicitly informed U.S. national security policy since at least the end of World War II.⁷ As the Cold War concluded in the early 1990s, analysts became aware of an emerging international security environment, in which weak and failing states became vehicles for transnational organized crime, nuclear proliferation pathways, and hot spots for civil conflict and humanitarian emergencies. The potential U.S. national security threats weak and failing states pose became further apparent with Al Qaeda’s September 11, 2001, attack on the United States, which Osama bin Laden masterminded from the safe haven that Afghanistan provided.

The events of 9/11 prompted President George W. Bush to claim in the 2002 *U.S. National Security Strategy* that “weak states, like Afghanistan, can pose as great

⁵ See, for example, “State Capacity: The Dynamics of Effectiveness and Legitimacy in Government Action in Fragile States,” *Working Papers on Fragile States No. 2*, produced for review by the United States Agency for International Development and prepared by the IRIS Center at the University of Maryland at College Park, June 2005.

⁶ For an analysis of several “ungoverned territories” case studies, see Angel Rabasa et al., *Ungoverned Territories: Understanding and Reducing Terrorism Risks* (Santa Monica, CA: RAND, 2007).

⁷ Though not necessarily identified as weak or failing states in the contemporary sense of the terms, some analysts have argued that the United States has had strategic interest in such states well before 1998. See Jeffrey D. Sachs, “The Strategic Significance of Global Inequity,” *Washington Quarterly*, vol. 24, no. 3 (Summer 2001), pp. 187-198.

a danger to our national interests as strong states.”⁸ In 2005, Secretary of State Condoleezza Rice further emphasized how weak and failing states pose “unparalleled” danger to the United States, serving as “global pathways” that facilitate the “movement of criminals and terrorists” and “proliferation of the world’s most dangerous weapons.”⁹ Many national security observers highlight such Administration language to indicate that U.S. interest in weak and failing states has become more substantial since 9/11 and is motivated largely by national security interests.

Current Threats

Analysts identify numerous links between weak and failing states and transnational security threats, ranging from terrorism and nuclear proliferation to the spread of infectious diseases, environmental degradation, and energy security. U.S. national security documents generally address weak states in relation to four key threat areas: (1) terrorism, (2) international crime, (3) nuclear proliferation, and (4) regional instability. Other analysts caution, however, that despite anecdotal evidence supporting a potential nexus between state weakness and today’s security threats, weak states may not necessarily harbor U.S. national security threats. Furthermore, the weakest states may not necessarily be the most significant threats to U.S. national security; relatively functional states, characterized by some elements of weakness rather than complete state collapse, may also be sites from which threats can emerge.

Terrorism. According to several analyses, weak and failing states are perceived as “primary bases of operations” for most U.S.-designated foreign terrorist organizations, including Al Qaeda, Hamas, Hezbollah, Islamic Jihad, and Jaish-I-Mohammed.¹⁰ Terrorists can benefit from lax or non-existent law enforcement in these states to participate in illicit economic activities to finance their operations and ease their access to weapons and other equipment.¹¹ As with Afghanistan in 2001, weak and failing states can also be ideal settings for terrorist training grounds, when the host country’s government is unable to control or govern parts of its territory.

⁸ See also Donald H. Rumsfeld, *Annual Report to the President and Congress* (2002).

⁹ Condoleezza Rice, “The Promise of Democratic Peace: Why Promoting Freedom is the Only Realistic Path to Security,” *Washington Post*, December 11, 2005.

¹⁰ See Stewart Patrick, “Weak States and Global Threats: Fact of Fiction?” *The Washington Quarterly* 29 (2006), pp. 27-53; Rumsfeld (2002), *op. cit.*; and Ray Takeyh and Nikolas Gvosdev, “Do Terrorist Networks Need a Home?” *The Washington Quarterly* 25 (2002). See also White House (2006), *op. cit.*; National Intelligence Council, *Mapping the Global Future* (Washington, DC: Government Printing Office, 2004); Department of Defense, *National Defense Strategy of the United States* (2005); U.S. Department of State Office of the Coordinator for Counter-Terrorism, “Chapter 5 - Terrorist Safe Havens (7120 Report),” *Country Reports on Terrorism* (2007).

¹¹ “U.N. Says Trafficking Crimes Funding Terrorism,” *Jane’s Terrorism Watch Report*, September 27, 2007.

States mired in conflict also provide terrorists with opportunities to gain on-the-ground paramilitary experience.¹²

Researchers find, however, that not all weak states serve as safe havens for international terrorists.¹³ Terrorists have been known to exploit safe havens in non-weak as well as weak states. The Political Instability Task Force, a research group commissioned by the Central Intelligence Agency, found in a 2003 report that terrorists operate in both “caves” (i.e., failed states, where militant groups can exist with impunity) and “condos” (i.e., states that have the infrastructure to support the international flow of illicit people, funds, and information). The preference for “condos” suggests that countries most devoid of functioning government institutions may sometimes be less conducive to a terrorist presence than countries that are still weak, but retain some governmental effectiveness.¹⁴

International Crime. As with terrorist groups, international criminal organizations benefit from safe havens that weak and failing states provide. According to the U.S. Interagency Working Group report on international crime, weak states can be useful sites through which criminals can move illicit contraband and launder their proceeds, due to unenforced laws and high levels of official corruption.¹⁵ Since the Cold War, the international community has seen a surge in the number of transnational crime groups emerging in safe havens of weak, conflict-prone states — especially in the Balkans, Central Asia, and West Africa. Criminal groups can thrive off the illicit needs of failing states; regimes and rebel groups have been known to solicit the services of vast illicit arms trafficking networks to fuel deadly conflicts in countries such as Afghanistan, Angola, Liberia, Sierra Leone, and Sudan when arms embargoes had been imposed by the United Nations and other members of the international community.¹⁶ Links between transnational crime and terrorists groups are also apparent: Al Qaeda and Hezbollah have worked with several criminal actors, ranging from rebel groups in the West African diamond trade to crime groups in the Tri-Border region of Argentina, Brazil, and Paraguay, among others.¹⁷

¹² Rabasa (2007), *op cit.*; U.S. Department of State Office of the Coordinator for Counter-Terrorism (2007), *op. cit.*

¹³ See Edward Newman, “Weak States, State Failure, and Terrorism,” *Terrorism and Political Violence*, Vol. 19, 2007, pp. 463-488.

¹⁴ Rabasa (2007), *op cit.*

¹⁵ U.S. Government Interagency Working Group, *International Crime Threat Assessment* (2000); and NIC (2004), *op. cit.* See also U.N. Office on Drugs and Crime, *World Drug Report* (2007); U.S. Government Interagency Working Group (2000), *op. cit.*

¹⁶ U.S. Department of Treasury, “Treasury Designates Viktor Bout’s International Arms Trafficking Network,” April 26, 2005; Douglas Farah and Stephen Braun, *Merchant of Death: Money, Guns, Planes, and the Man Who Makes Wars Possible* (Hoboken, NJ: Wiley and Sons, 2007).

