

# Foreign Assistance for Peace

## The U.S. Agency for International Development

A Report of the CSIS Post-Conflict Reconstruction Project

AUTHOR  
Dane F. Smith Jr.

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## FOREWORD

The past few years have seen a number of new initiatives within the U.S. government that address the growing challenges of building peace. The CSIS Post-Conflict Reconstruction (PCR) Project and other partner organizations have played an active role in developing these initiatives and have published a number of reports and books that analyze different aspects of the reform process. Yet, despite the expanding resource base, none of these publications has addressed the changes underway within the U.S. government. We were therefore delighted when Ambassador Dane Smith, an old friend and former colleague with significant experience in the numerous conflicts in West Africa in the 1990s, approached us for support in preparing a book on the topic.

The resulting volume, *U.S. Peacefare: Organizing American Peace-Building Operations*, will be published later this year. The book is an invaluable survey of the range of U.S. agencies involved in peace building, including the National Security Council, the Department of Defense and the independent U.S. Institute of Peace, in addition to the State Department and U.S. Agency for International Development (USAID). *U.S. Peacefare* gets into the weeds of the budgeting, authorization, and appropriation process related to peace building, but it also makes informed judgments about the effectiveness of each agency and the interagency coordination under the George W. Bush administration. It concludes by offering a comprehensive set of recommendations for structural reform.

Because of the currency of the debate on the architecture and operations of America's involvement in fragile states, conflict stabilization missions, and peace building—notably in Afghanistan and Iraq—we are eager to share two sections from Dane's forthcoming book as PCR reports.

The first, *An Expanded Mandate for Peace Building: The State Department Role in Peace Diplomacy, Reconstruction, and Stabilization*, offers a highly detailed account of the inner workings at State and explores the evolution of the peace-building machinery and capacity. The second, *Foreign Assistance for Peace: The U.S. Agency for International Development*, is an equally in-depth look at the development of civilian operational responses within USAID.

There is growing realization that a damaging imbalance exists in American statecraft. Over the previous two decades the balance between the U.S. civilian agencies and the military has been tilting ever more toward the latter. At the same time, we are nearing a point where important decisions will have to be made on the future direction of U.S. foreign policy. A central part of arriving at these decisions will be the discussion on the proper role of the State Department and USAID in peace building.

The PCR Project is dedicated to raising the level of international public debate on a range of conflict-related concerns, from early warning and conflict prevention to rebuilding shattered societies. Our commitment is to advance peaceful, democratic change, with an emphasis on locally led reform. As you will see in these two chapters, Dane Smith's book will make a valuable contribution.

*Frederick Barton  
Karin von Hippel  
Codirectors, PCR Project  
April 2009*



## FOREIGN ASSISTANCE FOR PEACE:

## THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

*Dane F. Smith Jr.*

“Among the most important things donors can do is develop a deeper context-specific understanding of what drives conflict....Conflict management involves long-term interventions that strengthen the capacity of states and societies to manage sources of tension and strain.”—*Foreign Aid in the National Interest* (USAID, 2002)

For almost half a century the U.S. Agency for International Development (USAID) has been the principal U.S. government agency providing assistance to countries recovering from disaster or attempting to escape poverty. Since the end of the Cold War, it has taken on additional functions, including promotion of human rights, democracy, and conflict management. USAID is an independent federal agency that receives overall foreign policy guidance from the secretary of state. Over the decades its degree of independence from the State Department has fluctuated. However, since 1990 the pendulum has swung toward greater direction from and integration with State. The process was accelerated by Secretary of State Condoleezza Rice, who brought USAID even more formally under the State wing.

This second report of a two-part series looks at the peace-building function at USAID. It examines the evolution of reconstruction and stabilization (R&S) in the Bush administration’s foreign assistance strategy and describes the effort to integrate the State Department–USAID budget process for foreign operations, including peace building. It then examines the organizational architecture for dealing with conflict, as it has evolved in the Bureau of Democracy, Conflict and Humanitarian Assistance. The examination focuses on the creation of the Office of Transition Assistance and the Office of Conflict Management and Mitigation, but also delineates the role of other offices more tangentially concerned with R&S. It then reviews the work of USAID’s geographic bureaus in responding to conflict. It ends with recommendations for reform.

# Reconstruction and Stabilization in the U.S. Foreign Assistance Strategy

In describing its role to the public, USAID has pictured itself as central to the American peace-building enterprise:

USAID *promotes peace and stability* [author's emphasis] by fostering economic growth, protecting human health, providing emergency humanitarian assistance and enhancing democracy in developing countries.<sup>1</sup>

Andrew Natsios, George W. Bush's first USAID administrator, had a strong personal interest in conflict management. He brought considerable experience to the job. As director of USAID's Office of Foreign Disaster Assistance and then assistant administrator of the Bureau of Food and Humanitarian Assistance during the Bush 41 administration, he was particularly concerned about timely delivery of assistance in crises, including conflict situations. In a 1997 book, Natsios deplored the failure of the agency to give adequate attention to conflict. Surveying the countries in which the agency was involved, he noted that two-thirds were unstable and argued that conflict often led to "de-development."<sup>2</sup> If the agency were to succeed at development, he concluded, USAID must deal frontally with conflict.

Natsios put a powerful stamp on USAID's approach to the problem of conflict. In the wake of White House publication of the 2002 National Security Strategy, USAID issued "Foreign Aid in the National Interest," asserting that "foreign assistance will be a key instrument of foreign policy in the coming decades."<sup>3</sup> That report focused on six central issues of development assistance, including "mitigating conflict," along with democratic governance, economic growth, health and humanitarian assistance.

The section on mitigating conflict placed great importance on understanding conflict in a holistic manner, examining not only ethnic and religious grievances, but also how economic conditions can fuel conflict and channel resources to those who seek to exploit it. With Afghanistan in high profile, the report also emphasized the ability—or inability—of certain governments to manage or contain violence, identifying "weak" or "failed" states as a special category. It called for experimentation with new varieties of foreign assistance, more "political" than "developmental" in nature, such as intervention with critical groups like young men and victimized women and promoting physical security and "transition assistance" for countries moving into or emerging

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<sup>1</sup> U.S. Agency for International Development (USAID), *USAID Primer: What We Do and How We Do It* (Washington, D.C., USAID, January 2006). [www.usaid.gov/about\\_usaid/primer.html](http://www.usaid.gov/about_usaid/primer.html).

<sup>2</sup> Andrew S. Natsios, *U.S. Foreign Policy and the Four Horsemen of the Apocalypse: Humanitarian Relief in Complex Emergencies* (Westport, Conn.: Praeger/CSIS, 1997).

<sup>3</sup> USAID, *Foreign Aid in the National Interest: Promoting Freedom, Security, and Opportunity* (Washington, D.C.: USAID, 2002), iv.

from violence.<sup>4</sup> Many of these themes were reflected in USAID programming during the Bush administration, particularly during the 2002–2005 period.

Subsequent USAID publications placed special emphasis on “failed” states, another of Natsios’ preoccupations. A January 2004 White Paper asserted, “Failed states and complex emergencies now occupy center screen among the nation’s...national security officials... Development is now as essential to U.S. national security as are diplomacy and defense.” Strengthening fragile states was listed second among the core operational goals of U.S. foreign assistance.<sup>5</sup>

The White Paper set the stage for the rollout in January 2005 of USAID’s Fragile States Strategy. It noted that one-third of the world’s population live in unstable or fragile areas and that 20 percent of U.S. foreign assistance targeted such countries in 2003. The strategy set an overall goal of guiding USAID’s efforts to reverse decline in fragile states and advance their recovery “to a stage where transformational development progress is possible.”<sup>6</sup> Mirroring organizational changes underway in the State and Defense Departments—particularly creation of the coordinator for reconstruction and stabilization at State—the strategy stressed the importance of a “whole-of-government” approach to the failed state problem.

The strategy took a nuanced approach to fragile states, distinguishing between “vulnerable” states, where legitimacy and government effectiveness are weak, and states fallen into “crisis” or conflict. With the former, USAID would seek to enhance effectiveness and legitimacy, particularly in enhancing civil society and the private sector. Where conflict is raging, the emphasis would be on “stabilizing” the situation and promoting with key actors reform related to the causes of conflict, drawing on other elements of the U.S. government. USAID programming was to focus specifically on providing basic humanitarian assistance, supporting rapid job creation and income generation, and returning children to school. In post-conflict situations, USAID could implement concurrently a range of humanitarian, transitional, and development activities. The strategy called for the development of a new “business model” for USAID, emphasizing rapid response, quick and visible impact, shorter planning horizons and budget flexibility. A Fragile States Council was created within the agency, chaired by the USAID counselor, and Fragile States Quick Response Teams were on the drawing board.

In a “Democracy and Governance Strategic Framework” document issued at the end of the year, the USAID leadership linked its Failed States Strategy more closely to democracy and governance:

In fragile states—those vulnerable to or already in crisis—steady democratization can strengthen both the capability and legitimacy of government institutions. In countries

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<sup>4</sup> *Ibid.*, 96-110.

<sup>5</sup> USAID, “U.S. Foreign Aid: Meeting the Challenges of the Twenty-first Century” (white paper, USAID, Washington, D.C., January 2004), 3,5.

<sup>6</sup> USAID, *Fragile States Strategy* (Washington, D.C.: USAID, January 2005), 2.

emerging from conflict, democratic reforms offer a path for national dialogue and for shifting confrontations from the battlefield to the political arena.<sup>7</sup>

Elections were viewed as only one element in democratization. Elections can help achieve consensus and establish a base for the rule of law. With surprising caution, the strategy noted that elections “may be an appropriate ingredient in post-conflict transitions.” In fact, elections have been an essential element in all post-conflict situations involving the United States, ranging from Iraq to Nepal.<sup>8</sup> The strategy pays no explicit attention to the issue of the timing of elections, even though premature elections, undertaken before the groundwork is laid, may damage the long-term prospects of democracy, but the document recognizes that democracy is always “home grown” and thus must be tailored to local circumstances. The strategy recognizes that assistance to democracy does not end with an election, but in the postelection period is likely to involve USAID in training elected officials, strengthening democratic institutions, and promoting partnerships between state and society.<sup>9</sup>

The Policy Framework for Bilateral Aid, released at the beginning of 2006, purported to “[bring] together our work over the past five years in a single document and [inscribe] in policy USAID’s change in strategic direction.” The new policy framework recrafted the goals mentioned in the 2002 “Foreign Aid in the National Interest,” giving more attention to a typology of targeted recipients. Thus it substituted “strengthen[ing] fragile states” for “mitigating conflict” as one of five core strategic goals for foreign assistance.<sup>10</sup> It stated that in countries of instability and weak governance, the United States will support stabilization, capacity development and reform, where U.S. assistance can make a difference. Decisions were to be made in consultation between State and USAID. In other countries beset by violence, natural disasters and extreme poverty, presumably where other kinds of assistance are deemed unlikely “to make a difference,” the United States will provide humanitarian assistance to save lives. The change in strategic direction was said to have stemmed from an expanded agenda for foreign aid to include transnational

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<sup>7</sup> USAID, *At Freedom’s Frontiers: A Democracy and Governance Strategic Framework* (Washington, D.C.: USAID, December 2005), 6.

