

# United States Senate Committee on Foreign Relations

WASHINGTON, DC

**FOR IMMEDIATE RELEASE**

**May 21, 2009**

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## **Chairman Kerry Advocates For Diplomatic And Development Reform**

WASHINGTON, D.C. – Senate Foreign Relations Committee Chairman John Kerry (D-MA) delivered a speech today titled, “Diplomacy and Development in the 21st Century,” on his vision to strengthen the civilian instruments of America’s foreign policy.

*Below are Senator Kerry’s remarks, as delivered:*

Sixty-five years ago, Secretary of State George Marshall looked out at a Europe that was in ruins. Germany had lost 90% of its railways. One in five houses in France was destroyed. Nations were on the verge of bankruptcy, currencies were collapsing, and in many places, people were literally starving.

The success of Marshall’s response has become one of the foundational narratives of American foreign policy. Understanding that isolation was no longer a choice, Marshall led America’s efforts to rebuild a Europe full of strong, stable allies ready to join in the new institutions and alliances of a new world order. In other words, George Marshall had a big vision and he offered it at a critical moment.

Over time, Marshall’s Economic Cooperation Administration grew into the U.S. Agency for International Development—and a legacy of vigorous diplomacy and effective development assistance was born.

Our scientists helped spark an agricultural revolution that ended a vicious cycle of famine and starvation in dozens of countries. Our investment and aid paved the way for the East Asian economic miracle. Our aid workers served on the frontlines of countless humanitarian responses, from earthquake relief to tsunami assistance. America’s strong tradition of diplomacy and development is a point of pride – and it should be.

I saw firsthand what we had accomplished when my father moved our family to Berlin in the early-1950s to take on a new posting as legal advisor to the High Commissioner of Germany, James Conant. Even as a twelve-year-old, I became aware of post war reconstruction efforts. Walking into a building in downtown Berlin I couldn’t miss a plaque that declared, for all to see, “this building was rebuilt with help from the Marshall Plan.” And that, of course, stood for America.

When we invoke the Marshall Plan today, it's tempting to draw the easy conclusion that simply by sending more people and more money overseas, we will somehow replicate its successes. That misses the point. Marshall's true genius was the way he saw clearly the challenges of his moment, and saw just as clearly the world he hoped to create—and then reached into government to empower and even invent the institutions that could make it happen. This was “transformational diplomacy” before that phrase became fashionable—and with one key difference: Marshall actually matched his rhetoric with resources, and he delivered results.

Simply put, there has been a gap between our words and our commitments.

What we need today is what Marshall offered then: a strategic vision for diplomacy and development that will carry us forward to meet a new generation of challenges: ethnic tensions, religious extremism, ideological excesses which present problems in many ways far more complex than those Marshall faced, but no less immediate and urgent.

It's no secret that American foreign policy has today reached a moment of multiple crises: Two ongoing wars. A nonproliferation regime that's under severe strain. A financial crisis whose full global implications are still unfolding. A global counterinsurgency against Al Qaeda and others that cannot be won with guns and bombs alone. Growing poverty, population, disenfranchisement, desertification and decimation of natural resources punctuated by Global Climate Change. Our challenges are beyond anything we have ever faced.

But there are clear paths forward. I am extremely optimistic because I believe we can address each of them if we can find the political will and effort to do it. We need to reach new understandings with developing countries like China and India and get low-carbon technologies into the hands of billions of people. We need to find new ways to cooperate on problems like global finance and pandemic disease that, by their very nature, require a multifaceted international response. In 2002, I worked with Bill Frist on a comprehensive global AIDS bill, and we even got Jesse Helms on board for the legislation that laid the foundation for PEPFAR. We need to achieve the UN Millennium Development Goals and make real progress against extreme poverty, hunger, gender inequality, and infant mortality that consume and ravage developing countries. And we need to find ways to bolster allies who risk losing their people to radicals in places like the West Bank, Pakistan, and Afghanistan.

And, in doing so, we need to be as practical as George Marshall was folks. We have skyrocketing youth populations in states and economies that are essentially broken. There are millions of kids under the age of 18 who are growing up disenfranchised, without adequate or sometimes even any education, full of resentment, and susceptible to the influence of radical extremism. At a moment when the distance between what happens over there, and its impact over here, is shorter than it has ever been, this is an urgent concern.