¹⁷ “Al Qaeda Cash Linked to Diamond Trade,” *Washington Post*, November 2, 2001; Steven W. Casteel, Assistant Administrator for Intelligence at the U.S. Drug Enforcement Administration, “Narco-Terrorism: International Drug Trafficking and Terrorism — A (continued...) ”

Some researchers contend, however, that the weakest states are not necessarily the most attractive states for international criminals. This may be because some illicit transnational groups might be too dependent on access to global financial services, modern telecommunication systems, transportation, and infrastructure that do not exist in weak states. Researchers also find that some forms of international crime are more associated with weak states than others. Narcotics trafficking and illicit arms smuggling, for example, often flow through weak states. However, other types, such as counterfeiting and financial fraud, may be more prevalent in wealthier states.¹⁸

Weapons Proliferation. Weak and failing states, unable or unwilling to guarantee the security of nuclear, chemical, biological, and radiological (CBRN) materials and related equipment, may facilitate underground networks that smuggle them. Endemic corruption and weak border controls raise the possibility of these states being used as transshipment points for illicit CBRN trafficking. Porous international borders and weak international controls have contributed to 1,080 confirmed nuclear and radiological material trafficking cases by member states from 1993 to 2006, according to the International Atomic Energy Agency.¹⁹

The majority of smuggled nuclear material reportedly originates in Central Asia and the Caucasus where known stockpiles are said to be inadequately monitored.²⁰ Other sources of concern include poorly secured materials in research, industrial, and medical facilities. A relatively new region of concern for the United States is Africa, where more than 18% of the world's known recoverable uranium resources exist. Lax regulations, weak governments, and remotely located mines that are difficult to supervise combine to make the removal and trafficking of radioactive substances in Africa "a very real prospect."²¹ Analysts also contend that while the potential for weapons of mass destruction (WMDs) trafficking through weak states is considerable, most weak states may be unlikely destinations for smuggled WMD

¹⁷ (...continued)

Dangerous Mix," statement to the Senate Committee on the Judiciary, U.S. Senate, May 20, 2003.

¹⁸ Patrick (2006), *op. cit.*

¹⁹ International Atomic Energy Agency, *Illicit Trafficking Database* (2006). See also Fund for Peace, *Threat Convergence: New Pathways to Proliferation?* (2006), and Department of Defense, *National Defense Strategy* (2005).

²⁰ Fund for Peace (2006), *op. cit.*

²¹ United Nations Security Council, *Report of the Group of Experts on the Democratic Republic of the Congo*, S/2006/525, July 18, 2006, and "Exploiting Africa: Securing the Continent's Uranium Resources," *Jane's Intelligence Review*, September 1, 2007. According to the above-cited sources, Congolese experts reported that between 2000 and 2006, state officials confiscated more than 50 cases containing uranium or cesium. The United Nations has confirmed at least one instance of this: in 2005, Tanzanian customs officials intercepted a shipment that contained a yellow cake-filled barrel that allegedly came from abandoned mines in Katanga, a southern province in the Democratic Republic of Congo.

devices. Such equipment requires a certain level of technological sophistication that may not exist in some weak and failing states.²²

Regional Instability. According to recent research, states do not always become weak or failed in isolation — and the spread of instability across a region can serve as a critical multiplier of state vulnerability to threats. Instability has a tendency to spread beyond a weak state’s political borders, through overwhelming refugee flows, increased arms smuggling, breakdowns in regional trade, and many other ways.²³ The National Intelligence Council acknowledges that state failure and its associated regional implications pose an “enormous cost in resources and time” to the United States.²⁴

Challenges to Development

In addition to the potential transnational security threats that weak and failing states pose to the United States, they also present unique challenges from a development perspective — a dimension of U.S. international policy that the 2002 *U.S. National Security Strategy* elevated in priority to be equivalent to U.S. policy on defense and diplomacy. According to some U.S. officials, the primary programs to support development are inappropriate for fragile states. For example, weak and failing states have greater difficulty achieving the U.N. Millennium Development Goals and qualifying for U.S. assistance programs under the Millennium Challenge Act (22 U.S.C. 7701 et seq.), which essentially precludes assistance to most weak and failing states.²⁵

Some weak states also have difficulty absorbing large amounts of foreign assistance, even when donor countries provide funding.²⁶ According to the World Bank, fragile states grow only one-third as fast and have one-third the per capita income, 50% higher debt-to-gross domestic product ratios, and double the poverty

²² Fund for Peace (2006), *op. cit.*

²³ See Myron Weiner, “Bad Neighbors, Bad Neighborhoods: An Inquiry into the Causes of Refugee Flows,” *International Security* 21(1996), pp. 5-42; Paul Collier et al., *Breaking the Conflict Trap: Civil War and Development Policy* (Washington, DC: World Bank and Oxford University Press, 2003).

²⁴ NIC (2004), *op. cit.*

²⁵ To receive foreign assistance funds under the Millennium Challenge Act of 2003 (P.L. 108-199, H.R. 2673, 22 U.S.C. 7701 et seq.), countries must have achieved certain performance benchmarks, based on quantitative development indicators. Since weak and failing states tend to be among the most underperforming and least developed states in the world, they often are precluded from Millennium Challenge assistance.

²⁶ See World Bank Independent Evaluation Group, *Engaging with Fragile States: An IEG Review of World Bank Support to Low-Income Countries Under Stress* (Washington, DC: The World Bank, 2006); Chauvet and Collier, “Helping Hand? Aid to Failing States,” Oxford University Working Paper (2006).

rates of other low-income countries.²⁷ The World Bank also finds that nearly all fragile states identified in 1980 are still fragile today, highlighting the difficulty in achieving sustained progress in weak and failing states. Statistical estimates by World Bank analysts predict that a fragile state is likely to remain so for 56 years, and the probability of a fragile state experiencing a “sustained turnaround” in any given year is a mere 1.8%.

Issues for New U.S. Programs and Initiatives

The United States does not have an official strategy or interagency guidelines for dealing with weak and failing states. However, several notable programs and initiatives have been created since 9/11 that aim to help prevent state failure, strengthen weak states, and counter existing threats emanating from weak and failing states. These programs span all aspects of state weakness issues to include (1) identifying threats and monitoring weak states, (2) engaging weak states through diplomacy, (3) directing foreign assistance toward the alleviation of state weakness symptoms, and (4) implementing on-the-ground civilian and military stabilization operations. Depending on the level of state weakness, available resources, and political considerations, U.S. policy makers may decide to apply one or more of these programming areas to weak states. Some analysts remain critical of recent U.S. programs designed to address issues of state weakness. While describing new U.S. programs and initiatives, the following sections highlight existing criticism and concerns.

Conflict and Threat Early Warning

The U.S. government uses conflict and threat early warning systems to predict which states are likely to fail. These include quantitative measures and subjective government analyses of state fragility. Early warning systems are used to assist U.S. agencies to prepare for international crises and identify areas in which assistance can be provided before a state slides further into failure. The National Intelligence Council, Department of State, U.S. Agency for International Development (USAID), and Department of Defense (DOD) have roles in identifying and monitoring potential threats emanating from weak and failing states.

One U.S. government warning list of weak and failing states has been prepared by the National Intelligence Council twice per year since 2005, using classified and unclassified sources. According to government officials, this assessment is based at least in part on analysis of the Central Intelligence Agency-commissioned Political Instability Task Force, which boasts more than an 80% accuracy rate for predicting politicicide, genocide, and ethnic and revolutionary wars. USAID began producing a separate list of fragile states under its *Conflict and Fragility Alert, Consultation, and Tracking System (C/FACTS)* in 2006. In addition, U.S. officials say DOD has

²⁷ See Chauvet and Collier (2004), *op. cit.*; Francois Bourguignon, “Broadening Progress Toward the MDGs,” Speech prepared for the ECOSOC 2007 High Level Segment, Geneva, Switzerland, July 2-5, 2007, available at [<http://www.un.org/ecosoc/docs/pdfs/Bourguignon.pdf>].

worked on developing a list of potential countries where future U.S. military force may be required; DOD has also worked on identifying potential ungoverned areas and assessing the threats that they pose to U.S. national security.

According to U.S. officials, the lists of weak states generated by these efforts are used to inform the various agency's programming agendas. However, the extent to which programming changes relate to changes in the early warning assessments remains unclear. In the case of the State Department's Office of the Coordinator for Reconstruction and Stabilization (S/CRS), which is mandated with leading and coordinating U.S. efforts for conflict prevention and response in failing states, for example, many observers have suggested that the office's small size and limited resources hamper its ability to address the full range of today's weak states; instead, S/CRS has been able to focus only on a small handful of weak states. Furthermore, it remains unclear how various agencies reconcile discrepancies across contradictory early warning assessments. Based on discussions with U.S. officials, several efforts to promote interagency collaboration on weak and failing states identified by these lists have become marginalized in the policy planning process.

