

An Interview with Donald Steinberg



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After a career at the Department of State, and now serving as Deputy Administrator at the U.S. Agency for International Development [USAID], how would you characterize the differences in organizational culture between State and USAID?

Ambassador Steinberg: I think the emphasis on cultural differences is overstated. There is a traditional assumption that State Department

officers are striped-pants diplomats who are most comfortable working with foreign ministries and other government officials in capital cities, and that USAID officers are in cargo pants, getting their hands dirty working with civil society and grassroots populations in the countryside. To the extent that this stereotype was true in the past, the lines are merging these days under Secretary [Hillary] Clinton's vision of an operational State Department and a fully empowered USAID. You will find many State Department officials in the field negotiating agreements at local levels, linking with lawyers' groups and women's organizations, and taking American diplomacy to the people. At the same time, you find USAID officials with Ph.D.s working with prime ministers, finance ministers, and foreign ministries in capitals.

The QDDR [Quadrennial Diplomacy and Development Review] and other documents define a multifaceted, team-based approach working under our Chiefs of Mission authority in which the State Department drives the diplomatic agenda and USAID drives the development agenda. We recognize that these roles may overlap, for example, insofar as diplomatic initiatives can promote development by engaging governments on issues such as creating the proper environment for trade and foreign investment, ensuring that all elements of society are engaged in establishing goals for

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equitable and inclusive development, and so on. It's all about maximizing the influence that we can have in a particular country or region, and using the proper tools for the challenge at hand.

The development space is a lot more crowded, though, with the State Department and Department of Defense [DOD] working in areas such as security sector reform and public safety. How has USAID adjusted to that greater density of personnel from other agencies in the same space?

Ambassador Steinberg: There are now more than two dozen separate U.S. Government agencies that have a role in the international development arena. While USAID accounts for just over half of the total development spending abroad, the Defense, State, Health and Human Services (including [the Centers for Disease Control and Prevention]), Justice Departments, and other agencies are significant actors as well. We welcome this engagement since it means greater resources, greater expertise, and greater capacity to contribute. The QDDR states clearly that the default position is that the USAID mission director serves as the Chief of Mission's principal assistance advisor, and this means that USAID needs to coordinate the various types of development assistance flowing into a country. This involves USAID serving in an inclusive leadership role, where it drives mutually agreed upon development goals and empowers the priorities, talents, skills, and resources of other U.S. Government agencies. We've said for a long time that no agency has a monopoly on resources, on ground truth, on good ideas, or on moral authority.

There will also be times when USAID has to be an inclusive follower, where we use our skills and resources to support broader

administration goals. This is especially true in conflict situations around the world where USAID's role in supporting stabilization operations will be affected by the security situation. In these environments, we will continue to work with our colleagues from Defense and State in order to determine the best approach.

How do you envision the relationship evolving between USAID and the State Department's new Bureau for Conflict and Stabilization Operations [CSO]?

Ambassador Steinberg: The proliferation of conflict situations abroad makes it clear that there's room enough for many actors in this space. Ambassador Rick Barton is uniquely positioned to lead the CSO bureau given his long history of engagement with U.S. Government agencies and international organizations. For example, in his role as Deputy [United Nations] High Commissioner for Refugees and his founding role in creating the USAID Office of Transition Initiatives [OTI], Ambassador Barton pushed processes that ensured collaborative approaches among civil society, donor and host governments, and international organizations. He understands that in pursuing the Secretary's vision of a more operational State Department response to conflict situations, we need to avoid redundancies and work respectfully toward common goals. At USAID we have, for example, within our Bureau for Democracy, Conflict, and Humanitarian Assistance, core capabilities to address prevention, response, and recovery in areas suffering from shocks or conflict.

Equally important, CSO will help ensure consistency and common purpose among the many State actors in this arena, including the Bureaus of International Narcotics and

Law Enforcement; Population, Refugees, and Migration, and others.

