

**STABILITY AND
RECONSTRUCTION OPERATIONS
AND THE ACCELERATED
TRANSFORMATION OF THREE
U.S. GOVERNMENT AGENCIES**

BY

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USAWC CLASS OF 2011

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REPORT DOCUMENTATION PAGE				Form Approved OMB No. 0704-0188	
Public reporting burden for this 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 this 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 Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports (0704-0188), 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 any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. PLEASE DO NOT RETURN YOUR FORM TO THE ABOVE ADDRESS.					
1. REPORT DATE (DD-MM-YYYY) 15-04--2011		2. REPORT TYPE Civilian Research Paper		3. DATES COVERED (From - To)	
4. TITLE AND SUBTITLE Stability and Reconstruction Operations and the Accelerated Transformation of Three U.S. Government Agencies				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S) COL Maria Zumwalt				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) University of Texas at Austin 3925 West Braker Lane, Suite 400 Austin, TX 78759				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING / MONITORING AGENCY NAME(S) AND ADDRESS(ES) LTG (Retired) Joe Yakovac, Program Advisor University of Texas at Austin 3925 West Braker Lane, Suite 400 Austin, TX 78759				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION / AVAILABILITY STATEMENT Distribution A: Unlimited					
13. SUPPLEMENTARY NOTES					
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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			19b. TELEPHONE NUMBER (include area code)
			UNLIMITED	40	

USAWC CIVILIAN RESEARCH PROJECT

**STABILITY AND RECONSTRUCTION OPERATIONS AND THE
ACCELERATED TRANSFORMATION OF THREE U.S. GOVERNMENT
AGENCIES**

by

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This CRP is submitted in partial fulfillment of the requirements of the Senior Service College fellowship.

The views expressed in this student academic research paper are those of the author and do not reflect the official policy or position of the Department of the Army, Department of Defense, or the U.S. Government.

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ABSTRACT

AUTHOR: COL Maria Zumwalt

TITLE: Stability and Reconstruction Operations and the Accelerated Transformation of Three U.S. Government Agencies

FORMAT: Civilian Research Project

DATE: April 15, 2011 WORD COUNT: 10,031 PAGES: 40

CLASSIFICATION: Unclassified

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STABILITY AND RECONSTRUCTION OPERATIONS AND THE ACCELERATED TRANSFORMATION OF THREE U.S. GOVERNMENT AGENCIES

“But our civilian capabilities have largely been ad hoc and poorly integrated with those of other federal agencies and partner nations. We must learn from our experiences as we define the civilian mission and give our people the training, tools and structure they need.”

- Executive Summary - 2010 Quadrennial Diplomacy and Development Review

Introduction

When conducting stabilization and reconstruction operations the need for an interagency approach with a clear and cohesive strategy remains at the forefront of the many lessons learned in past U.S. post-conflict operations. In the complex battlefields of Iraq and Afghanistan, and in numerous other conflicts in recent history, the Department of Defense (DoD), Department of State (DoS), and the U.S. Agency for International Development (USAID) have come together in the world’s most troubled locations with the purpose of stabilizing and reconstructing war torn countries. Instrumental to our foreign policy and global strategic engagement, these three agencies represent critical elements of our U.S. national power: defense; diplomacy with its development arm--all deemed essential components of winning the peace during post conflict operations.

The new security environment of increased uncertainty and complexity calls for a set of new principles and a management system involving interagency operations in stabilization and reconstruction operations that is nested not only within the individual agencies but in the broader U.S. government approach. Some of the basic fundamentals were learned decades ago and somehow learned and relearned in the most recent conflicts.

This research paper provides a cursory review of past stabilization operations and describes U.S. government efforts to establish new initiatives to effect change and build capacity, while providing direction to expedite the transformation of the interagency process. This paper will also provide a better picture as to how these three agencies have addressed U.S. national guidance

and established new structures and systems to create the necessary capacity to operate as an interagency enterprise. The paper will close by identifying remaining interagency challenges and existing gaps in U.S. interagency operations in support of stabilization and reconstruction efforts.

Defining Stability and Reconstruction Operations

In the ever-changing world of operational terminology, a number of terms have been used for operations conducted during the aftermath of conflict or civil unrest. While past U.S. administrations have referred to post-conflict operations as occupations, peacekeeping or peace enforcement operations, or nation building, since the conflicts in Afghanistan and Iraq, the term “stabilization and reconstruction” has been used to capture the scope of this type of operation and encompasses all actions that take place in the aftermath of conflict. U.S. Army Field Manual 3-24, *Counterinsurgency*, describes stabilization as “those activities that attempt to manage underlying tensions, to prevent or halt the deterioration of security, economic, and/or political systems, to create stability in the host nation or region, and to establish the preconditions for reconstruction efforts.” Reconstruction is defined as “the process of rebuilding degraded, damaged, or destroyed political, socio-economic, and physical infrastructure of a country or territory to create the foundation for longer-term development.”ⁱⁱ

A Cursory Review of U.S. Reconstruction and Stabilization History - Learning From Past Successes and Failures

*I don't think the U.S. government had what it needed for reconstructing a country. We did it ad-hoc in the Balkans, and then in Afghanistan, and then in Iraq.*ⁱⁱⁱ

- then-Secretary of State Condoleezza Rice, *The New York Times*,
12 August 2007

Secretary of State Condoleezza Rice's statement to *The New York Times* clearly recognized the existing challenges behind stabilization and reconstruction operations. Most importantly, it implied U.S. government lack of consideration for lessons learned from earlier interventions. While there is no pre-set checklist or

specific standards applicable to every contingency, exploring past stabilization operations provides a framework of best practices and “what not to do” in future conflicts. These lessons, when applied today, could assist in paving the way for institutional and organizational reform and provide insights on how to plan future stabilization and reconstruction operations.

After the Spanish-American war of 1898 in Cuba, in what many historians call our first nation-building effort, Major General Leonard Wood’s approach illustrated a remarkable nation building effort for its lack of sustainable and long lasting results. Originally touted as the American nation-building model, it quickly crumbled soon after the departure of the American forces. The U.S. government’s lack of a clear strategy, combined with Cuba’s weak infrastructure support and traditional law, could not sustain the rapid infusion of economic development. Additionally, General Wood’s fast-paced approach and top-down management style did not take in consideration the voices of the Cuban people. The fifteen million dollars spent by the U.S. did not have a lasting effect, as thousands of roads, sewers, schools, health clinics and many other improvements in the island’s economic infrastructure quickly crumbled. The misalignment of military and U.S. government understanding of Cuban’s capacity for rapid economic reconstruction and pursuit of democracy, combined with the lack of long term commitment, contributed to the breakdown of nation-building efforts in Cuba. Three years of U.S. occupation was not long enough for Cuba to be self-sufficient.^{iv}

Many scholars and experts in this field consider the Marshall Plan in post-war Europe a sound example of an able execution of our instruments of national power all working in a coherent fashion. Due to joint efforts that included the U.S. administration, its interagency components, the international community and private organizations, Europe’s transformation from a broken continent to nations with functional economies and which supported democracy set the bar high for future endeavors. Led by U.S. Secretary of State George C. Marshall, those involved in the planning, preparation, and execution of the Marshall Plan ensured bipartisan congressional endorsement and the support of the American people.