International Diplomacy

International diplomacy is one way in which the United States can engage countries on issues that weaken the state and pose threats to U.S. national security. By working in cooperation with international actors on weak states issues, including democracy promotion, the United States aims to prevent transnational threats from emerging. In 2006, Secretary Rice unveiled transformational diplomacy as one such initiative. Under the banner of transformational diplomacy, approximately 300 U.S. diplomats will be transferred to "strategic posts" in the Near East, Asia, Africa, and Latin America over the course of the next several years. In these new posts, foreign service officers will work on promoting democracy and good governance as well as bolstering state capacity against terrorism, nuclear proliferation, and other security threats in countries often characterized as weak.²⁸ Although the scope of transformational diplomacy extends beyond the issues of state weakness, the resulting *Strategic Plan for Fiscal Years 2007-2012* specifically aims to "directly confront threats to national and international security from ... failed or failing states," and strengthen state capacity to "prevent or mitigate conflict, stabilize countries in crisis, promote regional stability, protect civilians, and promote just application of government and law."²⁹

According to some analysts, however, the future of transformational diplomacy hangs in question. There remains some disagreement over whether transformational diplomacy requires new congressional legislation; the Administration claims the

²⁸ As part of the State Department's new initiative, U.S. diplomats will continue their work on the Regional Strategic Initiative, which, in collaboration with host governments, is designed to boost regional political will and capacity to counter terrorism. As of 2006, RSI programs exist in Malaysia, Indonesia, Philippines, Mauritania, Algeria, Morocco, Niger, Chad, and Mali. See U.S. Department of State Office of the Coordinator for Counter-Terrorism (2007), *op. cit.*

²⁹ See White House (2006), *op. cit.*

initiative does not and has not requested new authorities from Congress to implement transformational diplomacy. In addition, some experts and foreign governments have raised concerns about the particular prominence of democracy promotion in Administration's transformational diplomacy initiative and its potential use as a "pretext" for intervening in other country's domestic affairs.³⁰ Lacking legal requirements to implement the transformational diplomacy initiative, it is possible that the next Administration may rethink or replace it.

Foreign Assistance

USAID has been at the forefront of U.S. efforts to prevent future state failure by addressing the underlying sources of weakness. In 2003, USAID established the Office of Conflict Mitigation and Management to examine the underlying causes of political instability, conflict, and extremism, and to improve the Agency's response to such conditions. In 2004, USAID also created a new type of foreign service officer, called "Crisis, Stabilization, and Governance Officers," that specializes in providing the humanitarian, economic stabilization, and governance aspects of development assistance to fragile and weak states. They are given different training and shorter tours that focus specifically on the post-conflict phase of development, and operate in countries such as Afghanistan and Sudan.³¹

In 2005, USAID unveiled its *Fragile States Strategy*, which provides a strategic vision for how USAID can most effectively respond to fragile states. Among its main objectives, the Strategy sought to enhance the Agency's rapid crisis response capabilities and establish a strategic planning process that could take into account conditions of weakness unique to each country. According to U.S. officials and independent observers, however, the Strategy's new programming objectives and strategic priorities for fragile states seem to have been sidelined by the 2006 launch of the Secretary of State's transformational development initiative.³²

Transformational Development. The State Department's 2006 transformational development initiative created the office of the Director of Foreign Assistance (DFA) and introduced a new Foreign Assistance Framework.³³ The DFA

³⁰ For a full discussion of the pros and cons of transformational diplomacy, see CRS Report RL34141, *Diplomacy for the 21st Century: Transformational Diplomacy*, by Kennon H. Nakamura and Susan B. Epstein.

³¹ Crisis, Stabilization, and Governance Officers are also referred to as "Backstop-76 Officers." USAID officials say the creation of this new foreign service officer specialization was based on the Agency's observations that officers in failing states require special expertise to address, simultaneously, such states' lack of adequate governance, humanitarian crises, and dysfunctional economies.

³² Stewart Patrick and Kaysie Brown, *Greater than the Sum of Its Parts? Assessing "Whole of Government" Approaches to Fragile States* (New York: International Peace Academy, 2007).

³³ For more information on restructuring foreign assistance, see CRS Report RL33491, *Restructuring Foreign Aid: The Role of the Director of Foreign Assistance in Transformational Development*, and CRS Report RL34243, *Foreign Aid Reform: Issues for* (continued...)

serves concurrently as the USAID Administrator and has authority over State Department and USAID foreign assistance programs. The Foreign Assistance Framework categorizes foreign aid recipients as rebuilding, developing, transforming, sustaining partners, and restrictive countries, and identifies five development objectives for all country categories — peace and security, governing justly and democratically, investing in people, economic growth, and humanitarian assistance. U.S. officials claim that the Framework implicitly addresses state fragility, with the majority of so-called weak and failing states falling in the rebuilding category and some falling in the developing and restrictive categories.

The new framework has the potential to improve alignment of foreign assistance allocations with foreign policy priorities, such as weak and failing states, by centralizing management and accountability over State Department and USAID funds. However, U.S. officials have stated that the new Office of the Director for Foreign Assistance has yet to develop strategic guidelines or a methodology to inform the allocation of aid resources to any of the Framework's country categories and for weak states specifically. Furthermore, the extent to which the Director of Foreign Assistance will be able to influence other U.S. agencies that provide foreign assistance funding remains unknown. In CY2005, 48% of U.S. Official Development Assistance (ODA) was controlled by agencies outside of the State Department and USAID, including the Departments of Defense, Agriculture, Energy, Health and Human Services, Labor, and Treasury. In CY2005, DOD alone disbursed more than one-fifth of U.S. foreign assistance.

Military, Police, and Counter-Terrorism Assistance. A subset of foreign assistance distinct from bilateral economic aid, U.S. support for foreign military, police, and counter-terrorism assistance is a primary means by which to prevent security threats emanating from weak and failing states. By providing this specialized form of assistance, the Administration seeks to build and reinforce the security sector capabilities of partner nations in order to prevent state weaknesses that transnational threats could exploit. Examples of counter-terrorism programs in weak states that focus on military assistance and training include the Regional Defense Combating Terrorism Fellowship Program³⁴ and the Trans-Sahel Counter-Terrorism Initiative (TSCTI).³⁵

³³ (...continued)

Congress and Policy Options, both by Connie Veillette.

³⁴ The Regional Defense Combating Terrorism Fellowship Program (CTFP) has become the “go to” program within DOD to train international security personnel to combat terrorism as part of the U.S. Global War on Terror. It was established in FY2002 (10 U.S.C. 2249c) as a permanent authorization, not to exceed \$20 million per fiscal year. The National Defense Authorization Act for Fiscal Year 2007 (P.L. 109-364) raised the authorization to \$25 million per fiscal year.

³⁵ Launched in 2004, TSCTI targets extremism, instability, and violence in the Sahel region of Africa by providing military support and other assistance, enhancing cooperation among the region's security forces, and promoting democratic governance and economic growth. Joint assessments by the State Department, USAID, and DOD in several Sahelian countries are also conducted to identify causes of extremism and terrorist recruitment.