Has USAID given thought to the problem of rapid turnover in the kinds of conflict-ridden environments that you are talking about? In other words, how do we get people to commit to more than 1 year?

Ambassador Steinberg: Absolutely. As a good example, in July 2011, Administrator Rajiv Shah launched a new 2-year pilot program, the AfPak [Afghanistan-Pakistan] Hands program. The basic principle of the program is to use our Foreign Service Limited Officers, who serve for up to 5 years, to develop specializations in the AfPak region. An officer will serve for a year in Afghanistan or Pakistan; return to Washington to work in a related area such as food security, health, or gender issues for that region; and then return into the field. In addition, we've already noted that about 25 percent of our officials in these countries are now requesting extensions. But I don't want to underestimate the difficult challenge of dealing with these environments from a human perspective. I've served in a number of hardship posts, including the Central African Republic in my first tour and, more recently, as Ambassador in Angola from 1995 to 1998. I understand the physical and emotional effects of living constantly in insecure situations, hearing gunfire everywhere, watching aircraft go down, and witnessing colleagues being killed or injured. The last thing we want to do is subject our officials to psychological challenges like post-traumatic stress disorder or create family problems from overly lengthy assignments.

You mentioned the Foreign Service Officer and OTI as a well-known brand.

OTI is populated mostly by contract employees. Has USAID thought of creating a career path for the kinds of officers who work in OTI and are frequently deployed to these kinds of areas?

Ambassador Steinberg: We have a de facto system in effect in the form of a broad pool of personal services contractors who work for us time and again in these situations. We call quickly on these individuals, who have proven their capabilities in the field, when we need people for Afghanistan, Pakistan, Libya, Tunisia, Yemen, or elsewhere. They have the skills we need, whether it's in transitional justice, domestic governance, local government, or employment generation. This gives us the flexibility we need to get the right kind of expertise for stabilization and complex development environments when we need it. The system works well and we have quickly ramped up in a number of situations that required immediate attention. So if you go back to proven performers time and again, it's very similar to having a dedicated corps.

Where is the Civilian Response Corps idea going? Is USAID actually developing a viable expeditionary capability? How are these people being deployed?

Ambassador Steinberg: Last year, the Office of Civilian Response at USAID deployed some 38 staff members to 27 countries around the world. They provided about 6,200 days of support in the field for efforts related to civil engineering, conflict mitigation, rule of law, logistics, administration, and other technical areas of expertise. It's also important to have experts on gender given that women are both the primary victims of conflict and are key to

the successful conclusion of peace processes and postconflict reconstruction and reconciliation. The program has been very successful so far. In particular, our Civilian Response Corps demonstrated an immediate capacity to respond in South Sudan as the country was moving from an uncertain past to its referendum in January 2011 and its independence the following July.

Right now we have Civilian Response Corps supporting many crisis hot spots including Libya, Tunisia, Senegal, and Burma.

The Civilian Response Corps originated in the lack of capacity to respond to the huge personnel needs in Iraq and Afghanistan. Do we now have a stepping stone toward that ultimate larger capacity, or do you think the corps has reached its maximum size?

Ambassador Steinberg: We're going to be expanding our operations in complex emergencies and transitional periods, but USAID is also taking our existing capabilities and linking them to ensure we are addressing the so-called relief-recovery-development continuum. The Bureau for Democracy, Conflict, and Humanitarian Assistance, where the Office of Civilian Response lives, is a good example. The bureau has nine offices that have technical expertise, teams, and funding essential to addressing response, recovery, and transition efforts, while keeping inclusive democracy and governance at its core. The Civilian Response Corps feeds into this model by providing surge personnel with the critical expertise needed to address crisis and transition needs.

In addition, we have to ensure a seamless transition where, from the moment you enter a humanitarian relief situation, you are already planning for postconflict, post-emergency situations and enabling sustainable

development. To this end, we have organized a new initiative to focus on smart planning for areas of chronic crisis.