The execution of the Marshall plan also involved a mix of experienced civil servants from both the private and academic sector.^v

The U.S. led occupation in Japan also produced an economically stable and successful democracy. Starting in 1945, General MacArthur, the Supreme Commander of the Allied Powers, led a military and administrative structure based on unity of effort. Among the many lessons learned during this intervention was that taking over existing institutions, instead of disbanding them, can significantly facilitate nation building, especially when challenged by the lack of language and cultural understanding. Additionally, as was learned too late in Cuba's occupation, the U.S. government's appetite for instigating reform should be channeled through local officials who can determine sustainability potential for the long-term. Finally, centralization of operations through General MacArthur, unilateralism, and the preponderance of military forces contributed to a focused U.S. interagency effort. While successful overall, Japan's occupation failed to promote regional reconciliation, as Japan's neighbor did not share any part in the reconstruction process.^{vi}

The U.S. interagency involvement in Vietnam was characterized by an incoherent approach, and those representing diplomatic, military, and development work acted as distant friends that seldom communicated. Participating government and private agencies operating independently were only satisfied when their individual interests were met. President Johnson's plan of development and diplomacy did not have the support of Saigon's government official and was not integrated with the U.S. military strategy.

In more recent years, nation building operations in Somalia, Kosovo, and Haiti were characterized by the uncertainty of U.S. national security objectives and long-term commitment, and a lack of unity of command and integration of civil capabilities and military forces all contributed to very slow and in some cases non-existent progress. The U.S. interagency involvement in Haiti presents a great case in point in relation to unified effort: even as the mission progressed, many of the departments and agencies were not even aware of each other's presence in country.^{vii}

Calling for change: National-level Stabilization and Reconstruction Reform Directives

As the U.S. government struggles to provide a responsive and enduring solution to address stability and reconstruction operations, bringing the elements of defense, diplomacy, and development together has proven to be a very difficult task. However, over the last few years there is strong evidence that suggests U.S. government admission of the problem as well as serious concerns that without a comprehensive top-down review to address organizational reform and infusing resources into the interagency process, U.S. national security objectives may be at stake. This section addresses the problem that even with national level leadership involvement, the impact of Presidential directives and influence may not bring enough power to effect change.

In May 1997 and after the experiences in Haiti, Somalia, and Bosnia, President Clinton signed Presidential Decision Directive (PDD) 56, titled “Managing Complex Contingency Operations” which addressed the urgent need for reform planning, implementation mechanisms, and interagency operations involving stabilization and reconstruction operations. The intent behind this directive was to provide direction on management structures, budget levels, personnel systems, professional expertise, operational procedures, and most importantly, the codification of interagency lessons learned and best practices. This directive also called for the institutionalization of lessons learned to ensure success in future operations. Encouraged by President Clinton, this document also directed the prompt dissemination of the “*Handbook for Interagency Management of Complex Contingency Operations*” published by the Office of the Assistance of Defense.^{viii} PPD 56 clearly identified the challenge of closely integrating civilian and military components, but as a result of the existing bureaucratic culture, interagency rice bowls, and internal resistance PDD 56 was never implemented.^{ix}

PPD-56 was rescinded shortly after President Bush took office, and not replaced by any type of similar document until 2003. Looming on the horizon

was Operation Iraqi Freedom and another opportunity to put in place the systems recently designed to give stabilization and reconstruction operations a better chance for success. However, it is believed by those close to the process that the initial planning for post-war operations in Iraq was conducted by a small group of policy makers that acted under the umbrella of secrecy.

Six years later and in what it seemed to be an abrupt change of course, President Bush signed the “National Security Presidential Directive (NSPD) 24, which addressed post-war Iraq reconstruction. Urged by Secretary of Defense Donald Rumsfeld, NSPD-24 placed the Department of Defense in charge of all post-war reconstruction, which completely ignored and supplanted the already ongoing interagency planning process. This directive also marked the beginning of a back-and-forth mission authority game between DoD and DoS.^x

In May 2004, during operations in Iraq, President Bush signed National Security Directive 36, titled “*United States Government in Iraq*.” This directive superseded NSPD-24, formally relieving and transferring responsibilities for relief and reconstruction operations in Iraq from DoD to DoS. It also placed the State Department’s Chief of Mission in charge of Iraq’s reconstruction program. However, as a result of the many existing directives and loose lines of communication among all the agencies involved, DoD continued to control the reconstruction effort. The primary reason for DoS’s inability to assume the lead in stabilization operations was a lack of overall capability: DoS did not have the capacity, budget, personnel, or resources to manage the complexity and size of Iraq’s reconstruction effort.^{xi}

In December 2005, President Bush issued NSPD-44 - “*Management of Interagency Efforts Concerning Reconstruction and Stabilization*.” The basic premise behind this directive was the realization that reconstruction activities are more closely related to foreign policy than to military operations.^{xii} Seen as another attempt to completely shift policy implementation to DoS, this directive charged the existing Office of the Coordinator for Reconstruction and Stabilization (S/CRS) to lead the development of innovative approaches for stabilization and reconstruction operations, including the integration of

“stabilization and reconstruction contingency plans with military contingency plans when relevant and appropriate.”^{xiii}

DoD senior officials welcomed this new office and implementing directive with open arms, since it met two significant objectives: building civilian capacity and relieving DoD from the added burden leading the interagency efforts involving stabilization and reconstruction operations. On the other hand, DoS and USAID officials were skeptical and concerned about their own job security, as they believe that the NSPD 44 and the S/CRS would take over their existing organizational structure.^{xiv}

NSPD-44 also established a National Security Council (NSC) Policy Coordination Committee (PCC) for Reconstruction and Stabilization Operations, co-chaired by the S/CRS Coordinator and a member of the National Security Council (NSC) staff. This interagency committee was given the responsibility of management, development, implementation, and coordination of stabilization and reconstruction policies. NSPD-44 was also responsible for the creation of a number of PCCs involving all departments and agencies involved in stabilization and reconstruction but with DoD, DoS, and USAID as the major players.