Congress has actively supported the growth of this realm of foreign assistance in recent years through military, police, and counter-terrorism funding appropriated in the annual Foreign Operations and supplemental appropriations bills. Under new authorities granted by Congress in 2005, DOD is using additional funds to train and equip foreign security forces for counter-terrorism and stability operations.³⁶ DOD's growing prominence in providing security sector assistance, however, has raised particular concern among some policy makers, including Members of Congress, who question whether the U.S. military is playing too large a role in a realm of foreign affairs traditionally dominated by the State Department and USAID.³⁷ Though the Department of State controls the majority of security sector assistance in the annual Foreign Operations bill, DOD has received levels of funding through recent supplemental appropriations acts that rival, if not exceed, State Department funding.³⁸

Post-Conflict Stability Operations

Civilian Capabilities. As a result of continuing U.S. operations in Afghanistan and Iraq, the current Administration has sought to develop effective civilian procedures for stability operations in failing states that go beyond traditional peacekeeping activities.³⁹ In August 2004, then-Secretary of State Colin Powell created the Office of the Coordinator for Reconstruction and Stabilization (S/CRS) to plan and conduct civilian post-conflict operations and to coordinate with DOD in situations that require a military presence. In December 2004, Congress granted statutory authority for the existence of S/CRS in the Department of State and Related

³⁶ Under Section 1206 of the National Defense Authorization Act for Fiscal Year 2006 (P.L. 109-163), Congress authorized DOD to train and educate foreign military forces for counter-terrorism operations and military and stability operations in which U.S. armed forces are involved. See "Legislative Issues for Congress" section below for a further discussion of Section 1206.

³⁷ Reflecting ongoing interest in DOD's role in foreign assistance, Congress requested, under Section 1209 of the National Defense Authorization Act for FY2008 (H.R. 1585), a report from DOD on foreign assistance-related programs carried out and implemented by DOD, which specifies, on a country-by-country basis, a description of the dollar amount, type of support, and purpose of each foreign-assistance related program. H.R. 1585 was pocket vetoed by the President, effective December 28, 2007, for reasons unrelated to Section 1209.

³⁸ In FY2006, the International Affairs budget accounts for International Military Education and Training (IMET), Non-Proliferation, Anti-Terrorism, and Demining (NADR), International Narcotics Control and Law Enforcement (INCLE), and Foreign Military Financing (FMF) totaled approximately \$5.4 billion. The FY2006 war supplemental budget for DOD's Afghanistan and Iraq security forces training totaled \$4.9 billion. The FY2007 estimate for the same International Affairs accounts is \$5.6 billion, while the FY2007 DOD war supplemental for security forces training totals \$12.9 billion.

³⁹ Stability operations are defined here to include broadly security, transition, counterinsurgency, peacemaking, and the other operations needed to deal with irregular security challenges. This follows the 2005 Defense Science Board Task Force definition.

Agency Appropriation, 2005.⁴⁰ One year later, the President officially lent his support to S/CRS with *NSPD 44* in December 2005. *NSPD 44* not only identified the State Department as the lead agency for coordinating stabilization and reconstruction operations in failing states, but also mandated that it consider and propose “additional authorities, mechanisms, and resources needed to ensure that the United States has the civilian reserve and response capabilities necessary for stabilization and reconstruction activities.”

S/CRS responded to the President’s *NSPD 44* with a proposal for a “Civilian Stabilization Initiative.” Under this plan, S/CRS seeks to create a cadre of volunteer civilians that could be rapidly deployed anywhere in the world in response to an emerging crisis. These civilians would have unique skills and training that could be useful in post-conflict situations and would include police officers, judges, lawyers, agronomists, public health officials, city planners, economists, and others. S/CRS aims to develop three distinct pools of such civilians: (1) an “Active Response Corps” of about 250 full-time U.S. federal government employees who can be continuously deployed abroad; (2) a “Standby Response Corps” of about 2,000 U.S. federal government employees that can be called up from their day jobs to deploy within 45 to 60 days of a crisis; and (3) a “Civilian Reserve Corps” of about 2,000 additional people from the private sector and from state and local government work, who can be called up from their day jobs to deploy within two months of a crisis.⁴¹

The Civilian Stabilization Initiative remains a work in progress, hampered in large part to limited staffing and financial resources. To date, the Active Response Corps consists of 11 people, all of them either foreign service officers or State Department civil service employees, and the Standby Response Corps consists of approximately 300 active or retired foreign service officers.⁴² Members of the Active and Standby Response Corps have been involved in operations spanning at least 18 countries since they first were deployed in 2006.⁴³

To improve civilian capabilities for responding to failing states, several policy makers, including President George W. Bush and Senators Richard G. Lugar and Joseph R. Biden Jr., have recommended the establishment of a permanent conflict response fund and funding for the Civilian Stabilization Initiative. Such a conflict response fund, first requested in the Administration’s FY2004 budget, would be used in cases of unforeseen crises that demand immediate U.S. response. Although Congress has yet to authorize either proposal, Congress provided \$50 million,

⁴⁰ Section 408, Division B, Title IV of the Consolidated Appropriations Act of 2005, P.L. 108-447; 22 U.S.C. 2651a note.

⁴¹ Ambassador John E. Herbst, Coordinator for the Office of Reconstruction and Stabilization, Briefing on Civilian Stabilization Initiative, February 14, 2008, at [<http://www.state.gov/s/crs/rls/rm/100913.htm>].

⁴² See also CRS Report RL32862, *Peacekeeping and Conflict Transitions: Background and Congressional Action on Civilian Capabilities*, by Nina Serafino and Martin A. Weiss.

⁴³ Countries/Territories include Kosovo, Haiti, Colombia, Mali, Mauritania, Niger, Sudan, Liberia, Chad, Somalia, Iraq, Lebanon, Yemen, Afghanistan, Nepal, Philippines, Indonesia, and Malaysia. See U.S. Department of State, “S/CRS Engagement Around the World,” at [<http://www.crs.state.gov/index.cfm?fuseaction=public.display&shortcut=4AN5>].

contingent upon specific authorization, to fund the creation of a Civilian Reserve Corps in FY2007 supplemental appropriations.⁴⁴ Since 2006, Congress has also authorized DOD to transfer up to \$100 million per year in funds to the Department of State for conflict response under a special, temporary transfer authority that expires at the end of FY2008.⁴⁵ S/CRS relies heavily on these transferred funds for a substantial portion of its stabilization activity abroad.⁴⁶

Military Capabilities. The Secretary of Defense issued *Directive 3000.05* in November 2005 on “Military Support for Stability, Security, Transition, and Reconstruction Operations.”⁴⁷ In *Directive 3000.05*, the Secretary elevates stability operations to a “core U.S. military mission” and calls on the military to be prepared to conduct and support “all tasks necessary to establish or maintain order” — including tasks normally “best performed” by civilians. Stability operations from a Department of Defense perspective encompass a broad array of non-traditional military engagements, which include peacekeeping, humanitarian and civic assistance, counter-terrorism, counter-narcotics, and counter-insurgency efforts. Since 2005, DOD has created a new Deputy Assistant Secretary of Defense for Stability Operations, a Defense Reconstruction Support Office, and Senior Directors for stability operations in each Combatant Command. According to DOD officials, *Directive 3000.05* remains in the initial stages of implementation and U.S. military doctrine is under revision to incorporate stability and reconstruction operations into military field manuals.

Recent post-conflict stability operations have highlighted possible tensions in DOD’s relationship with civilian agencies. In 2005, for example, a report by the Defense Science Board Task Force on the status of DOD stability operations capabilities found that “the progress of other organs of Government has been less fulsome” and that it could not “have confidence in the speed with which changes in other departments and agencies outside DOD will take place.” Analysts suggest that DOD efforts to compensate for other agencies’ shortcomings may have the unintended consequence of causing civilian agencies to rely increasingly on DOD in future stabilization operations. Some argue that such reliance is not necessarily problematic, as the military’s “built-in” capabilities in war zones and standby logistics to immediately deploy and provide basic-needs reconstruction relief makes

⁴⁴ Section 3810 of the U.S. Troop Readiness, Veterans’ Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (P.L. 110-28).