DOD now has tens of thousands of personnel with extensive experience in areas traditionally thought of as within the development domain—such as infrastructure development, governance, public security, security sector reform, and even economic growth. How would you assess that asset and how does USAID work with that asset?

Ambassador Steinberg: It's important to remember the shared goals that we all have in supporting economic and political stability around the world. As Administrator Shah frequently points out, countries that are prosperous, well governed, and respectful of human rights tend to not traffic in drugs, weapons, or people. They don't transmit pandemic disease or spew out large numbers of refugees across borders and oceans. They don't harbor terrorists or pirates. And they don't require American ground forces. Admiral James Stavridis [Commander of U.S. European Command and Supreme Allied Commander Europe] spoke to the USAID global mission directors' conference last November, and he noted that the international community is not going to *fight* its way out of Afghanistan—we're going to *develop* our way out of Afghanistan. So we all have a stake in international development.

That said, development is a discipline. Working under Chief of Mission authority, trained and experienced USAID officials are best suited to bring together the different elements of development in terms of a comprehensive approach toward good governance, human security, economic growth, development of civil society, and promotion of trade and investment.

These are complex paradigms that we need to pursue in a holistic manner. There is a key role for Defense in this effort, both in countries facing kinetic environments and in areas like security sector reform and demobilization of ex-combatants, but it is part of a larger environment where USAID helps drive the process.

When we talk about the 3D approach, are we talking about three departments, three disciplines, or three principles?

Ambassador Steinberg: We are indeed talking about roles and responsibilities when we discuss diplomacy, development, and defense, rather than strict tasks that conform easily to the State Department, USAID, and Defense Department, respectively. There will be times when Defense and USAID officials serve in essentially diplomatic roles, and the same can be said of development. During my career as a Foreign Service Officer in the economics cone of the State Department, I served as the development officer in several posts where USAID did not have a presence, such as the Central African Republic and Malaysia, and collaborated closely with USAID in places where they did, such as Angola and South Africa. I described before the security motivation for development, but there is also a key economic motivation as well. We are pursuing overseas development because it's in our economic interest. Our fastest growing export markets today are former large recipients of development assistance, whether that's South Korea, South Africa, Brazil, Taiwan, or India. This means U.S. exports, U.S. jobs, and opportunities for U.S. foreign investment. We have a real interest in these emerging countries, especially as we see declining growth rates in our traditional markets. One estimate states that 85 percent of the

growth in U.S. exports in the next two decades will go to developing countries.

Over the last 10 years, we've learned a lot. What is USAID doing to make sure that we can capture the lessons of the last decade?

Ambassador Steinberg: The last 5 years in particular have been a period of real change for USAID. From 1990 to 2005, the agency lost some 40 percent of its staff, even as budgets were rising. USAID lost a lot of its capacity to serve as a development agency; in some ways, we became an assistance agency. In many cases, we sought contracts with large contractors or similar activities with nongovernmental organizations where they would not only do the projects but would also design and evaluate them. These groups are filled with talented, dedicated professionals who can serve as partners, but it must be USAID who drives the process. Furthermore, USAID ceased to have a planning division or a budget office. In addition, many of the larger initiatives in the development space were housed elsewhere. Whether that was the Millennium Challenge Corporation (set up as a separate entity), the President's Emergency Plan for AIDS Relief set up at the State Department, the Global Climate Initiative, or the Global Health Initiative, USAID ceased to provide leadership for these Presidential initiatives.

In the last 5 to 7 years, this trend has reversed. We have now brought on about 850 new officers who are filling important gaps, and we've essentially returned to previous staffing levels. We have been asked by the President to lead the Feed the Future Food Security Initiative. We have established an Office of Budget and Resource Management that prepared USAID's fiscal year 2013 budget to be

incorporated into the Secretary's broader development budget, and we have created a Bureau for Policy, Planning, and Learning. The latter bureau is responsible for incorporating the lessons learned and best practices from USAID's proud history into our development strategies as we move ahead. Already we have prepared a policy framework for 2011–2015 that spells out a new, better focused and concentrated set of priorities. We have developed strategies for dealing with climate change and education, and plan to release soon policies or strategies for countering trafficking in persons, gender issues, and water in the 21st century. In late 2011, we released a policy that addresses how we can use development to combat violent extremism and insurgencies around the world. We are once again a learning organization. We have reasserted our role as a thought leader in this space.