Another element of reform included the 2007 Interagency Management System (IMS). Approved by the NSC Deputies committee, the IMS’s purpose was and still is to implement a “whole of government” system that provides policy makers, Chiefs of Mission, and military commanders with the tools to achieve integrated planning for unified strategies and an implementation plan containing the necessary funding.^{xv} The IMS also identifies joint interagency deployment requirements and joint civilian operations capability. The IMS’s three leading components include: the Country Reconstruction and Stabilization Group (CSRG); the Integration Planning Cell (IPC); and the Advanced Civilian Teams (ACT). The CSRG is co-chaired by the regional assistant secretary from State, the S/CRS Coordinator, and the applicable NSC official.^{xvi} The IMS attempted to establish a deliberate planning process where the key players develop a habitual relationship and a common operating picture. To date, this process has not achieved its intended purpose and has yet to gain support from the interagency

community. There is still reluctance, as noted by a recent GAO report, for government agencies to work with S/CRS on future stabilization and reconstruction plans.^{xvii}

The February 2008 Civilian Stabilization Initiative (CSI) was responsible for addressing funding levels directed for DoS and USAID with the primary objective of creating a robust Civilian Response Corps. Consistently highlighted by the Administration, in June 2008, S/CRS and USAID received the first appropriation (\$65 million) for CSI capacity, and in March 2009, the Congress provided \$75 million more. In December 2009, Congress appropriated \$150 million, but future funding will be contingent upon S/CRS meeting Congress's desire for efficient operation and measurable performance.^{xviii} The requested resources will provide funding to build, train, equip, and deploy a 4,250-member interagency Civilian Response Corps managed by the Office of the Coordinator for Reconstruction and Stabilization (S/CRS).^{xix}

In another attempt to establish responsibility within the stabilization and reconstruction arena, President Bush signed the Duncan Hunter National Defense Authorization Act for FY 2009, which contained the Reconstruction and Stabilization Management Act of 2008 (RSMA). This act further codifies DoS lead responsibility for managing stability and reconstruction operations with the mandate to develop a detailed interagency strategy for reconstruction and stabilization engagements. The Act also established a presidentially appointed and Senate-confirmed Coordinator to lead the organization, provided the necessary authority to develop the Civilian Response Corps, and gave the President the authority to reprogram funding from one country to another but not from the DoS to DoD. Additionally, it provided the Secretary of State with personnel administrative authorities to enable the deployment of civilians into future conflict areas.^{xx}

A year later, Congressmen Ike Skelton and Geoff Davis introduced legislation to address the "human element" in interagency operations. This reform was based on the lack of qualified people available to effectively participate in the planning and execution of stability and reconstruction

operations. Not yet approved, it would create the “National Security Professional Education, Administration, and Development (NSPEAD) System Act of 2010,” which would provide education training and interagency assignments to select personnel across the federal government, with the ultimate goal of developing “Interagency National Security Professionals” in various relevant government agencies.^{xxi} A complement to the 1986 Goldwater-Nichols Act, the NSPEAD parallels the concept of building “jointness” to capitalize on interagency strength and professional experience.

Finally, the National Security Strategy (NSS) is the basis for U.S. global engagement and security strategies. This document outlines U.S. major national security concerns, and how the administration plans to deal with them. Although implied in many previous versions of this document, the most recent NSS under President Barack Obama addresses the need for a balanced interagency approach that can deal with our nation’s crises. It also highlights the need to develop diplomacy and development capabilities while strengthening U.S. civilian expeditionary capacity. U.S. national security strategy relies on these three agencies’ wide range of capabilities to be intrinsically connected both strategically and operationally when planning, preparing, and executing reconstruction and stabilization operations.^{xxii}

**The Role of the Office of the Special Inspector General for Reconstruction:
The Spark that Led to a New Course in Overall interagency Operations**

“SIGR correctly identifies underfunding, lack of capacity, and lack of authorities at the Department of State and U.S. Agency for International Development as the central obstacle(s) to an effective and flexible U.S. government response to Stability and Reconstruction Operations.”

- Under Secretary of Defense for Policy Michele A. Flournoy, Letter to SIGIR, January 27, 2010^{xxiii}

At the end of 2003, policy makers had identified internal weaknesses in the strategy utilized to address stabilization and reconstruction requirements in Iraq. Based on these concerns, Congress created the Office of the Special Inspector General for Reconstruction (SIGIR) in 2004 to provide oversight to the Iraq Relief and Reconstruction Fund and all the expenditures, obligations and

revenues related to Iraq reconstruction. The Inspector General was to report the results of all audit and investigation findings to both the Secretary of State and the Secretary of Defense.^{xxiv} However, Congress did not stand up the SIGIR until 2008, five full years after the need had been established.^{xxv}

U.S. Congressional allocation of funding for Iraq reconstruction oversight mandated SIGIR to provide accountability for the use of those funds. Additionally, through the conduct of audits, field inspections, and criminal investigations, SIGIR's charter would determine whether or not reconstruction programs were achieving desired outcomes.

In Iraq, drawing from hundreds of audits, inspections, and investigations, SIGIR has unveiled numerous lessons learned underscoring the high degree of waste and abuse as well as the lack of a uniform interagency effort. Lauded by Congressional leaders as a comprehensive effort, SIGIR's reports demonstrated a lack of a reconstruction strategy, which prompted drastic and frequent changes in course direction, and the poor integration of interagency efforts, causing weak unity of command and inconsistent unity of effort as well as costing a significant amount of taxpayer dollars.^{xxvi}

SIGIR's most ambitious and potentially most important contribution to interagency transformation has been its historical review of Iraq's reconstruction, combined with the compilation of associated lessons learned which resulted in recommendations to improve U.S. government reconstruction architecture and operations. According to government officials, SIGIR's lesson learned effort has helped redirect the ongoing stabilization and reconstruction efforts in both Iraq and Afghanistan.

Transformation of the State Department

The Department of State mission statement is to advance freedom for the benefit of the American people and the international community by helping to build and sustain a more democratic, secure, and prosperous world composed of well-governed states that respond to the needs of their people, reduce widespread poverty, and act responsibly within the international system.

- FY 2010 Department of State Agency Financial Report^{xxvii}

In many of her recent speeches, Secretary of State Hillary Clinton has

underscored the need to elevate diplomacy and development alongside defense in order to meet the current challenges the U.S. faces in stabilization operations. Through numerous venues, she has also highlighted the need for an effective and cohesive interagency approach, established and resourced to tackle the complexity of stabilization operations.

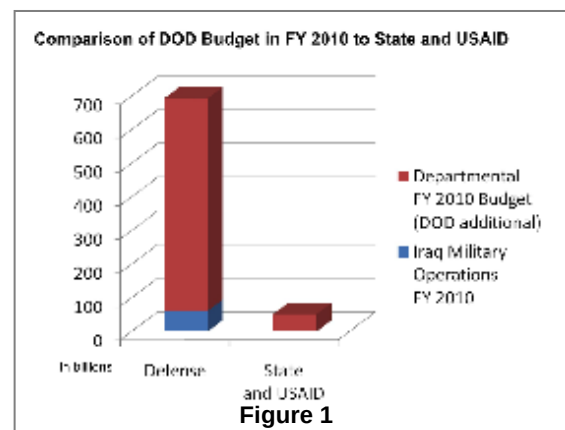
When examining the State Department's current path of progress, there are three critical areas that will serve as the launching pad to advancement: Congressionally-increased funding, the establishment of the Office of the Coordinator for Reconstruction and Stabilization, and the first Quadrennial Diplomacy and Development Review.