To make matters worse, many say these challenges are only growing. Events like today's global financial crisis and last year's global food crisis are signposts pointing

toward a rapidly changing, increasingly unpredictable global order—one defined by dynamism, but also by precariousness. Going forward, we need to summon the will and create the mechanisms to deal with this multi-polar world. I will not go into all the science of climate change here but suffice it to say the evidence is overwhelming, and the change is coming faster and with greater danger than all of our predictions. We need to prepare ourselves for the mass dislocations and natural disasters of catastrophic climate events—as well as the frightening resource scarcities caused by a global population projected to surge by 1.5 billion people over the next decade and a half.

These realities actually do present a brave new world for which we must dramatically redesign our foreign policy. If we are to rise to meet these new challenges, this much is clear: Development and diplomacy must retake their rightful place alongside defense at the heart of America's foreign policy.

And yet today, for all our past successes, there is a growing realization that our diplomatic and development capacities are simply not prepared for the task ahead. And when you consider our meager investment, it's easy to understand why: We have voted repeatedly with our dollars to bolster our defense institutions while neglecting our civilian capacity. Ladies and gentlemen-- that must change.

Funding for the Department of Defense is over half a trillion dollars, while –despite recent increases—our international affairs budget remains just 0.35% of GDP—and this rounding error in our overall budget funds ALL State Department operations, foreign aid and foreign policy programs, our diplomatic programs, global health initiatives on HIV/AIDS, malaria and tuberculosis programs, as well as humanitarian assistance to help stabilize fragile states, reduce global poverty and assist refugees!

Last year, the Army added about 7,000 soldiers; that's more people than the entire American Foreign Service. 1,100 Foreign Service officers could be hired for the cost of a single C-17 military cargo plane. We have done the right thing for our military –fully funding their budget requests, providing training and equipment, and offering unequivocal support to their tasks and missions. That is as it should be—but it's time we did right by our civilians, too.

Our diplomats, like our soldiers, have been achieving remarkable results, often with minimal support. In my trips to crisis areas, war zones and refugee camps in some of the poorest countries on earth, I have been amazed to see the depth of their resourcefulness and commitment.

Just this weekend, I met a control officer named Gabriel Escobar who is leaving behind the life of a major European capital to join a Reconstruction Team in Kirkuk—one of the most dangerous cities in Iraq.

A few months ago in Peshawar, I met Stacia George, a USAID Officer who was literally on the front lines of our war against Al Qaeda in the Federally Administered Tribal Areas, learning the local culture, using development assistance to win hearts and minds in a key battleground—and, I truly believe, improving America's security. These

remarkably dedicated people are without question the unsung heroes of American foreign policy, and folks, to live up to our responsibility we must give them the resources they need to deliver on their talent.

Today's imbalance between our military and civilian capabilities places undue burdens on our soldiers as well. Often they are left to pick up the slack—distracted from war-fighting by functions traditionally reserved for highly trained civilians. In the early days of the Iraq War, we had soldiers building sewage systems, handing out small enterprise loans, and broadly acting as mayors, police chiefs and judges. In Afghanistan, as one article put it, we're asking our soldiers to be combatants, cultural anthropologists, hearts and minds winners, and then combatants again. It's an impressive feat, and they carry it off with remarkable competence and courage—but they need the help of civilians who are experts in reconstructing communities and winning the peace.

Our military-civilian imbalance is far reaching. The Secretary of State is the nation's chief foreign policy officer, reporting to the President. Choices on military assistance and arms exports are fundamental to our diplomacy—and going forward, State needs the people, tools, and authority to manage this aspect of our foreign policy as well as their other missions.

This challenge isn't new—it predates the past administration, and stretches beyond party lines. Even those leaders who have recognized the problem have failed to marshal the resources to solve it.

All of which begs the question: How do we finally strengthen our civilian institutions to adequately address the challenges of the 21<sup>st</sup> century?