Equally important, we are working to empower our local partners—both governments and civil society—by channeling additional resources through those institutions in cases where we are certain they can transparently and effectively conduct effective programs. We are also reincorporating science, technology, and innovation into our development activities. This is all a part of the agency's ambitious USAID Forward agenda.

Is Congress giving greater strategic latitude to USAID than it has in the past?

Ambassador Steinberg: It goes back and forth. Last year, fiscal year 2011, our budget contained directive language but fewer earmarks. For fiscal year 2012, we saw some backtracking: much of the “USAID should” language reverted to “USAID shall.” This affected primarily basic education and water and the Development Grants Program. Still, I think our relationship

with Congress now is quite good. We've just completed a budget process for 2012 that essentially maintains our commitment to international development, which is quite impressive in the tough budget environment we face.

I might add as an aside that this total still represents less than 1 percent of the total Federal budget. Members and staffers on our authorizing and appropriations committees are extremely knowledgeable about development, committed to development priorities around the world, and have a sophisticated understanding of where our priorities should lie. As in all of Washington, the key is open and transparent communications, and making certain that we keep the number of surprises to a minimum. In the last year, Administrator Shah and I have had approximately 200 meetings with Members of Congress in both the House and Senate. We have a good understanding of their priorities, and, I like to believe, they have a growing confidence in our capacity to promote development while being responsible stewards of the taxpayers' dollars.

In this regard, we all have to recognize that this is a new world in the development space. Official development assistance today makes up a small percentage of the total requirements for investment capital in developing countries. It's instructive to remember that total U.S. official development assistance last year was about \$30 billion. That is less than the \$36 billion in funds that private American citizens gave abroad to support development and humanitarian relief. It is far less than the \$100 billion that American residents sent to people in remittances and a fraction of the \$1 trillion in private investments flowing to these countries. In this environment, development assistance is no longer intended primarily to fill fiscal and savings gaps, but it must instead have a catalytic role. And so, we're trying to encourage

partnerships and innovative approaches and use our dollars to leverage assistance from foundations and private companies. We can also help reduce the risk associated with long-term development investments, use our convening authorities to coordinate with host governments, introduce new technological and innovative solutions, share experiences from other countries, and so on. Congress recognizes that the whole development space has changed. The fiscal year 2012 budget bill authorized enterprise development operations, loan guarantees programs, and debt relief initiatives—all of which are designed to take advantage of the vast resources out there.

Has USAID had a chance yet to reflect on the President's new national security guidance that indicated that the United States would be pivoting toward Asia? What does this mean for USAID?

Ambassador Steinberg: Asia has always been a significant area of emphasis for USAID and will be even more so under the President's guidance. We have active development, reconstruction, and humanitarian relief programs throughout the region, whether it's Pakistan, Afghanistan, Indonesia, Bangladesh, Vietnam, the Philippines, or many other nations. The opening of Burma is particularly encouraging. We are also seeking to partner with the emerging powers of Asia on triangular development efforts, such as working with India to promote agricultural development in Africa. But the President has also made clear that USAID doesn't have the luxury of focusing exclusively or even primarily on one region. We need to continue to alleviate disease and poverty, address illiteracy and weak governance, and promote sustainable growth in Africa; to consolidate political and economic transformation in Latin America, Eastern Europe, and Central Asia; and to support the awakening in the Middle East by promoting socioeconomic systems that can deliver a transition dividend through jobs and economic growth. These are the challenges of a modern development enterprise. **PRISM**