According to the Center for a New American Security, report on "Rebuilding Diplomacy, A Survey of Past Calls for State Department Transformation" the department emerging themes and continued shortcomings are as follows:

- The inadequacy of resources to fulfill core missions.
- The challenge of aligning resources to support strategic objectives.
- The importance of training staff for 21st century challenges and addressing staff shortfalls.
- The requirement to engage diverse actors outside traditional diplomatic channels.
- The need to use technology more effectively.^{xxviii}

In addition to a lack of a standing structure organized to surge rapidly to a conflict, the funding mismatch between military and civilian agencies has directly contributed to the lack of DoS capacity to lead stabilization and reconstruction operations. Secretary of Defense Robert Gates has also recognized this and has strongly advocated the glaring need to address DoS's budget constraints by stating: "American civilian institutions of diplomacy and development have been chronically undermanned and underfunded for far too long."^{xxix}

Figure 1 depicts the significant budget disparity between both departments.^{xxx}



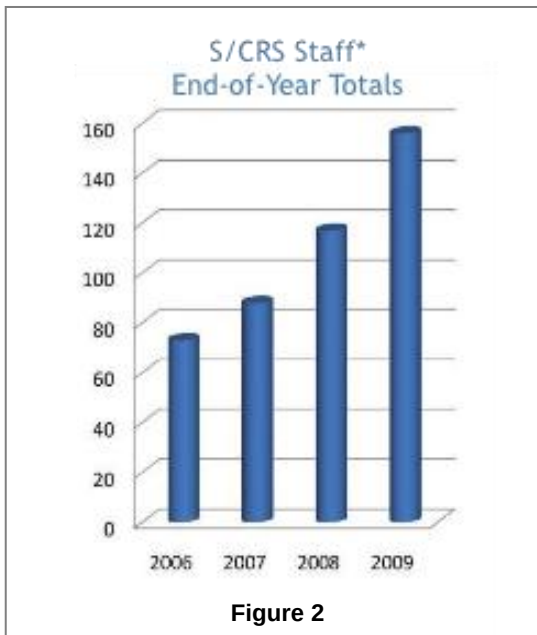
To show a joint level of concern, in March 2011 the Deputy Secretary of Defense

and the Deputy Secretary of State for Management testified in front of the Senate Budget Committee together. This action served two purposes: it underscored the strong partnership between the two Departments and it reinforced DoD's interest to resource the diplomatic and development community in order to effectively meet national security objectives.

The State Department has been weakened by budget and personnel cuts for over a decade. Using obsolete equipment not commensurate with 21st century technology, the State Department's technological advances have also been deprived. Fortunately, the trend has been reversed. Congressional approval for an increased budget have dramatically improved in the last two years, culminating with President Obama's proposed FY2011 budget which includes an increase in funding by 2.8 percent, or 58 billion dollars, a dramatic difference from the 15 billion dollars allocated in 1998. These new resources will allow the State Department to hire 410 more Foreign Service Personnel. Although pending approval of the FY2011 Congressional appropriations, additional budget allocations will allow the department to meet its desired resourcing targets.^{xxxi}

After the 2003 U.S. led invasion into Iraq, and in an effort to centralize reconstruction and stabilization operations under a single civilian office, Congress directed the State Department to form the Office of the Coordinator for Reconstruction and Stabilization (S/CRS) with the broad mandate to "develop policy options to respond to failing and post-conflict states." As the focal point of interagency capability, this office's charter called for it to "lead, coordinate, and institutionalize U.S. Government civilian capacity to prevent or prepare for post-conflict situations and to help stabilize and reconstruct societies in transition from conflict or civil strife so they can reach a sustainable path towards peace, democracy and a market economy."^{xxxii} The position of Coordinator for Reconstruction and Stabilization (S/CRS) reports directly to the Secretary of State. A tense environment filled with skepticism characterized the formation and negotiation phase of this office. The S/CRS staff felt that while attempting to break the entrenched bureaucratic priorities between DoS, USAID, DoD, and

other government agencies, its role was undermined by those who did not



believe in the legitimacy of this organization.^{xxxiii} Figure 2 depicts the incremental increase of S/CRS staff over a four year period, from 2006-2009.^{xxxiv}

To man and support the creation of this agency a Civilian Response Corps (CRC) was also created. This organization consists of three types of workforce: an Active Response Corps (250 personnel), ready to deploy in 24 hours; a Standby Response Corps (2,000 personnel), ready to deploy within 30

days; and finally, a reserve component (2,000 personnel), created to fill the ranks with private sector and state and local government experts with skills not found in the federal government.^{xxxv}

Even with Presidential involvement via NSPD-44 and constant urging from DoD, Congress failed to agree on how to resource S/CRS, and as a result it was not until the latter part of 2010 that the agency was robust enough to become a significant natural security asset. In FY2012, President Obama requested \$92.2 million to fund S/CRS.^{xxxvi}

Based on a recent interview with Retired Ambassador John E. Herbst, who led the S/CRS until September 2010, the organization has yet to be given a principal role as part of a crisis. The support for post-conflict operations, as demonstrated during Haiti's crisis in February 2010, continues to be an ad hoc process, "where the agency in charge reinvents the wheel with duplication and unnecessary activities."^{xxxvii}

Even with entrenched policies and procedures, the S/CRS shows indicators of improvement as part of the organization's advancement in stabilization and reconstruction strategy, policy, and doctrine. The S/CRS document "Guiding Principles for Stabilization and Reconstruction," which serves

as a complementary manual to the U.S. Army's Field Manual 3-07: *Stability Operations*, is the first strategic doctrine ever produced for civilian planners and practitioners involved in peace building missions.^{xxxviii}

The action that most significantly acknowledges the need for a change in mind-set and sweeping reform in DoS operations is the first of its kind document, the 2010 Quadrennial Diplomatic and Development Review (QDDR). Directed by Secretary Clinton based on her experiences with the Department of Defense and its Quadrennial Defense Review process, the QDDR comes at a time where DoS and USAID organizational reform is long overdue, and is instrumental in paving the way forward for these two organizations. It is also a major step forward in enhancing a broader strategic view and sharpened capabilities in address pressing national security challenges both strategically and operationally and bring coherence to diplomacy and development policy and programs. It also underscores the need for "civilian power" rather than the use of military force alone.^{xxxix}

The QDDR also provides a blueprint for self-evaluation of current performance and look ahead so both DoS and USAID can be better prepared to meet future challenges. This document also calls for new strategies, accountability metrics, and evaluation systems, and recognizes the need to engage with agency counterparts in strategy development and planning.