⁴⁵ Congress first established this temporary authority in the National Defense Authorization Act for Fiscal Year 2006 (Section 1207, P.L. 109-163). The Senate version of the National Defense Authorization Act for FY2008 (S. 1547) recommended raising the Section 1207 transfer authority to \$200 million and extending the authority to September 30, 2008. Section 1210 of the National Defense Authorization Act for Fiscal Year 2008 (P.L. 110-181) extends the original transfer authority to September 30, 2008, but maintains the \$100 million cap.

⁴⁶ U.S. Department of State, “S/CRS Engagement Around the World,” at [<http://www.crs.state.gov/index.cfm?fuseaction=public.display&shortcut=4 AN5>].

⁴⁷ See CRS Report RL33557, *Peacekeeping and Related Stability Operations: Issues of U.S. Military Involvement*, by Nina Serafino.

it a “natural lead” in post-conflict reconstruction.⁴⁸ Others, however, argue that the potential reliance on military capabilities could compromise or conflict with broader U.S. foreign policy goals.

Interagency Coordination

Cross-agency collaboration on U.S. projects in weak states appears to be increasing in frequency and institutionalization. The creation of S/CRS in 2004 is one testament to this development, as it is the first formally mandated office to serve indefinitely as the lead coordinator for all civilian and military activities related to conflict prevention and post-conflict reconstruction. S/CRS is also leading an ongoing effort, the Interagency Management System, to develop interagency planning and improved coordination for stability operations.⁴⁹ Prior to the creation of S/CRS, President Clinton’s 1997 *Presidential Decision Directive 56 (PDD 56)* governed interagency management of post-conflict situations. Under *PDD 56*, an ad hoc interagency working group called the Executive Committee would be called upon to supervise the day-to-day management of U.S. operations when crises occurred.

Many analysts and U.S. officials observe, however, that the current interagency approach to weak states — which spans not only post-conflict stability operations planning, but also development assistance and intelligence community cooperation on early warning threat assessments in weak and failing states — nevertheless remains a “messy amalgam” of programs and policies, lacking strategy-level, cross-agency guidance.⁵⁰ Criticism by U.S. officials points to overlapping and redundant responsibilities, as well as programs that are, at times, working at cross-purposes. Recent World Bank and OECD research indicates, for example, that foreign assistance flows to fragile states tend to be uneven, irregular, and fragmented from all major donor countries and organizations, including the United States.⁵¹ Some officials acknowledge that confusion also remains regarding which agencies should be invited to interagency policy planning discussions on various weak state issues.

In the case of the S/CRS Interagency Management System, the U.S. Government Accountability Office (GAO) reports that this proposed interagency planning mechanism for post-conflict situations remains hampered by several fundamental problems. These include (1) “unclear and inconsistent guidance” on the roles and responsibilities of S/CRS and other offices within the State Department, which have resulted in “confusion and disputes” about who leads policy development and who

⁴⁸ Council on Foreign Relations, debate between Craig Cohen and Col. Garland H. Williams, “Who Should Lead Post-Conflict Reconstruction?” February 11, 2008.

⁴⁹ U.S. Government Accountability Office, “Stabilization and Reconstruction: Actions Are Needed to Develop a Planning and Coordination Framework and Establish the Civilian Reserve Corps,” GAO-08-39, November 6, 2007.

⁵⁰ Patrick and Brown (2007), *op. cit.* See Defense Science Board Task Force (2005), *op. cit.*; and *Beyond Goldwater-Nichols: U.S. Government and Defense Reform for a New Strategic Era*, Phase II Report (2005), available at [http://www.csis.org/media/csis/pubs/bgn_ph2_report.pdf].

⁵¹ OECD-DAC Fragile States Group (2006), *op. cit.*

controls the resources for stability operations; (2) a “lack of a common definition for stability and reconstruction operations” across the interagency, which makes it unclear when, where, or how the Interagency Management System would be applied in actual crises; and (3) concerns that the Interagency Management System was “unrealistic, ineffective, and redundant” and general skepticism among interagency participants that this new planning process would improve outcomes or increase resources available for fragile states.⁵²

Other recent U.S. projects in weak states are also testing U.S. capacity for interagency coordination. Such efforts include the Provincial Reconstruction Teams in Iraq and Afghanistan, the Trans-Sahara Counter-Terrorism Initiative, and counter-extremism projects in the Horn of Africa. In all of these recent initiatives, civilian and military officials are working together to strengthen state capacity holistically across multiple dimensions of security sector reform, institutional capacity building, and economic development. In the case of the Horn of Africa projects, as an illustrative example, USAID funded an assessment that examined the causes of extremism and identified the most unstable areas in the region. USAID then collaborated with the Department of State and DOD’s Combined Joint Task Force for the Horn of Africa to implement a variety of initiatives to counter extremism in the region. DOD provided the “hardware” by building or rehabilitating essential infrastructure, such as schools, clinics, and wells, while the Department of State and USAID provided the “software,” which included educational and medical training and resources and building institutional capacity.⁵³

USAID has also been working to synchronize civilian-military relations in national security-related programming since 2005, with the creation of the Office of Military Affairs⁵⁴ and the Tactical Conflict Assessment Framework for on-the-ground conflict situations.⁵⁵ The recently created U.S. Africa Command (AFRICOM), a new DOD combatant command post that will include significant State Department leadership, is also indicative of increasing civil-military collaboration.⁵⁶ According to U.S. officials, DOD also aims to apply the AFRICOM model to transform the U.S. Southern Command (SOUTHCOM) by 2016.

⁵² Statement of Joseph A. Christoff, U.S. Government Accountability Office, “Provincial Reconstruction Teams,” Committee on House Armed Services, Subcommittee on Oversight and Investigations, October 30, 2007.

⁵³ USAID, “Conflict in the Africa Region,” June 14, 2007, available at [http://www.usaid.gov/our_work/cross-cutting_programs/conflict/support/afr.html]

⁵⁴ USAID established the Office of Military Affairs in 2005 and serves as the focal point for interactions between USAID and DOD. The office is staffed by former military officers, foreign service officers, and subject matter specialists.

⁵⁵ The TCAF was initially field-tested in 2006 as part of a field training exercise with U.S. Army civil affairs personnel. The purpose of TCAF is to bring development-oriented, conflict-sensitive approaches into an integrated interagency planning process.

⁵⁶ See CRS Report RL34003, *Africa Command: U.S. Strategic Interests and the Role of the U.S. Military in Africa*, by Lauren Ploch.

Possible Legislative Issues for Congress

Civilian Post-Conflict Management Authorities

At the State Department's request, Congress is considering new authorizations to develop civilian post-conflict stabilization capabilities in the Reconstruction and Stabilization Civilian Management Act of 2008 (S. 613 and H.R. 1084).⁵⁷ These bills seek to authorize up to \$100 million for stabilization and reconstruction assistance in failing states, as well as the creation of a Response Readiness Corps. This Response Readiness Corps would include what S/CRS currently calls the "Active Response Corps" and the "Standby Response Corps." H.R. 1084, which was most recently amended on March 5, 2008, does not specify funding amounts for and the size of the Response Readiness Corps.⁵⁸

Congress has appropriated \$50 million for the creation of the third component of the S/CRS Civilian Stabilization Initiative, the "Civilian Reserve Corps," in FY2007 supplemental appropriations; this funding, however, is contingent upon specific authorization.⁵⁹ For FY2009, the State Department included in its budget request to Congress a total of \$428.6 million to stand up the Civilian Response and Reserve Corps and other costs associated with S/CRS. The State Department did not include in its FY2009 request funding for a Conflict Response Fund; instead it requests the continuation of DOD's authority to transfer funds to the State Department for security and stabilization assistance, which currently is set to expire at the end of FY2008.⁶⁰

Supporters of the bill, including Defense Secretary Robert M. Gates, maintain that the State Department's ability to perform its mandated mission in post-conflict situations is hindered by the lack of support for a conflict response fund and a civilian

⁵⁷ Nearly identical versions of the Reconstruction and Stabilization Civilian Management Act have been introduced in the House and Senate since 2004. During the 109th Congress, the Senate unanimously passed the 2006 version (H.R. 2206, P.L. 110-28); the House version was referred to Subcommittee on Africa, Global Human Rights and International Operations and did not resurface. For further discussion, see CRS Report RL32862, *Peacekeeping and Conflict Transitions: Background and Congressional Action on Civilian Capabilities*, by Nina Serafino and Martin A. Weiss.