<sup>8</sup> Following ambiguous results in Iraqi elections and particularly in the wake of elections in Palestine in 2006, which brought Hamas to power, some U.S. officials have been questioning emphasis on elections as a key element in post-conflict reconstruction, or at least insisting that proper preparations and timing are an essential element of success. Craig Cohen asks, “What conditions must be met before elections can effectively substitute for force in determining who governs?” in “Measuring Progress in Stabilization and Reconstruction,” USIP, Washington, D.C., March 2006, 5.

<sup>9</sup> USAID, *At Freedom’s Frontiers*, 3, 13.

<sup>10</sup> USAID, *Policy Framework for Bilateral Foreign Aid: Implementing Transformational Diplomacy through Development* (Washington, D.C.: USAID, January 2006), 1-2. Although the 2002 document cited these goals as key “issues” of development assistance, they were framed as “goals.” The 2006 listing does include some functional goals, such as “provide humanitarian relief and address global issues and other special, self-standing concerns,” along with promoting transformational development in reasonably stable developing countries and supporting strategic states.

issues, the transition from communism, and “crisis, conflict and complex emergencies,” as well as other specific concerns. Distinct frameworks were therefore required so that “budgetary resources are aligned with the goal they primarily support.”<sup>11</sup>

## A New State-USAID Budget Process

Andrew Natsios, the Bush administration’s strategic visionary on foreign assistance in the post-9/11 world, resigned in January 2006. He was replaced by Randall Tobias, a former Eli Lilly executive, who had been serving as the president’s global AIDS coordinator. Tobias’ position was expanded to give him the title of “director of foreign assistance.” As such, he served both as administrator of USAID and as a deputy secretary of state.<sup>12</sup> In his new position (“F” in State Department acronymic), Tobias took on the mandate to reorganize the foreign operations budget process to consolidate the various accounts managed by USAID and State. The task required a mammoth effort to bring together different “spigots” managed by USAID and State, which constitute 75 to 80 percent of all foreign assistance funding under the international affairs account.<sup>13</sup>

The new budget process, laid down hurriedly in 2007, created five major budget functions or objectives: peace and security; governing justly and democratically; investing in people; economic growth; humanitarian assistance.

The budget functions are applied to five categories of recipients:

1. Rebuilding (countries in or emerging from conflict)
2. Developing (poor countries with modest economic and governance records)
3. Transforming (poor countries riding high on economic and democratic reform)
4. Sustaining (middle- or high-income countries with close U.S. relations)
5. Restrictive (countries with reprehensible human rights records)

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<sup>11</sup> For reasonably stable developing countries, the United States will promote “far-reaching, fundamental changes in governance and institutions, human capacity, and economic structure” through access to the new Millennium Challenge Account. For strategic allies, the United States will provide assistance—more extensive or focused on key policy goals—from the Economic Support Fund account, which is managed by State.

<sup>12</sup> See the first monograph in this series, Dane F. Smith Jr., *An Expanded Mandate for Peace Building: The State Department Role in Peace Diplomacy, Reconstruction, and Stabilization* (Washington, D.C. CSIS, April 2009).

<sup>13</sup> Thus the F process embraced the foreign *operations* part of the 150 Function, but not State Department administration. Moreover, special presidential initiatives like PEPFAR (the President’s Emergency Program for HIV/AIDS Relief), the Presidential Malaria Initiative, and the Presidential Education Initiative were kept outside of F.

Although the system has been applied flexibly, assistance was expected to be allocated by objective to the different country groups as indicated in table 1.

To build the FY2008 budget, F coordinated a hierarchical process of review bringing together State and USAID offices in “core teams,” covering more than 100 operational plans for countries and programs. Budgeting for reconstruction and stabilization (R&S) was largely subsumed under a major sub-category of the “Peace and Security” function called “stabilization operations and

**Table 1. Allocation of Funding by Objective among Recipient Countries**

<b>Strategic Objectives/ Country Categories</b>	<b>Rebuilding</b>	<b>Developing</b>	<b>Transforming</b>	<b>Partnership</b>	<b>Restrictive</b>
Peace and Security	•				
Governing Justly and Democratically	•	•	•		
Investing in People		•	•		
Economic Growth		•	•	•	
Humanitarian Assistance	•	•			•

security sector reform.” Some R&S elements were also included under governing justly and humanitarian assistance.

After a one-year effort to establish the new budget process, Tobias resigned abruptly in April 2007, when press accounts linked his name to the activities of the “Washington madam,” Deborah Jean Palfrey.

Those in the agency committed to the Failed States Strategy as a coherent approach to conflict were disappointed with the new budget approach. They complained that the Failed States Strategy was shelved.<sup>14</sup> They point out that nowhere in the new budget functions is found the differentiated approach contained in the strategy, which portrayed fragile states as falling along a u-shaped spectrum of “vulnerable,” “in crisis” or “emerging from conflict.”<sup>15</sup> Instead most fragile states have been somewhat arbitrarily divided into the rebuilding or developing group. Although F originally agreed to examine “cross-cutting” categories after the basic categories were created, it has not yet had the time—or perhaps inclination—to get into this further layer of complexity. As

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<sup>14</sup> A senior USAID official expressed the view that Tobias saw the Failed States Strategy (FSS) as an independent effort to create a new policy of foreign assistance, thereby undermining the new union between USAID and State under the secretary of state and himself. Interview with James R. Kunder, acting deputy administrator, September 6, 2007.

<sup>15</sup> The FSS also talked about “fragile, failing, failed and recovering” states.

a result, it was argued, the F budget process returned to a “stovepiped” approach to country categories, abandoning the key axiom of the Fragile State Strategy that assistance should be applied to the basic impediments to resolving conflict, impediments varying from country to country.

**Figure 1. USAID Organizational Chart (2008)**



## Organizing for Conflict Resolution

This following section describes the function and organization of the USAID functional and geographic bureaus primarily involved in R&S, with emphasis on the offices concerned within the Bureau of Democracy Conflict and Humanitarian Assistance.

### DCHA

The functional locus of peace building in USAID is the Bureau of Democracy, Conflict and Humanitarian Assistance (DCHA). Created in 1992 as the Bureau of Humanitarian Response, it originally housed the major offices involved in humanitarian assistance, in particular the Offices

of Foreign Disaster Assistance (OFDA) and Food for Peace (FFP). During the Clinton administration it acquired a new function, “transition initiatives,” which launched it into the field of conflict resolution. Under the Bush administration, the bureau took on its present name and inscribed conflict at the center of its agenda.<sup>16</sup>

Andrew Natsios, who had headed the bureau during a previous stint in the Bush 41 administration, saw DCHA as an important U.S. government spearhead for dealing with fragile states and conflict within the framework of foreign policy guidance from the secretary of state. He was therefore not pleased when the National Security Council principals decided to create a coordinator for reconstruction and stabilization in the State Department. Natsios did not go out of his way to put USAID firmly behind the new office.<sup>17</sup>

In 2005, as George W. Bush began his second administration, Natsios asked Michael E. Hess to take charge of DCHA. Hess was an unusual choice for a USAID executive: a retired U.S. Army colonel, who had spent much of a 30-year career specializing in humanitarian operations, including stints in Turkey, Bosnia, Kosovo, and Northern Iraq, where he was involved in Operation Provide Comfort. As the second Iraq conflict loomed, Hess was called back to military duty to serve as deputy humanitarian coordinator in General Jay Garner’s ill-starred Office of Reconstruction and Humanitarian Assistance. Then he became deputy chief of staff to Ambassador L. Paul Bremer in the Coalition Provisional Authority. He was doing risk analysis as a Citibank vice president, when USAID telephoned. Natsios told Hess, “Reform the operation so that it works like a bureau and not like a set of independent fiefdoms.”<sup>18</sup>

### **Office of Transition Initiatives (OTI)**

Hess did not have to worry about reforming the Office of Transition Initiatives, which had acquired considerable bureaucratic renown over its first decade of existence. OTI was the brainchild of J. Brian Atwood, USAID administrator under President Clinton. After his nomination, Atwood consulted representatives of the previous administration. Former secretary of state Lawrence Eagleburger told him USAID needed a quick-acting mechanism, located on the spectrum between relief and development, to respond nimbly to political opportunities like the overthrow of a dictator. During his 1993 confirmation hearings, Atwood piqued the interest of several senators when he mentioned his interest in improving U.S. government capacity to assist “countries in transition.” Their interest prompted a pledge from the new administrator that he would establish an office to facilitate transitions.<sup>19</sup>

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<sup>16</sup> DCHA also includes the offices of American Schools and Hospitals Abroad and Private and Voluntary Cooperation.

<sup>17</sup> Interview with Carlos Pascual, the first coordinator, November 8, 2006.

<sup>18</sup> Interview with Michael E. Hess, May 11, 2007.

<sup>19</sup> Interviews with Robert W. Jenkins, acting director, DCHA/OTI, October 26, 2007, and Frederick D. Barton, first director of OTI, October 2, 2006.

The transitions Atwood had in mind were those in Eastern Europe from communism to democracy. By the time the OTI was up and running in March 1994, those transitions had almost been accomplished—except in the Balkans, which was awash with violent political conflict. Under OTI’s first director, Frederick D. Barton, the office was built around transitions to democracy and from conflict.<sup>20</sup> Its purpose is to “provide fast, flexible, short-term assistance to take advantage of windows of opportunity to build democracy and peace.” It sought to “lay the foundation for long-term development by promoting reconciliation, jumpstarting economies, supporting nascent independent media and fostering peace and democracy through innovative programming.”

OTI takes pride in its innovative and nonbureaucratic structure and style. It modeled itself on USAID’s well-regarded Office of Foreign Disaster Assistance (OFDA), known for its speed of response and willingness to dispense with bureaucratic rules in the interest of delivering assistance. The OTI Web site claims it “encourages a culture of risk-taking, political orientation, and swift response among its staff and partners. This culture is reflected in a strategic approach that continually incorporates best practices and lessons learned.”