An area of concern, as the S/CRS's role and coordinating function has not yet attained a "whole of government" coordination function, is the QDDR's recommendation to further metamorphose this office into the Bureau for Crisis and Stabilization Operations. Could this change exacerbate coordination challenges between agencies? It is too early to tell, since this recommendation has yet to be implemented.

"State is never going to put an ambassador under a general and DOD is never going to put a general under an ambassador. So you have to resolve to work together. You have to make way and pull together and be joined at the hip. You have to have unity of purpose, is the bottom line."^{xl}

- General David Petraeus, statement to the Congressional Commission on Wartime Contracting in Iraq and Afghanistan, Washington, D.C., February 2, 2009.

Possibly answering General Petraeus' concerns of achieving an effective and cohesive "interagency approach" in stabilization and reconstruction operations, the QDDR also restates the importance of cooperation between the military and civilians underscoring the role of the leading agency. The QDDR stresses the need for both DoS and USAID to strengthen their relationships with DoD's regionally-focused Geographic Combatant Commands (GCCs). DoS's intent is to make available to DoD senior Ambassadors as civilian deputies to GCC Commanders in addition to the currently assigned Political Advisors (POLADs). DoS is also keenly aware that POLADS need the necessary training, support, and capacity to reach back to DoS for guidance to allow them to be more effective advisors to military leaders. In addition to improving regional cooperation by adding DoS leadership in key positions, DoS plans to also pursue more opportunities to conduct joint strategic training and planning with DoD.^{xli}

The State Department's shortcomings and limitations are a clear reflection of years of budget deficits that in particular led to personnel shortages, voids in strategy, and an overall management system based on bureaucratic stovepipes. However, DoS's recognition of the urgent need for the tools necessary to tackle 21st century challenges enabled this Department to rapidly establish the S/CRS, produce the QDDR, and effectively call for increases in funding levels, all a remarkable sign of DoS's future ability to lead the interagency process as it considers stabilization and reconstruction operations. The test remains to be whether or not a well-connected strategy and agency priorities are aligned to appropriate resources that Congress is willing or able to support. Undeniably, progress will be incremental, and many impediments such as funding delays and holdups in the process of hashing out the best strategies may stalemate this evolving process. However, even with a challenged funding outlook, the most important factor to ensure success is maintaining momentum and a sense of urgency in U.S. senior officials in addressing QDDR recommendations.

The Department of Defense (DoD)

In Iraq, the Department of Defense took responsibility but...was not able to fully mobilize the range of capabilities that were needed. There was no single U.S. government institution or agency that was capable of doing that.^{xlii}

- Dr. Condoleezza Rice, testimony before the House Foreign Affairs Committee, February 13, 2008.

The purpose of the American military is to deter, and if necessary, defeat our nation's enemies.^{xliii} However, over the years, DoD's increased role as part of stabilization and reconstruction has mandated that military forces take the brunt of the responsibility and accountability for these types of operations. Why is the military the fallback option? The answer is evident: military forces have the capabilities and resources to power project and surge rapidly unlike any other U.S. agency. That said, DoD has advocated for an increase in capacity at DoS and USAID, even while developing its own capabilities in the event there is no one else who can do it. In an early 2009 article published in Foreign Affairs, Secretary Gates made a point that he has since repeated in various forums over the past several years, when he said: "the Armed Forces will need to institutionalize and retain these non-traditional capabilities...but it is no replacement for the real thing - civilian involvement and expertise."^{xliv}

In 1996, under the direction of John M. Shalikashvili, Chairman of the Joint Chiefs of Staff, DoD published the manual "*Interagency Coordination During Joint Operations*." This was DoD's first comprehensive endeavor to improve interagency coordination across the range of military operations.^{xlv} Considered a major milestone at the time, this document called for the military's understanding and active engagement with all the elements of national power and the need to foster an environment of cooperation and collaboration. This manual made a significant attempt to examine every aspect of the military's involvement inside the interagency enterprise: it provided a detailed description of interagency operations, and identified DoD's internal weaknesses and ways to better function in a civil-military environment. It also provided a model for how to improve the military and non-military organizations coordination process.

In 2003, encouraged by PDD-56, DoD's doctrinal approach took a step forward with the publication of the "*Handbook for Interagency Management of Complex Contingency Operations*." This document provides guidance and direction on how the interagency structure can effectively integrate the operations of all government actors in a complex crisis, and recommends mechanisms and planning tools to cope with the demands of a complex emergency.^{xlvi}

In November 2005 DoD published "Department of Defense Directive (DoDD) 3000.05, titled: "*Military Support for Stability, Security, Transition, and Reconstruction (SSTR) Operations*," which described the U.S. military force's role in stability operations as a "core mission." Since its inception, the military has substantially developed its capacity, resources, doctrine, and policies when in the lead and while supporting stabilization and reconstruction operations; however, according to SIGIR's recent reports, the integration of these capabilities with their civilian counterparts is still not fully implemented.

Congress and DoD have fully recognized that without dedicated resources and increased funding, DoS will be unable to capitalize on its capability to lead interagency operations, or even provide for basic Department reform. Section 1207 of the FY 2006 National Defense Authorization Act authorized the Secretary of Defense to transfer of up to \$100 million per year for two years to DoS for programs that support security, reconstruction or stabilization. Section 1207 was renewed for an additional \$100 million in 2008. In its February 2010 defense budget request, DoD did not ask for continued Section 1207 funding or authority. Instead, the State Department's FY 2011 Foreign Assistance budget request asked for \$100 million for a Complex Crisis Fund to "respond to emerging or unforeseen crises through support for reconstruction, security or stabilization needs." The Obama Administration's same-year decision to request Section 1207-type funding under the Foreign Assistance account rendered further discussion of Section 1207 authority moot.^{xlvii}

In October 2008, in another effort to bring the interagency community together, the NDAA for FY2009 authorized DoD to establish, with support from State and USAID, a Center for Complex Operations (CCO) to serve as an

information clearing-house on complex contingency operations and to develop a stabilization and reconstruction training and education community.^{xlvi} With a collection of missions that included the coordination of interagency efforts to prepare for complex contingencies to foster unity of effort among all the organizations and provide a platform of research and share lessons learned, this organization's output, according to government officials, has primarily focused on setting up conferences and generating publications.

Department of Defense Instruction 3000.05 replaced Defense Directive 3000.5 as the Defense policy on stability operations. In September 2009, DoD directed the military to support the establishment of civil security, restoring essential services, repairing and protecting infrastructure and delivering humanitarian assistance "until such time as is feasible to transition lead responsibility to other U.S. governmental agencies, foreign governments and security forces, or international organizations."^{xli} Once again, this instruction reiterated the importance of integrating civil-military efforts in preparing and executing stabilization and reconstruction operations.