There's a short term and a long term answer. Over the long run, we will need to take a close, hard look at what we want our diplomatic and development institutions to achieve, and what resources they will need to get there. We must undertake a full strategic review, assess strengths and weaknesses, map out options, consider their implications, and determine what's in the best interests of the agencies and the country.

But we can't afford to wait until we have a grand new vision. Our growing and gathering challenges will not let us. In the short term, there are urgent reforms and actions we should undertake— to offer more immediate help for U.S. diplomats and development professionals serving on the frontlines around the world.

Turning first to our diplomatic corps, we need to rebuild basic capabilities in three key areas.

First, we need more resources and more personnel. Having too few diplomats means that opportunities fall through the cracks. It also overstretches our existing corps and prevents them from investing the time to develop the skills we need going forward. I am pleased that the President is committed to hiring 1500 new officers over the next two years, because there is simply no substitute for smart, well-trained and capable Foreign Service Officers on the ground. But that's just a beginning measured against the challenges we face.

Second, we should make sure our diplomats have the training, education and support they need. They should be encouraged to take rotations at other agencies and details at international organizations. We must ensure that America has high performance, high quality embassies. In too many places, I have seen fortress-like embassies that present a foreboding and hostile face of America to the world. We need embassies that meet modern security requirements, but don't undercut the image of America we hope to portray.

A third priority is to build a more responsible, flexible Department. We need an organization nimble enough to quickly respond to emerging situations, and move personnel and material promptly to address emerging crises on the ground. While our staff security is paramount, we must also give them the freedom to do their work. The setting for today's diplomacy is very different. The Department of the future must be equipped to operate, as Marshall did, in Paris and Berlin—but much of our work will be done in places like Beijing, Baghdad, Kabul and Islamabad.

There are also immediate steps we must take to rebuild USAID and other foreign assistance programs.

First, we need to clarify the policies and goals of our foreign assistance. There is no overarching policy for U.S. foreign aid and development today. By one count, the Foreign Assistance Act actually lists over 150 policy directives and goals! When you prioritize everything, then nothing is a priority. Dramatically paring down this list will go a long way toward strengthening the focus and impact of our programs.

Second, we must bring greater coordination to our aid efforts. We have over 20 agencies implementing a slew of aid programs, often with diffuse or even conflicting goals. Right now, while 60 percent of our foreign aid goes to 10 countries for political/military, counter-narcotics and HIV/AIDS—the other 40 percent is spread thin in 140-plus countries. We need a more balanced approach, and a comprehensive development strategy to determine which agency is in charge, what we hope to achieve, and how best to accomplish our goals.

Third, we must strengthen our professional expertise and capacity. The need has never been greater to train and cultivate a generation of highly skilled public servants. We need agricultural experts who can plant bug-resistant crops and foster a second green revolution in Africa. We need scientists who can develop new vaccines and public health workers who can train people to deliver them to places that have never seen an American before. We need engineers who can help the poorest countries in the world find clean development pathways and adapt to a changing climate. To attract top talent, we need to promote a results-based culture of accountability and transparency-- and we need to restore intellectual capacity, and policy and strategic planning to ensure that USAID is a place where innovative ideas can take shape.

Fourth, we need to streamline outdated laws and heavy bureaucracy to untie the hands of our aid workers. The last time the Senate authorized a Foreign Assistance Act was the year I arrived, 1985. That bill runs over 400 pages and is full of confusing directives,

reporting requirements, and procedural roadblocks. We need to ease those burdens so that missions can do their jobs. And I intend to work with the Administration to revisit the Foreign Assistance Act in this year.

Fifth, we must rebalance the relationship between Washington and the field. Recent reforms have kept most funding and policy decisions in Washington and undermined the primacy of the field. While this helps with bureaucratic coordination, it cuts out the expertise of those living on the ground with specialized knowledge of cultures, problems, and possibilities. We need to empower country teams to shape programs, determine needs, and even take calculated risks when they see real strategic opportunities.

We are fortunate to have a new Administration that understands the challenges we face in the world today, and is committed meeting them by reforming our institutions.