A second distinguishing feature of the office is its central attention to political issues. Frederick Barton told senior USAID officials at the outset that OTI would look at “the central political development issue in countries emerging from distress,” in essence the distribution of power and the quality of leadership. OTI took pride in the sophistication of its political analysis.<sup>21</sup> Initially, OTI exercised discretion in choosing the countries with which it would engage. Engagement required affirmative responses to four basic questions: (1) is the country important to U.S. interests? (2) if so, “is there a window of opportunity?”—is the situation ripe internally for a successful transition? (3) if so, is OTI capable of having an impact? (4) does the operating environment permit staff to travel outside of the capital to implement and monitor its activities?<sup>22</sup>

A third distinguishing feature of OTI is budgetary. Initially, OTI funding was carved out of the OFDA budget, an action that signaled the commitment of USAID leadership to the new office.<sup>23</sup> For FY2001, however, the Clinton administration created a separate budget line. The “transition initiatives” budget account has special authorities that allow immediate spending where it is most needed. There are two aspects to OTI funding. In bureaucratic parlance, OTI funds are “no year”; that is, the budget allocation does not have to be spent in that year but can carry over to the next.

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<sup>20</sup> OTI’s Web site actually cites three types of transitions: democracy, peace, and what it calls “pivotal political events.” See “Transition Initiatives,” [http://www.usaid.gov/our\\_work/cross-cutting\\_programs/transition\\_initiatives/](http://www.usaid.gov/our_work/cross-cutting_programs/transition_initiatives/).

<sup>21</sup> Barton interview.

<sup>22</sup> See “Criteria for Engagement,” [http://www.usaid.gov/our\\_work/cross-cutting\\_programs/transition\\_initiatives/aboutoti3.html](http://www.usaid.gov/our_work/cross-cutting_programs/transition_initiatives/aboutoti3.html).

<sup>23</sup> In contrast with S/CRS, for which the Department of State did not set aside a discrete level of funding from its Diplomatic and Consular Program Funds, but simply asked Congress for money in a supplemental. Congress was not receptive, at least not until 2008.

In addition, OTI has “notwithstanding” authority; it can spend notwithstanding other restrictions that might limit funding, such as “Buy America” or cumbersome contracting procedures.<sup>24</sup>

How does OTI construe “windows of opportunity” for peace? Admittedly, definition is difficult, since a country’s ripeness for transformation is subjective. Typically, an opening is what OTI has called a “constitutive settlement,” broadly defined as an agreement among political actors on how to move forward. That might be a peace agreement among warring factions. Alternatively, it might follow from the emergence of a government committed to fundamental reform and in control of most of the national territory or it might be the ratification of a new constitution. In these situations, OTI seeks to strengthen the chances for success by identifying and addressing critical bottlenecks and by increasing civil society’s involvement in the negotiation process.

OTI’s typical mode of intervention is to send members of its “bullpen,” a roster of over 20 part-time specialists prepared to go anywhere in the world on short notice. Their mission is normally to carry out an assessment and to design a strategy for the target country emphasizing quick-impact activities. OTI then typically sends a couple of personal service contractors to the country to carry out the program. OTI’s approach is community based, aimed at working with local partners, including nongovernmental organizations (NGOs), local entrepreneurs, women, and student groups. Activities might center on campaigns of mass communication, using soap operas to convey themes of reconciliation and resolving differences. Projects might include reintegration assistance for ex-combatants and other youth, backing local human rights groups, providing materials for small infrastructure repair projects, getting communication equipment and computers to civil society organizations. OTI local staff provide grants of up to \$100,000 in response to brief project applications, on which it collaborates with the applicant. Decisions are made within days. OTI designs its country involvement for completion or handover to the regular USAID mission within two to three years, with expenditures averaging about \$8 million. Transaction costs are low and a high percentage of funds go to local people.

During the Clinton administration, OTI opened programs in 20 countries, rather evenly balanced among Africa, the Balkans, Latin America, and Asia. Haiti proved an important launching pad. Despite opposition to its involvement by the USAID mission in Port au Prince, OTI was able to deploy a team into the country in the wake of U.S. military intervention in 1994, which forced out the military government and reinstated the democratically elected regime of Jean-Bertrand Aristide. Between 1994 and 1997, OTI funded vocational training for about 5,000 former

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<sup>24</sup> “Notwithstanding” authority is reluctantly and rarely used, but provides the OTI director with leverage in securing funds when needed. OTI claims to have created an *innovative contracting mechanism* that preserves the principle of competition while allowing quick start-up in new countries and direct grants to small, indigenous organizations.

members of the armed forces, financed over 2,000 small infrastructure projects, and after local elections, trained 1,500 newly elected officials.<sup>25</sup>

Under the Bush administration, OTI launched programs in 12 new countries and restarted programs in Angola, Colombia, Congo, Liberia, and Sri Lanka. Interesting new starts included Sudan (focused on southern Sudan in the wake of the 2005 Comprehensive Peace Agreement), the West Bank and Gaza (after Israeli evacuation of settlements in Gaza and the West Bank in August 2005), and Somalia (for 10 months in 2007 after the ouster by Ethiopia of the United Islamic Courts regime).<sup>26</sup>

OTI's customary discretion about country involvement and modest program size was overridden by Bush administration priorities on Afghanistan and Iraq. Officers from OTI were operational in Afghanistan by January 2002, and the program continued for three and a half years. Initially the activities focused on "rapid, highly visible support designed to establish governmental credibility and space for longer term development assistance." As time went on, OTI sought to build national, provincial and local governance capacities by engaging rural communities in projects connecting them to their government. Three-quarters of the projects and almost two-thirds of the funding were devoted to strengthening central government capacity. Initially, OTI played a major role in the effort to create democratic government. Prospects for an emergency loya jirga assembly of tribal, military, and religious leaders and government officials were bleak, until OTI moved \$3 million to a UNDP Trust Fund to fund it. In June 2002, that assembly set up the transitional administration and the drafting of a new constitution. OTI also helped fund the constitutional loya jirga of December 2003, focusing on public education, but by this time USAID's Office of Democracy and Governance had assumed the major role. In addition, OTI worked to increase Afghan media capacity, financing 14 community radio stations and 3 independent radio stations. Overall, OTI funded over 700 projects in all 34 provinces totaling about \$50 million.<sup>27</sup>

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<sup>25</sup> USAID Office of Transition Initiatives, *Advancing Peaceful, Democratic Change* (Washington, D.C.: USAID, 1999), 10.

<sup>26</sup> OTI's purpose in Somalia was to promote the National Reconciliation Congress (NRC), in particular by strengthening the capacity of the National Governance and Reconciliation Committee to organize it. USAID/OTI, Somalia Fact Sheet, July 2007, [http://www.usaid.gov/our\\_work/cross-cutting\\_programs/transition\\_initiatives/country/somalia/fact0707.html](http://www.usaid.gov/our_work/cross-cutting_programs/transition_initiatives/country/somalia/fact0707.html). However, the NRC excluded those Somali parties that opposed Ethiopian intervention, and little reconciliation was achieved. That unsatisfactory outcome presumably precipitated OTI's early departure from the project. In 2002, OTI began a program in Venezuela, after military restoration of Hugo Chavez to the presidency and launch of an internationally and regionally promoted "national reconciliation" process. The OTI program, operating out of the U.S. embassy, was aimed not at conflict resolution, but rather "to provide critical and timely assistance to maintain democratic stability and strengthen the country's fragile democratic institutions."

<sup>27</sup> Social Impact, Inc., *USAID/OTI Afghanistan Program: Final Evaluation* (Washington, D.C.: USAID, August 15, 2005), 9, 14, 34, 35, 49-50.

Afghanistan was OTI's first large program, but it was soon dwarfed by Iraq, where OTI made more than 5,200 individual grants totaling at least \$337 million.<sup>28</sup> An OTI team arrived in Baghdad about the same time as the first U.S. troops. Unlike the military command, it demonstrated an exemplary awareness of the need for post-conflict reconstruction. It evolved four program objectives:

1. enhance capacity of local/national governments
2. increase citizen participation in social/political/economic life
3. prevent, manage, mitigate, and resolve conflict
4. encourage respect for human rights and enhance transitional justice

To help get the ministries up and running, OTI financed the “ministry-in-a-box” program, providing key ministries with desks, computers, and other furnishings for the first 100 officials. The furniture was built by a local firm. However, only 12 percent of the grants went to help government. OTI quickly moved on to community and civil society groups.

About 62 percent of grants by number and more than 75 percent in funds went to deal with conflict. The bulk of these grants were made in close cooperation with U.S. army units (for example, the First Cavalry Division and the Third Infantry Division working in unstable Baghdad neighborhoods and the Third Armored Cavalry Regiment in Tal Afar), often for neighborhood cleanup projects providing employment for local inhabitants.<sup>29</sup> Another 25 percent of the grants (but only about 10 percent of total funds) went to promote citizen participation in economic and political life. In 2005, OTI gave particular attention to the electoral process, providing funding for the election of the transitional government, then the referendum on the constitution, and finally the election of a permanent government. Slightly more than 2 percent of the grants went for human rights and transitional justice projects, often focused on the rights of women and minorities, handling of mass grave sites and services for victims of the Saddam Hussein regime.

Average grant size in Iraq was \$64,000, compared with \$35,000 in other OTI programs. During its three years in Iraq, OTI officials initially came in under the Office of Disaster Assistance, but its dynamic performance quickly enabled it to assume leadership of the civilian assistance effort. As security became more and more difficult in late 2004, OTI restricted its officers to a single supervisor in the Green Zone and sub-offices in Hilla and Basra. Later on, OTI contractors commuted into Iraq via helicopter from Kuwait or Jordan.

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<sup>28</sup> Social Impact, Inc., *Strategy and Impact of the Iraq Transition Initiative: OTI in Iraq (2003–2006), Final Evaluation* (Washington, D.C.: USAID, September 30, 2006), 1. There is some confusion about the total amount since \$417.6 million is used in another part of the report for 5200 projects. Acting OTI director Robert W. Jenkins used the figure \$419 million in an October 27, 2006, interview to cover both projects and administrative costs.

<sup>29</sup> USAID/OTI, “Iraq Transition Initiative” (June 2005), [http://www.usaid.gov/our\\_work/cross-cutting\\_programs/transition\\_initiatives/country/iraq/progdesc.html](http://www.usaid.gov/our_work/cross-cutting_programs/transition_initiatives/country/iraq/progdesc.html).