Every four years, in accordance with section 941 of the National Defense Authorization Act for Fiscal Year 2008, DoD must review its core mission areas and core competencies. The 2009 Department of Defense Quadrennial Roles and Missions Review report lays the foundation for higher understanding of the Department's roles and responsibilities in today complex security environment. The 2009 report establishes "Military Support to Stabilization, Security, Transition and Reconstruction Operations" as the fifth of six core mission areas, and determines that the road ahead of increasing demands of resources and capabilities is defined by interagency opportunities. In this document, DoD communicates several ongoing initiatives related to improving how the interagency system conducts stabilization and reconstruction operations to include: full support of the Interagency Management System (IMS); working closely with USAID; and learning how to improve collaboration, coordination, and synchronization based on lessons learned from recent operations, while

capitalizing on future opportunities to close the gaps between civilian and military capabilities.ⁱ

One of DoD's most significant organizational changes is the restructuring of its office responsible for Stabilization and Reconstruction Operations, as part of the Pentagon's personnel shake up in

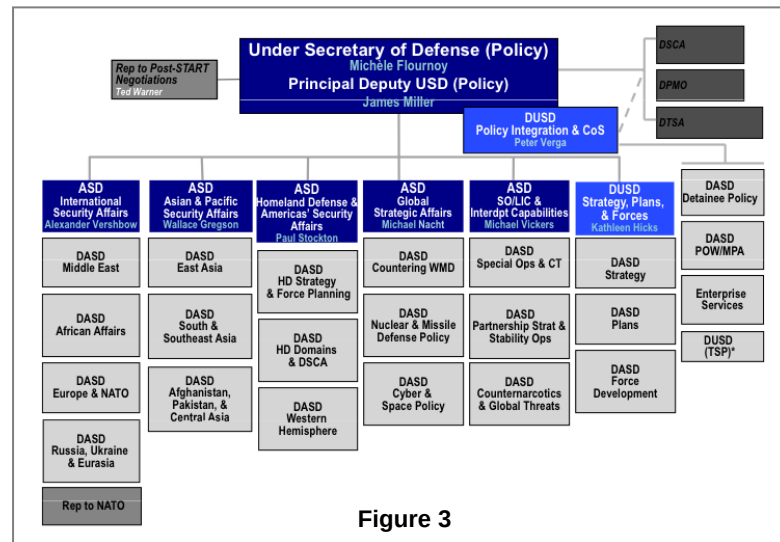


Figure 3

response to President Obama's updated goals in the national security affairs portfolio. Figure 3 depicts the updated organization under the direction of the Undersecretary of Defense for Policy (USD(P)).ⁱⁱ The Assistant Secretary of Defense for Special Operations now oversees not only special operations and counterterrorism, but also the office for "Partnership Strategy and Stability Operations." This office "acts as the catalyst to bring together the experiences, resources, and ideas of the U.S. government, civilian organizations, and international partners to meet the challenges of stability operations." Shaping policy and providing a platform for overseeing development, this office's intent is to successfully oversee the creation and implementation of policy for the conduct of stability and reconstruction operations - across the spectrum from peace to conflict, with interagency and international partners, and in support of national security objectives.ⁱⁱⁱ Figure 4 represents the specific Policy and Goals of the Office of the Assistant Secretary of Defense for Partnership Strategy and Stability Operations.^{liii}

1. Provide policy and intellectual leadership for stability operations to decision makers and within DoD and our partner organizations.
2. Identify and bridge the gaps in stability operations capability, capacity and compatibility within DoD and across the rest of the USG and civilian organizations.

3. Lead efforts to institutionalize stability operations capabilities, capacity and compatibility across DoD to ensure that DoD is organized, resourced and prepared to conduct stability operations with USG, civilian organizations and international partners.
4. Maximize utility of existing programs, personnel, and organizations to improve stability operations effectiveness across all DoD components.
5. Minimize creation of unique stability operations elements (organization, personnel, programs) in DoD.
6. Optimize balance between stability operations and combat operations capabilities within DoD.
7. Improve integration of civilian and military stability operations efforts within DoD and in conjunction with other USG agencies, allies, and private sector partners.

Figure 4

In a public Congressional hearing addressing the commission on wartime contracting in Iraq and Afghanistan, James A. Schear, the Deputy Assistant Secretary of Defense, addressed the panel by restating “our combined and emerging “civilian-military” culture has come to embrace coordination, cooperation, and integration in a way that it never had before. That said, it is also clear that more needs to be done, particularly in the area of resourcing building, and integrating civil capacity.”^{liv}

DoD senior leaders, both military and civilian, have expressed a tremendous desire to strengthen the relationships between DoD and DoS/USAID. Earlier this year, Admiral Mullen, Chairman of the Joint Chiefs of Staff addressed the 2011 Global Chief of Mission Conference on the topic of “Pentagon and State Department Relationship.” He highlighted the importance of a civilian lead with military support approach and praised the contributions of the Provincial Reconstruction Teams in Afghanistan and Iraq. He indicated how current wars have been instrumental in merging the two teams (civilian and military), and the difference this relationship has made. He noted changes as the requirement for Secretary Gates and him to testify in front of the Foreign Relations Committee as one of the “signs of change.” He also identified the QDDR and the QDR as another example of how both agencies are moving together. Admiral Mullen also expressed that the key to DoS’ success came with

increased budget. “We need to get the State Department budget right.” He further explained that by “taking money away from the State Department (they) will lose ‘people’ which is their most valuable resource.”^{lv}

Finally, one of DoD’s most controversial but widely praised initiative, the Commanders’ Emergency Response Program (CERP), has even taken a more of an “interagency approach.” This program was determined critical in supporting counterinsurgency operations in support of the U.S. national strategy in both Iraq and Afghanistan, although its scope has significantly evolved as it has been extensively scrutinized and criticized by audit agencies such as SIGIR and GAO. Last June, DoD formed a management cell to provide policy oversight led by a Senior Executive Service (SES) official who directs a working group consisting of representatives from DoD, but includes officials from DoS and USAID for oversight. Although a commander’s program, senior military officers in Iraq have mandated a more comprehensive and synchronized CERP that includes interagency coordination. DoS, USAID, and military forces have formed committees where each has a vote, therefore preventing duplication of effort and identifying any potential challenges.

The DoD has played a significant role in leading stability and reconstruction operations due to its ability to enforce security and quickly respond to host nation’s most pressing needs at the local level therefore making the military’s involvement the first line of defense. As stated in the Pentagon’s 2010 QDR: “Stability operations, large-scale counterinsurgency, and counterterrorism operations are not niche challenges or the responsibility of a single Military Department, but rather require a portfolio of capabilities as well as sufficient capacity from across America’s Armed Forces and other departments and agencies.”^{lvi} There is no doubt there is full recognition, at least on paper, that DoD senior policy makers are fully aware that any contingency involving stabilization and reconstruction operations requires an integrated approach over multiple lines of operation and a common operating picture that unites all agencies involved.