⁵⁸ Previous versions of H.R. 1084 limited funding authorizations to \$80 million for the establishment of a Response Readiness Corps with both active-duty and reserve components, and \$75 million for a Crisis Response Fund, including \$25 million for the organization, training, and emergency deployment of the Response Readiness Corps.

⁵⁹ Section 3810 of the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (P.L. 110-28).

⁶⁰ U.S. Department of State, "Reference Guide to the President's FY 2009 Budget Request for the Civilian Stabilization Initiative," Office of the Coordinator for Reconstruction and Stabilization (S/CRS), at [<http://www.crs.state.gov/index.cfm?fuseaction=public.display&shortcut=4QJW>]. DOD's authority is located in Section 1207 of the National Defense Authorization Act for Fiscal Year 2006 (P.L. 109-163), as extended by Section 1210 of the National Defense Authorization Act for FY2008 (P.L. 110-181). This provision caps the amount of money authorized for transfer to \$100 million per fiscal year.

reserve corps; critics remain hesitant to provide additional funding to a relatively new office, charged with developing new concepts.⁶¹ Unlike the State Department, which has had difficulty in obtaining permanent funding for civilian stabilization capabilities, the Department of Defense has obtained more congressional funds for U.S. stabilization operations in Afghanistan and Iraq. Some analysts have pointed to DOD's Commander's Emergency Response Program (CERP) as a potentially useful example of an emergency funding mechanism for strengthening weak and failing states. Through CERP, U.S. commanders can rapidly disburse discretionary funds for humanitarian relief and reconstruction needs of local civilians.

International support for the development of civilian post-conflict capabilities appears to be developing, albeit slowly.⁶² Most recently, British Prime Minister Gordon Brown proposed a 1,000-person civilian rapid reaction force that could respond to crises in fragile and failing states. This force would resemble the State Department's proposed Civilian Stabilization Initiative, consisting of police, emergency service personnel, judges, trainers, and other crisis experts who could be called upon in humanitarian or post-conflict emergencies.⁶³

DOD Transfer Authority to the State Department for Security and Stabilization Assistance

Under authority stated in Section 1207 of the National Defense Authorization Act for FY2006 (P.L. 109-163, H.R. 1815), Congress provided the State Department a mechanism to receive DOD funds for "reconstruction, security, or stabilization assistance to a foreign country." In the conference report that accompanied H.R. 1815 (H.Rept. 109-360), the conferees noted that they viewed this provision as a "temporary authority to provide additional resources, if needed, to the Department of State until S/CRS is fully stood up and adequately resourced." Nevertheless, Section 1210 of the National Defense Authorization Act for Fiscal Year 2008 (P.L. 110-181) extended the original transfer authority to September 30, 2008.

Supporters of the extended transfer authority provision argue that the State Department's stabilization capabilities remain underfunded and prevent effective civilian management of post-conflict situations. Critics echo the 2006 conference report, which states that the conferees "do not believe it is appropriate, and are not inclined, to provide long-term funding from the Department of Defense to the Department of State so that they Department of State can fulfill its statutory authorities." Highlighting continued debate over the appropriateness of DOD's

⁶¹ See Robert M. Gates, "Landon Lecture," Remarks as Delivered by Secretary of Defense Robert M. Gates, Manhattan, Kansas, November 26, 2007, available at [<http://www.defenselink.mil/speeches/speech.aspx?speechid=1199>]. See also Richard G. Lugar and Condoleezza Rice, "A Civilian Partner for Our Troops," *Washington Post*, op-ed, December 17, 2007.

⁶² Patrick and Brown, (2007).

⁶³ Richard Norton-Taylor, "Brown Plans to Send British Civilian Force to Conflict Zones: Threats to Security Wider Than During Cold War: Civil Protection Network to Monitor Local Areas," *The Guardian*, March 20, 2008; Katherine Baldwin, "UK Sets Up Force for Failing States in Wake of Iraq," *Reuters News*, March 19, 2008.

Section 1207 authority, the House version of the FY2008 bill did not extend the transfer authority, while the Senate version extended the transfer authority through September 30, 2008, and increases such authorized funding from \$100 million to \$200 million. In the final FY2008 defense authorization, Congress ultimately agreed to extend the transfer authority, but maintained the funding limit of \$100 million through FY2008.⁶⁴

DOD Security Assistance Authorities and Funding

Under Section 1206 of the National Defense Authorization Act for Fiscal Year 2006 (P.L. 109-163), Congress authorized DOD to train and equip foreign military forces for counter-terrorism operations and military and stability operations in which U.S. armed forces are involved. This new authority, which began as a two-year pilot program, has raised concerns among some analysts that it is contributing to a perceived shift in U.S. foreign assistance funding control from the State Department to DOD.⁶⁵ Supporters of Section 1206, however, argue that DOD may be better able to operate such train and equip programs than the Department of State.

To this end, the Administration has requested that Congress broaden DOD's Section 1206 authorities to include (1) training and equipping foreign gendarmerie, constabulary, border protection, and internal defense forces; (2) increasing funding authorization levels from \$300 million to \$750 million; (3) allowing the President or the Secretary of State to waive any legislative restrictions, including human rights restrictions, that may apply to assistance for military or other security forces; and (4) making the authorities permanent.⁶⁶ Although Congress raised the initial amount of authorized funding from \$200 million to \$300 million per year in the National Defense Authorization Act for Fiscal Year 2007 (P.L. 109-364), Congress has turned down the Administration's request to broaden Section 1206 authorities further. Additionally, Congress has not appropriated funds in any fiscal year for the purpose of Section 1206 authorities.

⁶⁴ Section 1210 of the National Defense Authorization Act for Fiscal Year 2008 (P.L. 110-181). See also H.Rept. 110-477.

⁶⁵ See "Taking Defense's Hand Out of State's Pocket," *Washington Post*, July 9, 2007.

⁶⁶ See DOD request to Congress on legislative proposals as part of the National Defense Authorization Bill for Fiscal Year 2008, May 2, 2007, available at [<http://www.dod.mil/dodgc/olc/docs/BGPA.pdf>].

Foreign Police Training Authorities

Section 660 of the Foreign Assistance Act of 1961 (P.L. 87-195), as amended by the 1973 Foreign Military Sales and Assistance Act (P.L. 93-189), restricts the use of foreign assistance funds for the training of foreign police, unless Congress grants an exception. Some observers consider Section 660 as “among the most significant restrictions for stabilization and reconstruction operations” in weak and failing states.⁶⁷ Such analysts recommend repealing this prohibition, because it restricts the U.S. government’s ability to assist foreign countries improve what they consider a critical component in stabilizing weak states.⁶⁸ On the other hand, some observers also point to Congress’s willingness to grant numerous exemptions to Section 660 over the years as indication that Congress has already taken sufficient account of the potential importance of foreign police training assistance for strengthening weak states.