At the end of the Bush administration, OTI had a total staff of 86, including 10 local national staff at USAID missions overseas.<sup>30</sup> The Transition Initiatives budget for the office averaged about \$50 million in 2003–2005 but dropped to \$40 million in 2006–2007. (The figures for 2003–2005 do not include the bulk of the funds for grants in Iraq and Afghanistan, which came out of supplemental appropriations for those countries. In subsequent years Transition Initiatives funds were also supplemented by other sources.) In FY2008, \$45 million was budgeted under Transition Initiatives, but actual expenditures reached \$103 million with supplemental funding, up from \$80.8 million in FY2007. Total 1994–2008 OTI expenditures reached \$1.3 billion, of which \$811 million fell into the 2004–2008 period.<sup>31</sup>

There has been no systematic evaluation of the office for the full 14 years of its existence. A 2005 Harvard University study done on the occasion of OTI’s 10th anniversary concluded

[O]verall, OTI has done very well, using a model of direct action and engagement that deserves to be more widely understood—even emulated.... OTI has been strongest at empowering stakeholders. It has managed across a wide range of projects to involve civil society at the grass roots as well as to engage civil society as a whole.<sup>32</sup>

Looking specifically at OTI’s peace-building function, the study credited OTI for playing key roles in East Timor’s transition to independence and Sierra Leone’s transition to peace. It concluded, however, that OTI’s small grant approach seems to work better for building civil society than for more broad-gauged peace-building activities. Curiously, the Harvard study virtually ignored Serbia, a case that OTI alumni consider a major triumph, and its writers visited neither Afghanistan nor Iraq.<sup>33</sup>

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<sup>30</sup> The breakdown of Americans included 6 “direct hire” USAID employees, 62 personal services contractors, and 8 persons from institutional contractors. Foreign partner staff for its projects numbered over 400.

<sup>31</sup> Figures on personnel and funding courtesy of Frederick Barton, codirector, Post-Conflict Reconstruction Project, CSIS.

<sup>32</sup> Robert I. Rotberg, *The First Ten Years: An Assessment of the Office of Transition Initiatives* (Cambridge, Mass.: Belfer Center for Science and International Affairs, 2005), 7, 12-13. Rotberg described OTI’s mandate as follows: “OTI’s founding and continuing mandate was to steer fragile, war-torn, post-conflict countries along a democratic path; to help turn incipient into real democracies; to jump-start destroyed economies; to create or re-create viable political, social, and economic institutions; and—in a general sense and in several specific real senses—to make a substantial difference at the very inception of an emerging nation’s life. OTI was also charged with mitigating existing or renewed conflict and with promoting reconciliation—with helping to heal and permanently bandage a society’s wounds [author’s emphasis].”

<sup>33</sup>In Serbia, OTI saw an “opening” in the existence of a “well-organized and broad-based opposition,” supported by a popular majority and seeking power in a constitutional and nonviolent manner. Sitting in the U.S. embassy in Budapest, OTI networked via e-mail with Serbians resident in Belgrade and Novi Sad. OTI gave support to Otpor (resistance), an organization of youths who mobilized almost single-handedly the massive demonstrations in Belgrade in October 2000, which forced Slobodan Milosevic from office.

USAID’s outside evaluation of OTI in Afghanistan—“its first mega-program”—gave credit for a coherent strategy combining “top-down government support to bottom-up community democratization...to connect community leaders with government representatives in the process of community infrastructure rehabilitation.” The office was praised for raising government visibility, influence, and legitimacy, but not for its efforts to link local communities to the central government. Its support to the electoral process likewise had an important initial impact, particularly for the emergency loya jirga of June 2002, when quick OTI funding “save[d] the day,” as the UNDP “found itself bureaucratically unable to deal with the organizational complexities and fast-unfolding timetable.”<sup>34</sup> OTI was “least successful,” according to the same evaluation, in its projects to raise the level of participatory democratic processes in local Afghan communities, where community consultation on its projects was minimal. The evaluation praised OTI’s “wise” investment in media programs, which it termed “clearly the most successful avenue for OTI transitional funding.” Furthermore, OTI was criticized for failing to review and adapt its objectives once the postcrisis situation has stabilized.<sup>35</sup>

Evaluations of OTI’s role in Iraq have been solidly positive. An evaluation by a USAID contractor in 2006 credited OTI with having a “significant impact” in helping restore the government function in the early period and in helping create the legal forms and processes for the elections and referendum in 2005. Most significantly, the study asserted that OTI “clearly had a major impact on the U.S. military in Iraq, paving the way for future close civilian and military collaboration in Iraq and other countries.”<sup>36</sup> That judgment is corroborated by the final report of the special inspector general for Iraq (SIGIR), which praised OTI’s work with the First Cavalry Division in Baghdad’s Sadr City for “quick results” in putting people to work in the neighborhood.<sup>37</sup> SIGIR cited that collaboration with the military as a model for the “clear, hold, and build” strategy adopted by the White House in late 2005.<sup>38</sup>

OTI is probably more popular with the Defense and State Departments than within its own agency. In 1999, there was reportedly an effort to abolish the office, orchestrated by USAID’s powerful Policy and Program Coordination Bureau, which subjected OTI to a series of evaluations. The move backfired when the assessments proved more positive than expected. Within USAID, OTI officers are sometimes known disparagingly as “cowboys,” for the absence of

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Otpor candidate Vojislav Kostunica won the elections and remained Serbia’s president during most of the period until 2008.

<sup>34</sup> Social Impact, Inc., *Strategy and Impact of the Iraq Transition Initiative*, 34.

<sup>35</sup> *Ibid.*, 7-11.

<sup>36</sup> *Ibid.*, vi.

<sup>37</sup> Special Inspector General for Iraq Reconstruction (SIGIR), *Hard Lessons: The Iraq Reconstruction Experience* (Washington, D.C.: SIGIR, February 2, 2009), 238. SIGIR laments that the decision of the USAID mission to phase out OTI led to a slowdown in contracting for projects and diminished results, 281-282.

<sup>38</sup> *Ibid.*, 281.

a careful analytic approach, their willingness to flout normal agency rules, and their concern about short-term political impact. By contrast, admirers in USAID and other agencies refer to OTI as USAID's "Delta Force" because of its ability to allocate small numbers of operatives and limited fund increments to small targets in a rapid and flexible manner.<sup>39</sup> At a major U.S. government conference on counterinsurgency in September 2006, Col. H.R. McMaster, commander of the Third Armored Cavalry Regiment at Tal Afar, characterized OTI's capabilities as formidable.<sup>40</sup>

### **Office of Conflict Mitigation and Management (CMM)**

When he took up his duties as administrator in 2001, Andrew Natsios set up a task force to examine how the agency should organize to deal with conflict. There was a debate over where to put the conflict function. Natsios rejected the task force recommendation that it be housed within the Democracy and Government Office or OTI. So it was created as a separate Office of Conflict Management and Mitigation in 2003.

With OTI already in place, an obvious question was the division of labor. The basic distinction was that OTI would be "operational" and CMM "analytical." OTI is hands-on, deploying teams to the field to smooth a particular "transition to peace." In contrast, CMM, undertakes the intellectual work of conflict assessment and assists USAID missions to apply the available assessment tools to conflict problems in their countries. It also provides general training on conflict to USAID officers and local employees. CMM's ambitious long-term objective, blessed from the outset by Natsios, is to "mainstream" conflict resolution into all sectors of the agency's work. CMM's first director, Elisabeth Kvitashvili, wanted to develop a "bullpen" of specialists who could be dispatched to work on conflict analysis in the field, following the OTI model, but it was decided to keep the office lean. As of the end of 2008, personnel numbered 15, all in Washington.

*From CAF to ICAF.* CMM's main achievement has been development of a Conflict Assessment Framework (CAF) for use by USAID's overseas missions and other government entities. Since the Clinton administration, most USAID missions have been required to submit a regular conflict analysis report. The CAF finally provided an intellectually rigorous basis for those reports, designed to map out destabilizing patterns and trends in specific developing countries, while offering recommendations for restructuring development programs to address these patterns more effectively.

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<sup>39</sup> Jenkins interview. See also Jason Peckenpaugh, "On the Heels of Disaster," *Government Executive*, January 15, 2004, <http://www.govexec.com/features/0104/0104s4.htm>.

<sup>40</sup> Presentation to the U.S. Government Counterinsurgency Conference, Washington, DC, September 28, 2006. Col. McMaster's reputation as a sage on the subject of reconstruction and stabilization, built on his command in Tal Afar, soared after he was profiled by George Packer in "The Lesson of Tal Afar," *New Yorker*, April 10, 2006.

Sharon Morris, principal author of the CAF, believed that State and USAID officials looking at conflict had a tendency to place excessive emphasis on single-factor analyses, which did not take into account the growing body of academic research in the field, including studies of the economic roots of conflict emerging from the World Bank and the work of the UK Department for International Development (DFID).<sup>41</sup> There was little focus on why grievances generate civil wars in some cases and not in others. So Morris drew together the research results into a triptych framework of analysis: factors which drive violence; how certain leaders or groups are able, or not, to mobilize followers for violence; and whether governments are able to contain it.<sup>42</sup> The product came to the attention of Andrew Natsios, who endorsed it. By the time CMM was up and running, it had the initial part of its toolkit—the CAF.

The CAF analysis framework, once completed, was expected to lead to a second step—to “map existing development programs against identified causes of conflict [and]...to identify gaps and potential areas of intervention”—and a third step—proposals for “new configurations of development assistance” calibrated to the various dimensions of conflict. The final product is expected to be a U.S. assistance program that copes effectively with conflict on the way to development.

By the close of 2008, the CAF had been applied to about 40 countries in different parts of the world.<sup>43</sup> From conflict assessments have come significant changes in existing assistance programs. For example, in Nepal the U.S. embassy initially resisted the CMM proposal for an Office of the High Commissioner for Human Rights as potentially undermining the authority of the king. In 2005, the king dismissed the parliament when a Maoist rebellion appeared to be gaining ground. The embassy eventually acquiesced in the proposed CMM approach. CMM partially funded the office, which reports on specific cases and general trends, while advising civil society representatives and local human rights activists. CMM may provide ongoing support for conflict-management programs in certain countries. Since the office does not have an “expeditionary”

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<sup>41</sup> The Economics of Civil War, Crime, and Violence project in the World Bank Development Research Group, led by Paul Collier and launched in 1999. For a summing up of that research see Paul Collier et al., *Breaking the Conflict Trap: Civil War and Development Policy*, a World Bank Policy Research Report (Washington, D.C.: World Bank, 2003). DFID’s work has been carried out by its Conflict and Humanitarian Affairs Department (now Conflict, Humanitarian and Security Department (CHASE), which produced *Conducting Conflict Assessments: Guidance Notes* in January 2002.

<sup>42</sup> The CAF document appends a detailed checklist of questions addressed to the causes and different dimensions of violence. The first set of questions is about incentives for violence—“grievance and greed.” The second set focuses on “access to conflict resources”—in particular to “dense, social networks” that can be mobilized, aggrieved young men as potential recruits, and financial resources, since war is expensive. The third set examines government institutional capacity to contain violence, ranging from legitimacy through democracy and economic governance to the capacity of the security forces to repress violence. The questionnaire gives brief attention to “regional and international factors” and asks users to identify “windows” of vulnerability or opportunity like plans for major economic reforms or elections.