United States Agency for International Aid and Development (USAID)

“By improving global stability, our foreign assistance helps keep America safe. As Secretary of Defense Gates, Joint Chiefs Chairman Admiral Mullen, and General Petraeus have all emphasized to Congress, we need a fully engaged and fully funded national security presence, including the core components of our nation’s civilian power: the State Department and USAID.”^{lvii}
- Dr. Rajiv Shah, Administrator, USAID, before the Committee on Foreign Affairs, U.S. House of Representatives, March 16, 2011

USAID's history goes back to the Marshall Plan for the reconstruction of Europe after World War II. In 1961, the Foreign Assistance Act was signed into law and USAID was created by executive order. USAID, as an independent federal government agency, receives overall foreign policy guidance from the Secretary of State. Spending less than one-half of one percent of the federal budget, USAID’s charter is to support U.S. national security objectives and foreign policy by promoting foreign economic growth, agriculture and trade, global health, and democracy while preventing conflict and providing humanitarian assistance.^{lviii} As stated in President Obama’s National Security Strategy, USAID’s work in development joins diplomacy and defense as one of three key pieces of the nation’s foreign policy apparatus. These efforts to improve the lives of millions of people worldwide represent U.S. values and advance U.S. interests for peace and prosperity.^{lix}

Presently, USAID is undergoing an extensive and in-depth transformation. The QDDR recognized that over the past 15 years, USAID had lost much of its autonomy, resources and key talent; therefore, its overall effectiveness had clearly been diminished. With an agency reputation for moving slowly and lacking the ability to adapt and innovate, in August 2010, Administrator Shah, USAID’s new director, embarked on a new path to reform the agency to consist of a workforce of experts that focuses on development but can also evaluate, plan, resource, manage and research, while expanding engagement with other government agencies.^{lx}

USAID has received an immense amount of attention and in turn is on a path of a major organizational and structural transformation. An agency whose

understaffing and lack of resources have limited their involvement in major crisis is undergoing a significant and relevant transformation. President Obama, Secretary Clinton, and Administrator Shah have committed to rebuilding USAID as the world's leading development agency by making development a core pillar of U.S. foreign policy, and by elevating USAID's voice through greater representation in the interagency process, increasing its authority as advisors for foreign affairs matters. USAID will also establish new organizations, and increase its budget management capacity and procurement systems as well as increase the number of Foreign Service Officers.^{lxi}

Administrator Shah's vision includes a close partnership with other government agencies, developing cutting edge, relevant and creative policy, and seeking new talent that is capable of managing science and technology upgrades across all areas of development. USAID is also committed to a more accountable system of evaluation and transparency. Because of USAID's budget deficiencies, it has committed to the rebuilding of its budget management with the creation of an Office of Budget and Resource Management. USAID has currently grown from a less than 10 billion dollars budget in FY 2000 to more than 26 billion dollars in FY2010, an increase of more than 155 percent.^{lxii} This year for the first time in USAID's budget history, the President's budget identifies a portion of USAID funding for Afghanistan as a separate account, which will distinguish between temporary war costs and USAID's enduring budget. The Overseas Contingency Operation Account will make it transparent in an effort to consolidate DoD, DoS and USAID war costs. FY 2012's budget, when approved, not only reallocates almost 400 million dollars in assistance, but also shifts 30 Foreign Service positions toward priority countries and initiatives, while eliminating bilateral assistance in 11 countries and terminating positions in three.^{lxiii}

It is important to note that both agencies have instituted performance-based incentives to encourage effective aid practices on the ground - in order to get promoted in both DoS and USAID candidates are required to possess knowledge of the interagency process, have spent time in another agency, and

demonstrate an ability to collaborate and coordinate with the interagency community.

USAID has also created an Office of Military Affairs (OMA) to improve its connectivity with the Pentagon and its various field commands. This office is the focal point for USAID's interaction with US and foreign militaries through coordinated and formalized planning, training, education and exercises.^{lxiv} This action proves to be clear recognition of the partnership expansion that has taken place between these two agencies in order to better synchronize efforts in future stabilization and reconstruction operations. USAID will also continue to appoint high-level development advisors to the GCCs as well as senior-level State and USAID officials where appropriate and consistent with personnel availability.^{lxv}

Clear and Recent Signs of the Interagency Approach at the Lowest Level

DoD, DoS, and USAID personnel, operating at the lowest levels, have demonstrated they possess the necessary tools and capacity to work in a collaborative and cooperative manner to achieve multiple effects. Let's review this case in point. Going back to Iraq's economic evolution, it is a well-known fact that agriculture has been a strong part of its heritage and economic development. Unfortunately, during the previous regime, investments and resources were diverted away from farming and food production. Rebuilding Iraq's agricultural infrastructure became a top priority. In this scenario, DoS, USAID, and DoD personnel converge in an agricultural village in Iraq--all three agencies with very different but inextricably linked capabilities. U.S. military personnel, working in close coordination with Iraqi Security Forces, provide the required security for civilian personnel on the ground and direct DoS and USAID personnel to trusted Iraqis in this farming community. Military personnel also offer immediate funding assistance to the farmer's association to stand up a structure that will serve as the cooperative setting for agricultural education and networking. USAID and Department of Agriculture experts diligently work to establish a program to allow farmers access to seeds, plastic greenhouses that will extend their growing season, and farming tools and irrigation equipment,

while DoS provides for farming training and identifies exceptional farmers with the highest potential, perhaps even to be selected for participation in an exchange program with a U.S. university that will provide them with advanced knowledge on farming techniques and operations. Most importantly, this scenario is taking place in the presence of the Iraqi village leadership and security forces. All three agencies actively engage in collaboration while assessing needs, sharing technical expertise, and developing projects to fulfill their own individual objectives yet achieving a common goal: to build capacity by educating; to promote economic development; and to empower the Iraqis with their future.

The above scenario is a vivid example of a potentially successful interagency reconstruction operation, which if sustained by the host nation, could make a marked difference in Iraq's economy and education. This agricultural initiative was successful because it married up civilian development and diplomacy expertise with the military's understanding of the local community and security considerations. It also required a comprehensive and cohesive approach and years of lessons learned involving experienced personnel willing to work together to develop a strategy that capitalized on sustainable and long term civil capacity efforts. This event demonstrates that the lower level leadership "gets" and can implement the "interagency concept." Due to bureaucratic practices and lack of agency integration at the senior levels, the fundamental principles of the "interagency concept" are harder to attain by U.S. senior leaders operating in the highest levels of government.