Interagency Policy Effectiveness

A longer-term congressional consideration, which some observers have recently highlighted, is the potential need for further interagency mechanisms to coordinate national security policy related to weak and failing state issues.⁶⁹ In one recent, congressionally mandated effort to address long-term strategies related to foreign assistance policy, the bipartisan “HELP Commission” recommended that Congress rewrite the Foreign Assistance Act of 1961 to address, among other considerations, the perceived need for improved coordination between security concerns and development priorities in failed and failing states.⁷⁰ “Once thought to be distinct and removed from one another, security and development now intersect regularly,” the Commission explains. “Moving states from failed and failing to capable requires going beyond assistance, linking trade, democratic principles of governance, and security with traditional assistance.”⁷¹ Other groups are exploring options for reforming interagency coordination on national security issues, which could include rewriting the National Security Act of 1947 and revising congressional rules

⁶⁷ Derek Chollet, Mark Irvine, and Bradley Larson, *A Steep Hill: Congress and U.S. Efforts to Strengthen Fragile States*, CSIS Report, October 2007.

⁶⁸ Dana R. Dillon, “The War on Terrorism in Southeast Asia: Developing Law Enforcement,” Backgrounder #1720, *The Heritage Foundation*, January 22, 2004.

⁶⁹ See The congressionally funded *Beyond Goldwater-Nichols: U.S. Government and Defense Reform for a New Strategic Era*, Phase II Report (2005), *op cit.* See also The Project on National Security Reform [<http://www.pnsr.org/>], which seeks to “produce recommendations on changes to the National Security Act of 1947 and its subsequent amendments, presidential directives to implement reforms, and new Congressional committee structures and practices.”

⁷⁰ Pursuant to the HELP Commission Act (P.L. 108-199), a bipartisan group of policymakers published a report in December 2007 on recommendations for foreign assistance reform entitled “Beyond Assistance.” The report is available at [http://helpcommission.gov/portals/0/Beyond%20Assistance_HELP_Commission_Report.pdf].

⁷¹ “Beyond Assistance,” pp. 26-27.

governing committee structure and practice to improve oversight of interagency activity.⁷²

The implications of enhancing U.S. government interagency processes, not only could be substantial; observers often compare calls for interagency reform of U.S. national security institutions to the Goldwater-Nichols Act of 1986 (P.L. 99-433), which fundamentally altered how the various branches of the U.S. armed services coordinate capabilities and function. Advocates of interagency reform call for institutionalized mechanisms to require interagency strategic and operational planning, as well as coordinated resource allocation and execution. Critics, however, caution that such proposals could potentially involve significant reform of congressional funding and authorizing responsibilities for national defense, foreign operations, and intelligence.

⁷² See, for example, the Project on National Security Reform, a non-profit and non-partisan project led by James Locher III, available at [<http://www.pnsr.org/>].

Appendix A. Definitions of Weak States

Selected U.S. government and government affiliated efforts to define weak states include the following:

U.S. Agency for International Development (USAID). In the 2005 *Fragile States Strategy*,⁷³ USAID uses the term “fragile states” to include those that fall along a spectrum of “failing, failed, and recovering from crisis.” The most severe form of fragile states are “crisis states,” where conflict is ongoing or “at great risk” of occurring and the central government does not exert “effective control” over its territory, is “unable or unwilling to assure the provision of vital services to significant parts of its territory,” and holds “weak or non-existent legitimacy among its citizens.”

National Intelligence Council (NIC). The NIC describes “failed or failing states” as having “expanses of territory and populations devoid of effective government control” and are caused by internal conflicts, in the 2020 Project’s 2004 final report, *Mapping the Global Future*.⁷⁴ In this report, the NIC considers the terms “post-conflict” and “failed state” to be synonymous.

National Security Council (NSC). The NSC defines “weak states” as lacking the “capacity to fulfill their sovereign responsibilities” in the 2003 *National Strategy for Combating Terrorism (NSCT)*.⁷⁵ The strategy document also describes some weak states as lacking “law enforcement, intelligence, or military capabilities to assert effective control over their entire territory.” The NSC describes “failing states” in the 2006 NSCT as similar to “states emerging from conflict.”⁷⁶

U.S. Government Accountability Office (GAO). GAO, in its 2007 report *Forces That Will Shape America’s Future*,⁷⁷ defines “failed or failing states” as “nations where governments effectively do not control their territory, citizens largely do not perceive the governments as legitimate, and citizens do not have basic public services or domestic security.”

⁷³ U.S. Agency for International Development, *Fragile States Strategy* (2005), available at [http://www.usaid.gov/policy/2005_fragile_states_strategy.pdf].

⁷⁴ National Intelligence Council, *Mapping the Global Future: Report of the National Intelligence Council’s 2020 Project* (2004), available at [<http://www.foia.cia.gov/2020/2020.pdf>].

⁷⁵ White House, *National Strategy for Combating Terrorism* (2003), available at [http://www.whitehouse.gov/news/releases/2003/02/counter_terrorism/counter_terrorism_strategy.pdf]. The 2006 NSCT does not use the term “weak states.”

⁷⁶ White House, *National Strategy for Combating Terrorism* (2006), available at [<http://www.whitehouse.gov/nsc/nsct/2006/nsct2006.pdf>].

⁷⁷ U.S. Government Accountability Office, *Forces That Will Shape America’s Future: Themes from GAO’s Strategic Plan, 2007-2012* (2007), available at [<http://www.gao.gov/new.items/d07467sp.pdf>].

U.S. Interagency Working Group on International Crime.⁷⁸ In the 2000 *International Crime Threat Assessment* report, an interagency working group created under the Clinton Administration defines “failed states” as “unwilling or unable” to meet “many of the accepted standards and responsibilities of sovereign control over its territory,” which may lead to “significant economic deterioration and political unrest that threatens both internal and regional stability.”⁷⁹

Organization for Economic Cooperation and Development (OECD). The OECD’s Development Assistance Committee (DAC), of which the United States is a member, defines “fragile states” as lacking “either the will or the capacity to engage productively with their citizens to ensure security, safeguard human rights, and provide the basic function for development.” They are further characterized as possessing “weak governance, limited administrative capacity, chronic humanitarian crisis, persistent social tensions, violence, or the legacy of civil war.”⁸⁰

Political Instability Task Force (PITF). Originally commissioned by the CIA’s Directorate of Intelligence in 1994 and called the “State Failure Task Force,” PITF defines “state failure” as a “range of severe political conflicts and regime crises” and is characterized by a “total or near-collapse of central political authority.” The Task Force’s statistical methodology identifies instances of politicide, genocide, adverse regime changes, and ethnic and revolutionary wars as situations when total or partial state failure occur.

U.S. Commission on Weak States. This bipartisan commission, sponsored by the Washington think tank Center for Global Development, in its final 2003 report entitled *On the Brink: Weak States and U.S. National Security*, defines “weak states” as those with “governments unable to do the things that their own citizens and the international community expect from them: protecting people from internal and external threats, delivering basic health services and education, and providing institutions that respond to the legitimate demands and needs of the population.”

World Bank. The World Bank’s *Fragile States Initiative*, previously called the *Low-Income Countries Under Stress (LICUS) Initiative*, describes “fragile states” as often characterized by poor governance, internal conflicts or tenuous post-conflict transitions, weak security, fractured societal relations, corruption, breakdowns in the

⁷⁸ The interagency working group that created the *International Crime Threat Assessment* report was composed of representatives from the CIA; Federal Bureau of Investigation; Drug Enforcement Administration; U.S. Customs Service; U.S. Secret Service; Financial Crimes Enforcement Network; National Drug Intelligence Center; the Departments of State, the Treasury, Justice, and Transportation; the Office of National Drug Control Policy; and the NSC.

⁷⁹ U.S. Interagency Working Group, *International Crime Threat Assessment* (2000), available at [<http://clinton4.nara.gov/WH/EOP/NSC/html/documents/pub45270/45270BookWG.pdf>].