Congress has a Constitutional responsibility and the legislative authority to get this done. If Congress has been looked upon simply as a check writer in this process, this is in part our own fault: We have embraced an expanded budget and appropriations process at the expense of other valuable means of oversight and policymaking. Aside from the Armed Services Committees, which pass annual defense authorization bills, the authorizing committees have gone out of the business of legislating. This is a worrisome trend. The primary role of authorizing committees like mine is to provide policy guidance and shape the scope, direction and intent of our agencies. And that's what we intend to do.

That is why I will be asking Senator Lugar to join me in introducing two pieces of legislation: a Foreign Affairs Authorization Act that will authorize the State Department and related accounts, and an initial foreign aid reform bill. Neither piece of legislation will bring comprehensive reform all at once. But they will initiate a reform process to begin laying the groundwork, and providing a blueprint, for the diplomacy and development institutions we need.

The Foreign Affairs Authorization Act is crucial to our larger aims. When we pledge to restore diplomatic capacity, authorizing appropriate resources is the proof of our seriousness. In partnership with the Administration, I intend to use this bill to bring us several critical steps closer to the strong Department of State we need. Increasing the size, education and training of our diplomatic corps will be a top priority. We will also take a hard look at our diplomatic posture abroad, and consider creative and efficient ways to make our embassies less imposing and also more environmentally sustainable.

I plan to work closely with my colleagues in the House of Representatives, particularly Chairman Berman, in moving this legislation forward. We have not successfully passed a State Department authorization bill since 2002. This is the time to take responsibility for the direction we are heading.

Passing a foreign aid reform bill will also be crucial to revitalizing our development agencies. One of the top priorities will be to reestablish policy, intellectual and strategic capacity in our foreign aid programs. For too long we have delegated development leadership and innovation to others. We need cutting edge programs that push the

envelope on ending global poverty and other problems—and our development agencies should be leading the charge.

Another priority will be to develop a modern personnel system that will allow us to hire top talent, train them in the most advanced practices and techniques, and provide more flexible rotations and improved career development. And we can't expect to lure top people away from the private sector if we don't pay them a reasonable wage.

Finally, we all share the notion that we should be in the business of funding development programs that actually work. To that end, we will support efforts in legislation to promote accountability, enhance transparency, track performance and distill lessons learned to build up institutional knowledge and avoid repeating mistakes.

These legislative efforts can be a precursor to a larger, more comprehensive rewrite of the Foreign Assistance Act next year, of course taken with the cooperation of the Administration.

When John F Kennedy spoke at the founding of USAID in 1961, he articulated a basic truth about our foreign policy. We cannot escape our moral obligation to be a wise leader in the community of free nations. Kennedy warned that—and I quote: “To fail to meet those obligations now would be disastrous; and, in the long run, more expensive. For widespread poverty and chaos lead to a collapse of existing political and social structures which would inevitably invite the advance of totalitarianism into every weak and unstable area. Thus our own security would be endangered and our prosperity imperiled.”

Just substitute violent extremism for totalitarianism and the quote is as accurate today as it was then. Just as we did in Marshall's time and Kennedy's time, America today has a chance to return to a foreign policy that is not just seen by people everywhere, but felt and lived, one that translates our promises into real value and real progress on the ground—one that improves people's daily lives, inspires them, and earns their respect.

The good news is that, as we rebuild our civilian institutions, there will so many chances to lead in the process. We are living in a moment of volatility, but also—emphatically—a moment of possibility.

Infant mortality rates dropped by 27% worldwide since 1990. By 2015, let's cut under-five mortality by two-thirds. Life expectancy is eight years higher than it was in 1990—but we can do better by cutting hunger and poverty in half and reversing the spread of HIV/AIDs, malaria and other major diseases. Primary school enrollment has increased by 10% --it's time we made it universal. And while we're at it, let's eliminate gender disparity in education once and for all. As a proud father to two daughters, let me tell you: no child anywhere should be denied the right to learn just because she's a girl.

History teaches us that America is safest and strongest when we understand that our security will not be protected by military means alone. It must be protected as well by our generosity, by our example, by powerful outreach, and by instilling a palpable sense in the people of the world that we understand—and share their destiny. That has always

inspired people, and it always will. It undercuts our enemies, it empowers our friends—and it keeps us safer.

This is an opportunity, folks. So let's work together and make it happen. Thank you.

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