<sup>43</sup> Interview with Alexa Courtney, AID/DCHA/CMM, May 11, 2007.

cadre like OTI, such support normally comes through communication between Washington and the USAID missions and occasional temporary duty visits by CMM personnel. CMM counts as successes its work in Sri Lanka, Kosovo, and Uganda. In Sri Lanka, a peace forum was introduced to promote communication among political parties, national civil society, and grassroots communities. The conflict assessment in Kosovo led to a project for improving interethnic communication using teams of paired Serbian and Albanian Kosovars, who wrote, filmed, and edited a full-length documentary and nine half-hour episodes representing the views of both communities. The Northern Uganda Peace Initiative fostered opportunities to get people talking in the region, ravaged by the Lord's Resistance Army rebellion, through a meeting of cultural leaders, a youth conference, a peace-building camp for women. Although these programs can be deemed innovative approaches, it is difficult to claim success in conflict resolution in any of them at this point.

The CAF also gained the attention of the U.S. military. Collaboration between CMM and DCHA's new Office of Military Affairs led to the recasting of the CAF as a tactical document for use in a battle zone. The Tactical Conflict Assessment Framework (TCAF) was adapted for use by field-grade officers and Provincial Reconstruction Teams (PRTs) in Afghanistan.<sup>44</sup> DCHA assistant administrator Hess crowed that in Afghanistan the TCAF had been "downloaded on everyone's personal digital assistant."<sup>45</sup>

CMM took the lead at the end of 2007 in a new interagency phase of the use of the CAF, cochairing (with S/CRS) an interagency working group to develop the Interagency Conflict Assessment Framework. The ICAF represents a "shared understanding among [U.S. government] agencies about the sources of civil strife ... [and] a joint interagency process for conducting the assessment."<sup>46</sup> It draws very heavily on the CAF. It is designed to be used in different types of assessments: country team assessments in U.S. missions abroad, Defense Department theater security cooperation planning, preparations for a conflict management (Sec. 1207) project by S/CRS, or a full-blown "whole-of-government" crisis response under the Interagency Management System (IMS).<sup>47</sup> It provides for a direct "segue" into program planning.<sup>48</sup>

*Toolkits.* CMM has also developed "toolkits," packages of technical assistance in areas shown to be contributing causes of conflict. Those published so far include youth and conflict, land and conflict, minerals and conflict, livelihoods and conflict, forests and conflict, and women and conflict. The toolkits are designed to provide USAID missions with practical program options,

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<sup>44</sup> The TCAF was authored by James Derleth of CMM.

<sup>45</sup> Hess interview.

<sup>46</sup> S/CRS, "Principles of the Interagency Conflict Assessment Framework," 1, <http://www.crs.state.gov/index.cfm?fuseaction=public.display&shortcut=CJ2R>.

<sup>47</sup> See Smith, *An Expanded Mandate for Peace Building*.

<sup>48</sup> The ICAF was approved by the NSC's Reconstruction and Stabilization Policy Coordination Committee, July 18, 2008.

lessons learned, plus monitoring and evaluation tools for their conflict programs. CMM has drawn widely on academic experts, large-scale research organizations, some of them foreign based, and prominent NGOs in putting them together.<sup>49</sup>

**Early Warning.** CMM was originally asked to work with State and CIA to develop a conflict Early Warning System to alert the U.S. government to countries that are at greatest risk for violence, thereby enabling the relevant agencies to focus their resources more effectively.<sup>50</sup> CMM worked on an unclassified system, which could be made available to NGOs working on conflict. That approach quickly encountered problems with U.S. ambassadors overseas and some State and USAID officials, concerned that an “unstable” or “fragile” label would upset the host government—and with the CIA, which was unwilling to confine itself within the unclassified domain. As a result, S/CRS moved to deemphasize early warning. CMM persisted, however, and became the custodian of two related unclassified lists, though neither is distributed outside the U.S. government. The first is a forecast of countries deemed likely to experience significant conflict. The second is a rank ordering of “fragile states,” which involves a weighted average of scores for effectiveness and legitimacy based on a set of political, security, economic, and social variables.<sup>51</sup>

**Training.** CMM considers training highly important to its overall success in “mainstreaming” conflict within USAID. The office sponsored a series of speakers at USAID offices, including in 2007 sessions on counterinsurgency and on religion in conflict, looking particularly at Islam. CMM put together a “Conflict 101” course basically for USAID officials, a one-day course that

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<sup>49</sup> For example, the highly regarded toolkit on youth and conflict was originally drafted by Prof. Jack Goldstone, director of the Center for Global Policy and senior professor of public policy at George Mason University. USAID, *Youth & Conflict: A Toolkit for Intervention* (Washington, D.C., USAID, 2005). [http://www.usaid.gov/our\\_work/cross-cutting\\_programs/conflict/publications/docs/CMM\\_Youth\\_and\\_Conflict\\_Toolkit\\_April\\_2005.pdf](http://www.usaid.gov/our_work/cross-cutting_programs/conflict/publications/docs/CMM_Youth_and_Conflict_Toolkit_April_2005.pdf). Goldstone was part of the brain trust on which CMM drew for its Conflict Assessment Framework. For the land toolkit, CMM asked David Bledsoe, senior attorney and specialist in land law at the Rural Development Institute, to do the initial drafting. See [www.usaid.gov/our\\_work/cross-cutting\\_programs/conflict/publications/docs/CMM\\_Land\\_and\\_Conflict\\_Toolkit\\_April\\_2005.pdf](http://www.usaid.gov/our_work/cross-cutting_programs/conflict/publications/docs/CMM_Land_and_Conflict_Toolkit_April_2005.pdf). The International Center for Forestry Research (CIFOR), headquartered in Indonesia, and Adelphi Research, an independent German development think tank, played major roles in the minerals and forests toolkits. See [http://www.usaid.gov/our\\_work/cross-cutting\\_programs/conflict/publications/docs/CMM\\_Minerals\\_and\\_Conflict\\_Toolkit\\_April\\_2005.pdf](http://www.usaid.gov/our_work/cross-cutting_programs/conflict/publications/docs/CMM_Minerals_and_Conflict_Toolkit_April_2005.pdf) and [http://www.usaid.gov/our\\_work/cross-cutting\\_programs/conflict/publications/docs/CMM\\_Forests\\_and\\_Conflict\\_2005.pdf](http://www.usaid.gov/our_work/cross-cutting_programs/conflict/publications/docs/CMM_Forests_and_Conflict_2005.pdf). A toolkit on religion in conflict was being prepared for publication at the time of writing.

<sup>50</sup> See Smith, *An Expanded Mandate for Peace Building*.

<sup>51</sup> The lists are developed under contract with the University of Maryland’s Center for International Development and Conflict Management (CIDCM) and ARD, Inc. An approximation of the lists may be found in the Center’s biennial publication, J. Joseph Hewitt, Jonathan Wilkenfeld, Ted Robert Gurr, *Peace and Conflict 2008* (College Park, Md.: CIDCM, 2008).

included how to do a conflict assessment and relied heavily on case studies. A second iteration of the course (Conflict 102), a two-day offering, added program design and evaluation to the basic conflict analysis core. Offered 10 times in 2008, both in Washington and overseas, principally for a USAID audience but including military, State Department, and other agency personnel as well, Conflict 102 is characterized by CMM as “enormously popular.”

CMM inserted itself into the training program for Provincial Reconstruction Teams headed for Afghanistan and Iraq, where it has provided a condensed version of “Conflict 101.” CMM training has also been reaching hundreds of military personnel. Courses have been held overseas for those assigned to Central Asia and the Horn of Africa. With the launching of the TCAF in Iraq in 2007, USAID’s role in training the military expanded in the final years of the Bush administration, although CMM then handed off responsibility for such training to the Office of Military Affairs (see below).<sup>52</sup>

In sum, in five years of existence, CMM has made its mark. It contends, credibly, that its leadership on the CAF/ICAF process, widely used toolkits, developed models for early warning, and expanding guidance on effective programming demonstrate that CMM—and not S/CRS—has secured the lead technical role on conflict prevention within the U.S. government.<sup>53</sup> Given the short life of programming trends at USAID, however, it would be premature to conclude that CMM has succeeded in making conflict a permanent part of the USAID mainstream. It does appear that CMM has had an impact on most of the USAID geographic bureaus and has touched through training a considerable portion of the total body of USAID officers. Arguably, it has had more impact on USAID bureaucratic culture than S/CRS has thus far exerted on the bureaucratic culture of the State Department.

### **Office of Military Affairs**

The Afghanistan and Iraq conflicts brought USAID into its most intensive relationship with the U.S. military since the Vietnam War, when USAID was in charge of the Civil Operations Rural Development Support (CORDS) program. Administrator Natsios became concerned that the agency was being buffeted by a plethora of Defense Department demands, which, if not handled systematically, could deflect USAID from its development mission. A major reason he hired Col. Michael Hess as DCHA assistant administrator was to take advantage of his knowledge of the military in the creation of an Office of Military Affairs (OMA). Hess brought on another retired colonel he had worked with in Iraq, Thomas Baltazar, to head up the new office. Initially, Baltazar was primarily concerned with creating effective liaison with the regional combatant commands (COCOMs) by assigning a development expert from OMA to each command and bringing a command representative into the OMA office in Washington. Generally the commands were enthusiastic, recognizing the desirability of having a development adviser on hand to counsel the

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<sup>52</sup> Telephone conversation with Mark Hannafin, DCHA/CMM, January 21, 2009.

<sup>53</sup> USAID/CMM, “Prioritizing Prevention: Recommendations for Elevating USG Engagement in At-Risk Countries” (Draft Outline for Transition White Paper, n.d.).

commander, just as the commander had drawn for decades on the political and diplomatic advice of a senior Foreign Service officer from the State Department (the political adviser or PolAd). By 2008, OMA had signed agreements with most of the COCOMs, and an OMA officer was assigned to each of the geographic combatant commands. Liaison officers from each of those commands, plus the Special Operations Command (SOCOM) were assigned to OMA, which numbered 23 persons.

The Office of Military Affairs has seized a training role in the development of the Provincial Reconstruction Teams. Baltazar was surprised to note that no training programs had been set up for the teams as a whole—only for individuals or civilians on the team—and began pressing the bureaucracy to remedy that shortcoming. Eventually a two-week course was established at Fort Bragg, beginning December 2006 for Afghanistan and March 2007 for Iraq. The course is equally divided between a week of training related to security and force protection and a week conveying how to implement and manage reconstruction. However, OMA has had little impact on training for PRT personnel at the State Department’s Foreign Service Institute (FSI). FSI has insisted that trainees take area studies, while OMA has urged that priority be given to management training for reconstruction programs. That debate appears to camouflage a deeper interagency quarrel. FSI, a part of the State Department, has naturally resisted the notion that a new USAID office, specializing in military affairs, should have a significant influence on its curriculum.

### **Office of Civilian Response**

The 2007 military surge in Iraq provided new opportunities for DCHA. The doubling of Provincial Reconstruction Teams (PRTs) in Iraq required urgent USAID staffing. Even more important, President Bush’s blessing of a civilian response capability, coordinated by S/CRS, envisaged an important USAID component. The 2008 congressional supplemental appropriation of \$55 million for the active and standby components of the civilian response capability included \$25 million for USAID.<sup>54</sup> At the end of 2008, a new Office of Civilian Response, with an authorized staff of 36, was inaugurated in DCHA.