Iraqi officials commonly suffer from something we call interlocutor fatigue, where a whole parade of U.S. officials—a major, a colonel, a PRT team leader, a USAID guide, a contractor who works for USAID—will come in at various points and will meet with Iraqi leaders. And so, it is very easy to see how Iraqis get extremely confused, and how PRTs spend an inordinate amount of time trying to coordinate and still fall short because there is too much coordination that needs to go on.^{lxvi}

*- Ginger Cruz Deputy Special Inspector General for Iraq Reconstruction
HASC Oversight and Investigations Hearing, September 5, 2007*

The cultural barriers between the military, DOS and other civilian agencies

seem more striking than those between the US and Iraqis to me. We say the right things about breaking out of stovepipes, but our comfort level tends to put us right back in the mindset, language (each has its own set of acronyms) and ways of doing business.^{lxvii}

- Sharon Williams USDA civilian employee who served in Afghanistan & Iraq, 2006-2008

Conclusion

Over the past fifteen years, the U.S. has been involved in seven major post-reconstruction and stabilization operations and contributed to more than ten additional conflicts.^{lxviii} This long history is a stark and constant reminder of the criticality of these operations as an instrument of U.S. foreign policy and national security, preventing failing states from becoming fertile grounds for terrorism and humanitarian catastrophes. As a sustainable exit strategy and desired end state, the complexity involved in these types of operations require a unified approach led by a powerful structure empowered and resourced with the necessary capacity to demonstrate commitment and effectively direct all coordination and collaboration of agencies involved.

DoS must lead this effort. The U.S. senior leadership needs to move away from frantic improvisation and on-the-fly strategy that makes the military the lead agency by default. That said, the vast accumulation of lessons learned from previous crisis clearly point to both glowing successes and dismal failures. DoS must learn from past experiences, incorporate best practices into functional training, planning, exercises, organizational structure modification and the building of habitual relationships to support improved future performance. Lessons learned and best practices must be institutionalized in a strategic lessons learned program endorsed and utilized by the highest levels of government.

At the national level, U.S. policy makers must ensure that before the onset of any stabilization and reconstruction operation, a clear and coherent framework exists. This framework must direct a multi-agency/multilateral effort that includes U.S. and international government and non-government agencies as well as the

host nation and paves the way for the identification of required resources needed for sustainability and long-term commitment.

It is a daunting challenge to break down the entrenched bureaucracy and the stove-piped systems that have affected the agencies involved with stabilization and reconstruction operations for many years. The NSC should provide unwavering support to DoS as the lead agency for stabilization and reconstruction operations. The NSC should also demand that working with international and multilateral organizations is absolutely essential. Congress, which has a convoluted system in which eight separate congressional committees deal with stabilization and reconstruction issues, should streamline its system which requires the review of all issues regarding stabilization and reconstruction by both the executive and legislative branches of government.

As the national level leadership's attention on stabilization and reconstruction continues to intensify, and documents such as the QDDR bring the interagency process for stabilization and reconstruction operations to a new level of importance and performance, the actual work will only begin when implementation of its recommendations and overall lessons learned go into effect. One of the major recommendations of the QDDR should be realized quickly: the formation of a "self-directed Congressionally authorized State-USAID-Department of Defense Advisory Panel to 'advise, review, and make recommendations on ways to improve coordination among the DOD, State, and USAID on matters related to national security, including reviewing their respective roles and responsibilities.'"^{xix} A proven fact since the early 1900s, nation-building efforts are difficult to implement and in a budget-constrained environment, U.S. national security and foreign policy objectives must clearly identify the hierarchy of strategic priorities among the various interagency strategies and plans. Similarly, a common operating picture for processes and procedures must be developed to ensure each agency involved speaks the same language.

History continues to reinforce U.S. involvement in stabilization and reconstruction operations. U.S. national level leadership must de-emphasize

military involvement and focus on increasing civilian capacity. As the experts in nation building, the DoS and USAID must be recognized as the primary instruments of power in dealing with stabilization and reconstruction operations. DoS and USAID must establish clear roles and responsibilities. Developing the capacity and resources for civilian agencies to deploy in response to a crisis needs to be a key priority for the U.S. administration. Without this level of oversight and support, DoD will continue to be relied upon to lead stabilization and reconstruction missions.

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ⁱⁱⁱ Deputy Assistant Secretary of Defense for Partnership Strategy and Stability Operation, Washington DC. <http://policy.defense.gov/solic/pssol/index.aspx>.

ⁱⁱⁱⁱ Ibid.

^{lv} James A. Schear, Opening Statement for the Commission on Wartime Contracting in Iraq and Afghanistan, Public Hearing, March 1 2010, Washington, D.C.

^{lv} Admiral Mullen, Chairman of the Joint Chiefs of Staff addressed the 2011 Global Chief of Mission Conference on the topic of “*Pentagon and State Department Relationship*,” February 2011, Washington, D.C.

^{lvi} Quadrennial Defense Review (QDR), Department of Defense, 1 February, 2010, 20.

^{lvii} Dr. Rajiv Shah, Administrator, USAID, before the Committee on Foreign Affairs, U.S. House of Representatives, March 16, 201, Washington, D.C.

^{lviii} United States Agency for International Development home page, http://www.usaid.gov/about_usaid/usaidhist.html.

^{lix} 2010 National Security Strategy, page 11 and also see statement in USAID’s Primer home page: http://www.usaid.gov/about_usaid/usaidhist.html.

^{lx} Department of State Quadrennial Diplomacy and Development Review, “*Leading Through Civilian Power, The First Quadrennial Diplomacy and Development Review*,” 2010, executive summary, xiii.

^{lxi} Ibid., x1.

^{lxii} Ibid., 12.

^{lxiii} Testimony of Dr. Rajiv Shah, Administrator, USAID, *The Agency for International Development and the Millennium Challenge Corporation: Fiscal Year 2012 Budget Requests and Future Direction in Foreign Assistance*, before the Committee on Foreign Affairs, U.S. House of Representatives, March 16, 2011.

^{lxiv} USAID Military Affairs Office Home page: http://www.usaid.gov/our_work/global_partnership/ma/.

^{lxv} Department of State Quadrennial Diplomacy and Development Review, *“Leading Through Civilian Power, The First Quadrennial Diplomacy and Development Review,”* 2010, page 1.

^{lxvi} Ginger Cruz Deputy Special Inspector General for Iraq Reconstruction Testimony to the House Armed Services Committee Oversight and Investigations Hearing September 5, 2007.

^{lxvii} Agency Stovepipes vs Strategic Agility: Lessons We Need to Learn from Provincial Reconstruction Teams in Iraq and Afghanistan, U.S. House of Representatives, Committee on Armed Services Subcommittee on Oversight and Investigations, April 2008, Washington, DC.

^{lxviii} The eight are Somalia, Haiti, Bosnia, Kosovo, Liberia, Afghanistan and Iraq. During this period the U.S. government also devoted significant capabilities and resources to a variety of other post-conflict stabilization and reconstruction efforts, including Cambodia, Mozambique, El Salvador, Nicaragua, Guatemala, Rwanda, Sierra Leone, Colombia, and East Timor, among other places (RAND; Center on International Cooperation).

^{lxix} Department of State Quadrennial Diplomacy and Development Review, *“Leading Through Civilian Power, The First Quadrennial Diplomacy and Development Review,”* 2010 page 123.