⁸⁰ Organisation for Economic Co-operation and Development, Development Assistance Committee High Level Meeting, *Fragile States: Policy Commitment and Principles for Good International Engagement in Fragile States and Situations* (2007).

rule of law, and insufficient mechanisms for generating legitimate power and authority. All are low-income, which is defined as countries with a 2006 gross national income (GNI) per capita of \$905 or less, calculated using the World Bank's Atlas Method.⁸¹

⁸¹ The World Bank acknowledges that “fragility” is “not clear cut” and non-low-income countries may also exhibit characteristics of fragility. This includes “higher-income countries facing the aftermath of conflict, genocide, or social instability (such as the Balkans), more strongly performing countries facing rising conflict risks (for example, Nepal), and strongly performing states facing fragility in particular sub-national regions (as in India, the Philippines). See World Bank Independent Evaluation Group, *Engaging with Fragile States: An IEG Review of World Bank Support to Low-Income Countries Under Stress*, (Washington, DC: The World Bank, 2006), p. 175.

Appendix B. Various Lists Identifying “At Risk” States

Table 1. 2007 World Bank Fragile States/Territories

Afghanistan	East Timor	Sierra Leone
Angola	Eritrea	Solomon Islands
Burma	Gambia	Somalia
Burundi	Guinea	Sudan
Cambodia	Guinea-Bissau	Togo
Central African Rep.	Haiti	Tonga
Chad	Laos	Uzbekistan
Congo, Dem. Rep.	Liberia	Vanuatu
Congo, Rep.	Mauritania	Zimbabwe
Comoros	Nigeria	
Cote d’Ivoire	Papua New Guinea	Territory of Kosovo
Djibouti	Sao Tome & Principe	

Notes: The World Bank uses two criteria to define its set of fragile states: per capita income within the threshold of International Development Association eligibility, and performance of 3.2 or less on the overall Country Policy and Institutional Assessment (CPIA) rating. Some low-income countries or territories without CPIA data are also included. The World Bank does not publicly rank these states, according to their level of fragility. This list is in alphabetical order.

**Table 2. 2007 U.S. Department of State Foreign Assistance
Framework “Rebuilding Countries”**

Afghanistan	Iraq	Somalia
Colombia	Lebanon	Sudan
Congo, Dem. Rep.	Liberia	
Cote d’Ivoire	Nepal	Territory of Kosovo
Haiti	Sierra Leone	

Notes: This list of states, prepared by the DFA, includes all those identified by the U.S. Foreign Assistance Framework as “rebuilding countries,” defined as “states in or emerging from and rebuilding after internal or external conflict.” There are no public documents that explain how these states were distinguished from other conflict and post-conflict states not listed as “rebuilding.”

Table 3. 2007 George Mason University Researchers' State Fragility Index

Country	Score	Country	Score
Congo, Dem. Rep.	23	Angola	18
Afghanistan	22	Guinea	18
Sierra Leone	21	Iraq	18
Somalia	21	Rwanda	18
Chad	20	Congo, Rep.	17
Burma	20	Guinea-Bissau	17
Sudan	20	Nepal	17
Burundi	19	Niger	17
Cote d'Ivoire	19	Uganda	17
Ethiopia	19	Zambia	17
Liberia	19	Zimbabwe	17
Nigeria	19		

Notes: Developed by Monty Marshall and Jack Goldstone of George Mason University, the State Fragility Index measures fragility across eight categories: security effectiveness and legitimacy, political effectiveness and legitimacy, economic effectiveness and legitimacy, and social effectiveness and legitimacy. The 23 countries listed here are identified in the original index by the color red as the most fragile states in 2007. For the full list of states, see Monty Marshall and Jack Goldstone, "Global Report on Conflict, Governance, and State Fragility 2007," *Foreign Policy Bulletin*, Winter 2007.

Table 4. 2007 Fund for Peace Failed States Index

Country	Rank	Country	Rank
Sudan	1	Nigeria	17
Iraq	2	Ethiopia	18
Somalia	3	Burundi	19
Zimbabwe	4	East Timor	20
Chad	5	Nepal	21
Cote d'Ivoire	6	Uzbekistan	22
Congo, Dem. Rep.	7	Sierra Leone	23
Afghanistan	8	Yemen	24
Guinea	9	Sri Lanka	25
Central African Rep.	10	Congo, Rep.	26
Haiti	11	Liberia	27
Pakistan	12	Lebanon	28
North Korea	13	Malawi	29
Burma	14	Solomon Islands	30
Uganda	15	Kenya	31
Bangladesh	16	Niger	32

Notes: The Fund for Peace annually publishes its Failed States Index. The 2007 iteration measures 177 countries across 12 indicators of instability. The 32 countries listed here are labeled “alert” states, which are those predicted to be most likely at risk of failure. See [http://www.fundforpeace.org/web/index.php?option=com_content&task=view&id=229&Itemid=366] for full list of states.

Table 5. 2008 Brookings Institution Index of State Weakness in the Developing World

Country	Rank	Country	Rank
Somalia	1	North Korea	15
Afghanistan	2	Chad	16
Congo, Dem. Rep.	3	Burma	17
Iraq	4	Guinea-Bissau	18
Burundi	5	Ethiopia	19
Sudan	6	Congo, Rep.	20
Central African Rep.	7	Niger	21
Zimbabwe	8	Nepal	22
Liberia	9	Guinea	23
Cote d'Ivoire	10	Rwanda	24
Angola	11	Equatorial Guinea	25
Haiti	12	Togo	26
Sierra Leone	13	Uganda	27
Eritrea	14	Nigeria	28

Notes: Developed by Susan E. Rice of the Brookings Institution and Stewart Patrick of the Center for Global Development, this Index of State Weakness measures 141 countries across 20 common metrics of state performance. The 28 countries listed here are in the bottom quintile of the developing countries assessed. These 28 countries also represent what the authors identify as “failed” (numbers 1 through 3) and “critically weak” (numbers 4 through 28) states of the world. See [http://www.brookings.edu/reports/2008/02_weak_states_index.aspx] for full list of states.

Table 6. Comparison List

Countries	2006 World Bank “Fragile States”	2007 Foreign Assistance Framework “Rebuilding Countries”	2007 State Fragility Index “Red States”	2007 Fund for Peace Failed States Index “Alert States”	2008 Brookings Index of State Weakness “Failed and Critically Weak States”
Afghanistan	X	X	X	X	X
Congo, Dem. Rep.	X	X	X	X	X
Cote d’Ivoire	X	X	X	X	X
Liberia	X	X	X	X	X
Somalia	X	X	X	X	X
Sudan	X	X	X	X	X
Burma	X		X	X	X
Burundi	X		X	X	X
Congo, Rep.	X		X	X	X
Guinea	X		X	X	X
Haiti	X	X		X	X
Iraq		X	X	X	X
Nepal		X	X	X	X
Nigeria	X		X	X	X
Sierra Leone		X	X	X	X
Zimbabwe	X		X	X	X
Angola	X		X		X
Central African Rep.	X			X	X
Chad			X	X	X
Ethiopia			X	X	X
Guinea-Bissau	X		X		X
Niger			X	X	X
Uganda			X	X	X
East Timor	X			X	

Countries	2006 World Bank “Fragile States”	2007 Foreign Assistance Framework “Rebuilding Countries”	2007 State Fragility Index “Red States”	2007 Fund for Peace Failed States Index “Alert States”	2008 Brookings Index of State Weakness “Failed and Critically Weak States”
Eritrea	X				X
Kosovo	X	X			
Lebanon		X		X	
North Korea				X	X
Rwanda			X		X
Solomon Islands	X			X	
Togo	X				X
Bangladesh				X	
Cambodia	X				
Colombia		X			
Comoros	X				
Equatorial Guinea					X
Kenya				X	
Laos	X				
Malawi				X	
Pakistan				X	
Sri Lanka				X	
Uzbekistan				X	
Vanuatu	X				
West Bank and Gaza	X				
Yemen				X	
Zambia			X		