### **Democracy and Governance**

DCHA’s Office of Democracy and Governance (DG) does not fit neatly into a study of U.S. government peace-building offices. Its objectives are much broader. The U.S. National Security Strategy of 2002, as revised in 2006, states

The goal of our statecraft is to help create a world of democratic, well-governed states that can meet the needs of their citizens and conduct themselves responsibly in the international system. This is the best way to provide enduring security for the American people.<sup>55</sup>

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<sup>54</sup> The *FY2009 Omnibus Appropriations Act*, enacted in March 2009, added an additional \$75 million for a coordinated civilian response capacity at State and USAID, including \$30 million for USAID.

<sup>55</sup> The White House, *The National Security Strategy of the United States of America*, March 2006, 1.

DG's explicit goals are to strengthen rule of law and respect for human rights, promote fair elections and political processes, stimulate a politically active civil society, and improve governance.<sup>56</sup>

None of these goals explicitly mentions conflict, but the relationship between democracy and conflict is an important part of DG's mandate. At the most general level, the Bush administration has stated that promoting democracy is the primary engine of peace building, a claim with deep roots in the Wilsonian vision of the international order.<sup>57</sup>

American administrations have long considered the construction of a democratic polity as a key component in post-conflict reconstruction. That was the case in U.S. occupation of Germany and Japan after World War II. The same view has been consistently applied to post-conflict reconstruction in societies ravaged by civil war. Along with disarmament, the demobilization and reintegration of combatants, and the return of refugees and displaced persons, the United States has viewed postwar reconstruction, particularly since 1993, as including a timetable and preparations for democratic elections. That paradigm was applied by the Clinton administration to Bosnia and Kosovo and by the Bush administration to Afghanistan, Iraq, Liberia, Sudan, and Congo.

DCHA/DG emphasizes its mandate of promoting democracy without explicit reference to post-conflict reconstruction. The majority of its activity is carried on in countries where civil conflict is not an issue. A veteran of the DG office in both the Clinton and Bush administrations observed that Administrator Natsios encouraged the DCHA Bureau to give greater attention to countries on the "low end of the stability spectrum," but that the office continued to devote much of its attention to relatively stable countries like Ghana and Mongolia. DG looks askance at "exit strategies" since even seemingly stable democratic states sometimes encounter sharp reversals.<sup>58</sup> Although USAID has published numerous documents on the application of U.S. assistance to building democratic and well-governed states, it has not developed a theory about the relationship among conflict, democracy, and governance. The Democracy and Governance Strategy Framework cited above simply notes that "in countries emerging from conflict, democratic reforms offer a path for national dialogue and for shifting confrontations from the battlefield to the political arena."<sup>59</sup>

Even if it lacks an operational doctrine for conflict situations, the Democracy and Governance Office is heavily engaged with post-conflict reconstruction. Its most consistent engagement has

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<sup>56</sup> USAID Democracy & Governance Web site, [http://www.usaid.gov/our\\_work/democracy\\_and\\_governance/](http://www.usaid.gov/our_work/democracy_and_governance/).

<sup>57</sup> See, for example, Paul Gottfried, "The Invincible Wilsonian Matrix: Universal Human Rights Once Again," *Orbis* 51, no. 2 (2007): 239-250.

<sup>58</sup> Interview with Michael Miklaucic, former senior program officer DCHA/DG, July 31, 2007.

<sup>59</sup> USAID, *At Freedom's Frontiers*, 6.

been with Africa, its “biggest client.”<sup>60</sup> Working with USAID’s Africa Bureau, particularly its democracy and conflict specialists, and with State Department desk officers, DCHA/DG has mounted major programs in Sudan, Congo, Liberia, and Burundi. Since 2005, Sudan has been the largest recipient of USAID funds in Africa. According to a programmer, “DG shaped the democracy and governance program in Southern Sudan completely.” The office was also heavily engaged in democratization activities in Liberia after the 2003 peace agreement, an electoral process that led to the internationally applauded election of Ellen Johnson Sirleaf as president.

The DG office sent out numerous specialists to assist the USAID mission in Monrovia. Although the United Nations managed the costly 2006 elections in the Congo, DG was at the center of a democratization assistance program launched nearly a decade earlier, after the fall of President Mobutu. DG’s work in the Western Hemisphere and Asia has been heavily concentrated in Haiti and Nepal. It has not worked on conflict in the Balkans and the countries of the former Soviet Union. That role has been played by the Office of the Assistance Coordinator for Europe and Eurasia, based in State’s Bureau for Europe and Eurasia.

DCHA/DG was not initially involved in democracy planning in either Afghanistan or Iraq, where USAID, like State, was sidelined at the outset. In Afghanistan, the United Nations was given charge of managing the constitutional and electoral processes under the 2002 Bonn Agreement. As described above, OTI initially did much of the funding for the emergency loya jirga. DG did work with the United Nations on the staging of the December 2003 constitutional loya jirga. With the adoption of a “whole-of-government” approach to R&S in both countries in 2004, USAID became more active, and DG took on a training role for the Provincial Reconstruction Teams.

Among DG’s activities—in both post-conflict and other states—are preelection assessments, creation of systems for quick and accurate ballot counts, and training for election commissioners, poll watchers and local and international observers. DG also supplies election equipment including ballot boxes and portable voting booths, working through contractors like the International Foundation for Electoral Systems.<sup>61</sup> After the election, DG may help with training of elected officials.

### **Humanitarian Assistance: Foreign Disaster Assistance and Food for Peace**

A review of the offices concerned with peace building would be incomplete without examining humanitarian assistance programs. Created in 1964, the Office of Foreign Disaster Assistance provides humanitarian assistance of a nonfood nature to the victims of both natural and manmade disasters, including civil wars.<sup>62</sup> The latter situation, often characterized as a “complex

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<sup>60</sup> Miklaucic interview.

<sup>61</sup> A Washington-based NGO, now known simply as IFES, which styles itself “the world’s premiere election assistance organization.”

<sup>62</sup> See [http://www.marshallcenter.org/site-graphic/lang-en/page-mc-index-1/xdocs/conf/conferences-current/static/xdocs/conf/static/2006-conferences/0604/Frey percent20ENG percent20Presentation.pdf](http://www.marshallcenter.org/site-graphic/lang-en/page-mc-index-1/xdocs/conf/conferences-current/static/xdocs/conf/static/2006-conferences/0604/Frey%20ENG%20Presentation.pdf).

emergency,” has predominated since the 1990s. In complex disasters, as in natural ones, affected populations require potable water, emergency shelter, health care, relief supplies such as soap, cooking utensils and blankets, and food security. Countries facing or emerging from political or economic instability also need help with local capacity building, protection for the displaced—particularly women, children, and the elderly—and coordination of the international humanitarian response. OFDA funding is highly flexible; like that of OTI, it is “no year” and has a “notwithstanding” waiver.

The heart of OFDA is its operations division, which deploys squadrons to the field, most notably its celebrated DART (Disaster Assistance Response Team) teams. The model for the OTI teams created in the 1990s, DART team members vaunt their ability to deploy to disaster scenes within 24 to 48 hours. In complex operations, a DART team may be deployed with a logistical Ground Operations (GO) team, while a Response Management Team backstops the effort in Washington, D.C. The first step of a DART, as conflict displaces large numbers of people and begins to inflict undue suffering on civilians, is to conduct an assessment of food, water, sanitation, shelter, and health care needs, plus protection requirements, and convey recommendations back to Washington. Funds are quickly made available to NGOs and UN agencies, most already registered with OFDA.<sup>63</sup> OFDA staff then focus on overcoming bottlenecks in distribution of relief materials—opening up relief corridors, arranging airlifts if necessary, negotiating with local officials or militia groups. OFDA works with the U.S. military, but not in direct combat situations. When U.S. military logistical support is necessary to get supplies to a disaster scene, OFDA activates special humanitarian assistance arrangements with the military combatant commands through its own military Operations Liaison Unit. Such cooperation is applied to large-scale natural disasters like hurricanes in the Caribbean, the 2004 Asian tsunami, and the 2005 Kashmir earthquake.

In Iraq, in FY2003, OFDA assistance reached \$81.4 million.<sup>64</sup> The budget fell as low as \$6 million, but mushroomed once again in the wake of bombing of the Samarra shrine in February 2006. OFDA works through dozens of NGOs but relies primarily on five big ones. These partners are not publicized for security reasons. The OFDA director has lamented that inability to publicize its achievements has limited U.S. government ability to counter exaggerated reports of deteriorating conditions for Iraqi civilians.<sup>65</sup> Darfur became the largest OFDA program in 2006, with more than \$104 million programmed to support shipments of cargo, flights for humanitarian workers, and

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<sup>63</sup> In FY2006, OFDA funding went 57 percent to NGOs, 18 percent to UN agencies, 13 percent to other U.S. government agencies, 3 percent to other international organizations. USAID, *Office of Foreign Disaster Assistance: Annual Report for Fiscal Year 2006* (Washington, D.C., USAID, 2006), [http://www.usaid.gov/our\\_work/humanitarian\\_assistance/disaster\\_assistance/publications/annual\\_reports/pdf/AR2006.pdf](http://www.usaid.gov/our_work/humanitarian_assistance/disaster_assistance/publications/annual_reports/pdf/AR2006.pdf).

<sup>64</sup> USAID, *Office of U.S. Foreign Disaster Assistance: Annual Report for Fiscal Year 2003*, 72.

<sup>65</sup> Interview with Ky Luu, director, USAID/DCHA/OFDA, August 7, 2007. Luu was particularly indignant about an Oxfam press release (July 30, 2007), “8 Million Iraqis in Need of Aid,” charging that the numbers were “pulled out of the air.”

information sharing. In 2006, disaster assistance to the Congo reached \$25 million, mostly to improve access to health care for 1.8 million in the eastern Congo—rehabilitating health facilities, training local health staff, and providing essential medicines. In Afghanistan OFDA assistance to the complex emergency was only \$1.5 million, basically to improve shelter for internally displaced persons in Kabul.<sup>66</sup> It had fallen sharply from \$114 million in 2002 to less than \$10 million by 2004.

Providing food supplies in conflict-related emergencies is not the function of OFDA but of DCHA's Office of Food for Peace (FFP). The U.S. Department of Agriculture purchases hundreds of millions of dollars' worth of U.S. agricultural commodities and processed food products, such as wheat flour, refined soybean oil, and blended cereals. Many of the commodities are refined and processed domestically, and nearly all are shipped abroad on U.S.-flag carriers. The authority for emergency food shipments comes from Title II of the venerable *Public Law 480*.<sup>67</sup> As in the case of OFDA, emergency assistance is extended in food crises stemming from both natural disasters and complex emergencies. Both emergency and nonemergency aspects of Title II are administered in DCHA/FFP, rather than in the Agriculture Department. The food is distributed, however, through the UN's World Food Program (WFP) or through a number of NGOs. Most, but not all, are U.S. based. Two dozen Food for Peace officers are permanently assigned overseas to USAID missions or regional offices, but FFP, unlike OFDA and OTI, does not make use of an "expeditionary" contingent.

In conflict situations, FFP works closely with OFDA and overseas USAID missions to design an appropriate program, with input from both USAID and State Department desk officers. The bulk of food for complex emergencies goes through the WFP, but a portion goes through NGOs.<sup>68</sup> Where governments are deemed likely to channel food aid in line with political rather than humanitarian criteria, FFP goes through U.S. NGOs or ensures that WFP avoids government channels for distribution. Since the outbreak of violence in Darfur in 2003, the emergency food program for Darfur has become USAID's largest. In 2006, Food for Peace channeled \$370 million in emergency food aid through WFP to Darfur, complementing OFDA's emergency assistance of more than \$100 million.<sup>69</sup> FFP has also coordinated its program with OTI, which maintained the only USAID presence in the troubled Sudanese region from 2003 until the arrival of the S/CRS active response component representatives in 2006. A key objective has been to determine if special forms of food assistance can be channeled to groups in Darfur interested in negotiating a

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<sup>66</sup> FY2006 figures from USAID, *Office of Foreign Disaster Assistance: Annual Report for Fiscal Year 2006*.

<sup>67</sup> The *Agricultural Trade Development and Assistance Act of 1954*.

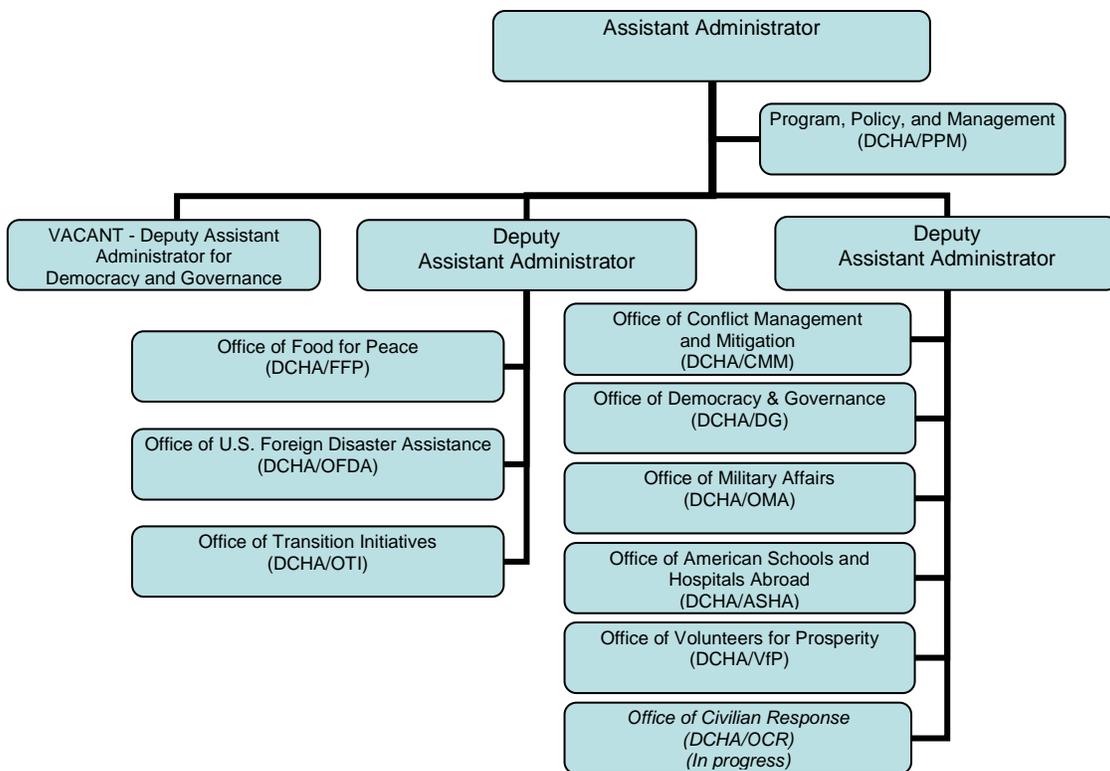
<sup>68</sup> In 2007, 15.6 percent of Emergency Title II food aid went through NGOs, the rest through WFP.

American NGOs included Adventist Development and Relief Agency, Catholic Relief Services, CARE, Food for the Hungry International, Save the Children Foundation, supplemented by Norwegian Peoples Aid, Save the Children-UK and a handful of NGOs from the recipient countries. USAID, *U.S. International Food Assistance Report 2007* (Washington, D.C.: USAID, 2007), 22-25.

<sup>69</sup> USAID, "Sudan—Complex Emergency," Situation Report #5, Fiscal Year (FY) 2007, December 1, 2006.

settlement to the crisis. Food aid programs have also been initiated in eastern Chad and the Central African Republic to assist refugees from Darfur. Other large FFP programs include Afghanistan, the Congo, and Somalia. About \$60 million in commodities went to Afghanistan in 2006, also through WFP, and \$39 million went to the Congo through WFP and Food for the Hungry International.<sup>70</sup> Somalia, a long-time recipient of U.S. emergency food assistance, received expanded assistance beginning in 2007, through new UN airlifts and traditional truck corridors from Kenya. FFP also reports coordinating its Somalia program with CENTCOM's Joint Task Force/Horn of Africa.

**Figure 2. Organization: Bureau of Democracy, Conflict, Humanitarian Assistance (2008)**



Source: courtesy USAID/DCHA.

<sup>70</sup> USAID, *U.S. International Food Assistance Report 2006* (Washington, D.C.: USAID, 2006), 9 and Appendix 5: USAID Title II Emergency Activities, [http://www.usaid.gov/our\\_work/humanitarian\\_assistance/ffp/cr\\_food\\_aid.pdf](http://www.usaid.gov/our_work/humanitarian_assistance/ffp/cr_food_aid.pdf).

Diplomats sometimes charge that high volumes of humanitarian assistance over an extended period can decrease the incentive of dissident groups to negotiate a political solution to violent conflict. OFDA director Ky Luu reported that some working on Darfur had voiced such criticism. He acknowledged the argument but noted that by law OFDA has a mandate to channel assistance to the needy in emergency situations. In fact, diplomats experienced in conflict are aware that the American public, and thus the U.S. Congress, insist on disaster assistance for civilians caught in conflict situations, whether or not it lengthens the conflict. State Department officials involved in negotiations must always keep in mind the obligation to pressure the warring parties to keep humanitarian assistance corridors open and must factor such assistance into their peace planning.<sup>71</sup>

When Randall Tobias replaced Andrew Natsios in 2006, DCHA lost its champion at the apex of the organization. Tobias, preoccupied with integrating USAID and State assistance budgets, had relatively little time or inclination to carry on Natsios' objective of making the DCHA the "tip of the spear" to create the conditions under which development assistance might work more effectively to support national security objectives like defusing regional conflicts and promoting democracy. Tobias' abrupt departure after a year left further confused the debate between the traditional development proponents in USAID and those viewing the agency primarily as an important tool of U.S. foreign policy. Under Administrator Henrietta Fore, the agency got back on a more even keel for the remaining 21 months of Bush's second term, as the new budget process became more routine. DCHA was able to continue and deepen its role in conflict management. The change in administration in 2009, however, left room for doubt about the future nature of USAID's involvement in peace building.

## Geographic Bureaus

As with the State Department, the geographic bureaus of USAID are where country assistance programs are backstopped. However, USAID's geographic bureaus play a lesser role as conveyor of policy guidance. As a practical matter, a USAID director overseas reports to the assistant administrator of the relevant bureau and, on a day-to-day basis, works with the office directors for the subregion and desk officers for the country. The geographic bureau is responsible for attempting to assure that the country assistance program is coherent and that its component parts serve U.S. development interests for the country. For that reason, the geographic bureaus

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<sup>71</sup> The Bush administration proposed using limited amounts of Title II emergency funds to purchase local food supplies in areas of need, which in certain circumstances could give a stabilizing boost to rural income in conflict regions. The relevant appropriation subcommittees, dominated by farm state representatives, have been resistant, but the FY2008 supplemental for the first time set aside \$50 million for that purpose. The local food purchase issue is only a very small part of the broader issue of a conflict between U.S. farm interests and U.S. foreign policy interests, including the question of whether U.S. farm subsidies damage agricultural development in the Global South.

regularly get involved in conflict management and reconstruction programs at different phases and levels in the hierarchy.

USAID leadership has viewed DCHA as taking the lead for a country or region as a crisis erupts, whether natural disaster or manmade. It chairs a working group for the crisis, while a representative of the regional bureau acts as deputy chair. As the crisis becomes normalized, however, the chairs switch. The regional bureau takes charge from there.<sup>72</sup>

During the Bush administration, the assistant administrators have generally viewed conflict issues as requiring extensive personal engagement, each bringing a particular point of view. Kent Hill, who led the Europe and Eurasia Bureau from 2001 to 2005, had a particular interest in dealing with religious tensions. He promoted programs in the former Soviet Union and the Balkans that addressed religious and ethnic tension, seeking to foster values necessary to sustain democracy and encourage reconciliation. Adolfo Franco, as assistant administrator for Latin America and the Caribbean in 2002–2007, viewed his role as using assistance to “get at underlying issues”—particularly marginalization—in resolving conflict in Colombia, Haiti, and Bolivia. Constance Newman, Bureau of African Affairs in 2001–2004, also sought to use development to ease conflict. In this regard, Newman and Franco were comfortably aligned with the views expressed by Administrator Natsios. All considered their relationships with their State Department counterparts, geographic bureau assistant secretaries, as essential for success. (The unique ambassador-level role of the coordinator for assistance to Eastern Europe in State’s Bureau of Europe and Eurasian Affairs made that relationship more important for the USAID assistant administrator than his ties with the assistant secretary.) In contrast, most of them were easily able to contain their enthusiasm for the role of the coordinator for reconstruction and stabilization. Several expressed doubts that the position was justified.<sup>73</sup>

The geographic assistant administrators also valued their involvement in the interagency process formally orchestrated by the National Security Council. They attended key meetings on particular crises—Kosovo, Colombia, Haiti, Liberia—backing up the USAID administrator or his deputy. For Assistant Administrator Newman, ongoing discussions with the NSC were important to keep pressure on the Defense Department to take a proactive stance on Liberia, an objective frustrated for a time in the summer of 2003, when there were calls for U.S. military intervention to ensure the departure of President Charles Taylor. The assistant administrators have had limited interaction with their Defense Department counterparts, mostly with the regional combatant

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<sup>72</sup> Kunder interview.

<sup>73</sup> One assistant administrator suggested that the Bush administration tended to view policy problems as rooted in coordination and therefore as requiring a new “coordinator,” (e.g., coordinators for PEPFAR [HIV/AIDS Relief], Cuba, and Reconstruction and Stabilization). He argued that excessive concern with coordination led to fragmentation—even “feudalism”—in assistance, with the result that the foreign affairs bureaucracy is “meetinged to death.” The appointment of multiple coordinators also perhaps grated on “Republican” sensibilities favorable to simplicity, streamlining and clear lines of bureaucratic authority.

commands. Two described their relations with the commands as better than with the Pentagon bureaucracy, particularly at higher levels of the Office of the Secretary of Defense. One Africa Bureau chief expressed frustration that the Pentagon during Secretary Donald Rumsfeld's tenure refused to give any consideration to "an African country costing DOD any money."<sup>74</sup>

Below the assistant administrator level, USAID's geographic bureaus allocate work on conflict among technical specialists and desk officers. Each geographic bureau has a unit mandated to work on democracy and human rights, which usually doubles in conflict resolution. Specialists on conflict periodically travel to the field, often with counterparts from other offices or agencies, to do a joint assessment of peace-building program needs. Typically an assessment identifies the problem, looks for windows or opportunity for engagement, and evaluates potential modes of intervention like strengthening local government or promoting dialogue among local NGOs.<sup>75</sup> In 2003, the Congress began appropriating funds for programming on behalf of peace building, with much of the money divided among the geographic bureaus.

USAID's Africa Bureau (AFR) has been more active in conflict mitigation work than the other geographic bureaus, and its technical unit is the only one explicitly labeled "Conflict and Governance."<sup>76</sup> AFR has been particularly active in programming through the Africa Conflict and Peace-Building Fund, the Africa Bureau's share of the global amount appropriated for peace-keeping. It funded a variety of projects in different parts of the continent—reducing sexual violence in the Congo, protecting children in northern Uganda, and training Casamance rebels in Senegal how to negotiate with the central government. It helped fund the controversial GEMAP program in Liberia, which sought to fight corruption and promote accountability by placing international experts with cosigning authority in a variety of government agencies.<sup>77</sup> In FY2008, USAID proposed to spend \$45 million on conflict management and reconciliation, half for Sudan and much of the rest for regional programs like the East African Regional Security Initiative. The Governance and Peace-Building unit in AFR works in general harmony with the geographic offices, but in recent years has focused on regional projects, such as the Trans-Sahel Counterterrorism Partnership (TSCPT), leaving country programs to the desks. AFR officers believe they have drawn productively on CMM's Conflict Assessment Framework in carrying out their assessments and proposing new interventions. For Africa, in any case, the geographic bureau has forged an effective partnership with the elements of DCHA in developing a broad-gauged approach to peace building.

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<sup>74</sup> Interview with Constance Newman, ex-assistant administrator for Africa, July 17, 2007.

<sup>75</sup> Interview with Sharon Isralow, USAID/AFR/SD/CPG, June 26, 2007.

<sup>76</sup> Division of Communications, Peacebuilding and Governance in the Office of Sustainable Development (AFR/SD/CPG).

<sup>77</sup> Governance and Economic Management Assistance Program, 2005-2008.

## Peace-Building Issues for USAID

Veteran watchers of the agency may be excused for doubting the long-term commitment of USAID to peace building. Over the past half century, development doctrines guiding the agency have changed rapidly with the intellectual and political currents sweeping through Washington. Technical assistance, infrastructure, and agriculture were mainstays of foreign aid in the 1950s and 1960s. The doctrine of “basic human needs” reigned during the Jimmy Carter years, as stimulating the private sector did during the Reagan era. More recently investment in education and health has held pride of place. It could be argued that Administrator Atwood’s emphasis on assisting “transitions” and Natsios’ focus on conflict are only the latest development fashion, which will fade, as policymakers find new orthodoxies.

It would be rash to predict confidently that conflict will remain close to the center of USAID’s attention in future administrations. However, a general bipartisan consensus exists today supporting use of the international affairs budget of the United States to buttress efforts to end conflict in states prone to political violence—especially those of particular interest to the United States. Although the Republicans were fierce critics of Clinton administration peace building in the Balkans and the Democrats of the Bush administration’s approach to Afghanistan and Iraq, there is general support for the idea that assistance can suitably be used for reconstruction and stabilization purposes. This consensus was perhaps most apparent during the Bush administration in the Senate Foreign Relations Committee, where successive chairmen—Senators Richard Lugar and Joe Biden—backed interagency efforts, under State Department leadership, to deal with conflict and post-conflict situations.<sup>78</sup> If this consensus holds, USAID, as the major civilian foreign assistance arm of the U.S. government, is likely to play an essential role.

1. The Obama administration should retain the principle of an integrated State-USAID Function 150 foreign operations budget by strategic objectives, which helps concentrate resources to be made available for peace building. The 2005 reform should be consolidated by bringing hitherto separate foreign assistance programs under its umbrella and by mandating that OMB budget the same way for Function 150.

The creation of a director of foreign assistance, the integration of the USAID and State Department foreign operations budget under Function 150, and budgeting against strategic objectives are important, but incomplete, moves toward coherence in the foreign policy process. Within the F process, peace and security has become a specific strategic objective, even though a somewhat amorphous one including stabilization, security reform, and post-conflict elections.

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<sup>78</sup> See S. 613, Reconstruction and Stabilization Civilian Management Act of 2007. The bill provides in Section 618, “If the President determines that it is important to the national interests of the United States for United States civilian agencies ... to assist in stabilizing and reconstructing a country or region that is at risk of, in, or is in transition from, conflict or civil strife, the President may ... furnish assistance to respond to the crisis....”

Budgeting against other strategic objectives, such as governing justly and democratically and humanitarian assistance, also highlights the broader conflict-management agenda. However, the Bush administration “presidential initiatives” in foreign assistance in HIV/AIDS (PEPFAR), malaria (PMI), and education (PEI), thus far excluded from the F process, should be embraced in order to reduce the fragmentation of foreign assistance budgeting. Moreover, the White House Office of Management and Budget, still budgeting by agency, should adopt budgeting by strategic objectives at least for international affairs.<sup>79</sup> The Obama administration should work with Congress to apply budgeting by objective to the entire gamut of the Function 150 budget process.

There are voices calling for a reversal of the recent degree of integration of USAID into the State Department. They charge that it has distracted the U.S. government from dealing with the long-term needs of development in favor of short-term foreign policy fixes.<sup>80</sup> It is easy to sympathize with those who seek to shift the balance of resources somewhat more toward development and less toward security and the military. However, in the post-9/11 world, an appreciation for the security concerns of states in conflict will remain a concern of a Democratic administration. A reversal of the integration that has occurred on peace building would be a mistake.

2. The secretary of state and director of foreign assistance should initiate a study to determine how to amalgamate certain USAID conflict management and transformation functions into a fully integrated State-USAID Office of the Coordinator for Reconstruction and Stabilization. In particular, consideration should be given to transferring DCHA’s Office of Conflict Management and Mitigation to S/CRS, in particular to take over the conflict prevention function. Consideration should likewise be given to integrating the Office of Transition Initiatives into S/CRS as the foundation of the Active Component of the Civilian Response Corps.

The reengagement of USAID in peace building is a positive development. Given the high incidence of internal conflict in the Global South, an understanding of how development programs can contribute to conflict resolution and a capacity to manage transitions to peace are important both to peace building and development. Geographic bureau initiation and management of projects using development assistance to resolve conflicts in unstable areas are justified.

Reconfiguring the Bureau of Humanitarian Affairs to create a Bureau of Democracy, Conflict, and Humanitarian Assistance as the peace-building center of USAID and subsequently establishing

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<sup>79</sup> Such a recommendation is included in Cindy Williams and Gordon Adams, “Strengthening Statecraft and Security: Reforming U.S. Planning and Resource Allocation,” MIT Security Studies Program Occasional Paper, Cambridge, Mass., June 2008, 100.

<sup>80</sup> See the policy memo by InterAction, the umbrella organization of U.S. humanitarian and development organizations, “Why the U.S. Needs a Cabinet-Level Department for Global and Human Development,” InterAction, Washington, D.C., June 2008, [http://interaction.org/files.cgi/6304\\_Cabinet-level\\_summary.pdf](http://interaction.org/files.cgi/6304_Cabinet-level_summary.pdf).

S/CRS generated areas of duplication and overlap that have not been resolved. If the Obama administration decides to continue with S/CRS and to transform it into a fully integrated State/USAID unit, as the first monograph in this series has suggested, modest alterations in USAID's architecture for stabilization and reconstruction should be considered. Specifically, the S/CRS Office for Conflict Prevention and USAID's Office of Conflict Management and Mitigation (CMM) have overlapping functions. Since CMM has effectively seized the interagency lead in conflict prevention, while the S/CRS Office of Conflict Prevention is still somewhat lacking in coherence, it might make sense for the transferred CMM to take over the conflict prevention function. Its other functions, including conflict assessment and training, could also be integrated into S/CRS.

A second integration issue involves OTI, an experienced and effective expeditionary group that facilitates transitions to democracy or peace, using funding mechanisms for local NGOs, business, and government. If the Obama administration continues the Civilian Response Corps and Congress enacts a Civilian Reserve, would a continued independent role for OTI be justified? One option would be to make OTI the foundation of the Active Response Component of S/CRS' Civilian Response Corps. That would provide the Coordinator's Office with a seasoned and tested roster of specialists for deployment abroad on very short notice. True, the fit might be initially somewhat awkward. The CRC Active Component has exercised a primarily diplomatic liaison and reporting function, while OTI has taken on an "investment financing" role. However, a strengthened project initiation and management capacity would be desirable for S/CRS. Under the guidance of the secretary of state, the new director of foreign assistance, the S/CRS coordinator, and DCHA leadership should explore the desirability and modalities of integrating OTI into S/CRS. If that happens, care should be taken to maintain the identity and esprit de corps of the specialized OTI expeditionary teams. They have gained a well-deserved reputation for quick reaction, innovation, and flexibility on the ground.

Otherwise, DCHA—or DHA with the "conflict" removed—should be left pretty much alone, since its component offices like Democracy/Governance, Disaster Assistance, and Food for Peace function well within the current interagency process for dealing with conflict.

There is little reason to tamper with USAID's geographic bureaus in their peace-building function. Increasingly conscious of the importance of interagency cooperation and cognizant of the importance of programming that deals with conflict situations, they are already fully capable of effective interaction with the counterpart bureaus at State. If S/CRS becomes an integrated State/USAID office with the capacity for an expeditionary role, USAID's geographic bureaus can be expected to adapt to the reality of that body, as circumstances dictate.

## About the Author

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