

**STABILIZATION AND RECONSTRUCTION: BUILDING  
PEACE IN A HOSTILE ENVIRONMENT**

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**HEARING**

BEFORE THE

**COMMITTEE ON FOREIGN RELATIONS  
UNITED STATES SENATE**

ONE HUNDRED NINTH CONGRESS

FIRST SESSION

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JUNE 16, 2005  
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**THURSDAY, JUNE 16, 2005**

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.*

The committee met, pursuant to notice, at 9:37 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Richard Lugar, chairman of the committee, presiding.

Present: Senators Lugar and Chafee.

**OPENING STATEMENT OF HON. RICHARD G. LUGAR, U.S.  
SENATOR FROM INDIANA**

The CHAIRMAN. This hearing of the Senate Foreign Relations Committee is called to order. The committee meets today to continue our examination of how the United States can improve its capacity to undertake stabilization and reconstruction missions abroad.

Over the years, we have observed our Government cobble together plans, people, and projects to respond to post-conflict situations in the Balkans, in Afghanistan, in Iraq, and elsewhere. The efforts of those engaged have been valiant, but these emergencies have been complex and time sensitive.

Our ad hoc approach has been inadequate to deliver the necessary capabilities to deal speedily and efficiently with complex emergencies. In an age of terrorism, it is especially important we be prepared to undertake these missions, because we have seen how terrorists can exploit nations afflicted by lawlessness and desperate circumstances. They seek out such places to establish training camps, recruit new members, and tap into a global black market in weapons technology.

In 2003, this committee organized a distinguished Policy Advisory Group made up of U.S. Government officials and outside experts to give members advice on how to strengthen our ability to plan and to implement these post-conflict missions. After much study, it was clear that we needed a well-organized and strongly led civilian partner to work with the military in complex emergencies. And it was our judgment that the State Department was best positioned to lead this effort.

As a result of our deliberations, I introduced, with Senators Biden and Hagel, the Stabilization and Reconstruction Civilian Management Act of 2004, and this committee passed it unani-

mously. That bill is included, with some modifications, as title VII in Senate bill 600, the Foreign Relations Authorization Act of 2006 and 2007, which is now on the Senate Calendar.

The bill puts the State Department at the center of the civilian reconstruction and stabilization effort, while coordination between State and Defense would continue at the NSC level. The executive branch already has moved to implement elements of our bill. Indeed, an Office of Reconstruction and Stabilization was organized at the State Department last July. The new Office is conducting a governmentwide inventory of the civilian assets that might be available for stabilization and reconstruction tasks.

It is also pursuing an idea, proposed in our bill, of a rapid response corps to greatly reduce the time required to mobilize post-conflict stabilization personnel. It will work closely with the Secretary of State to assist in the coordination of policy and in developing cooperative arrangements with foreign countries and non-governmental organizations.

President Bush said last month that this new State Department Office would be dedicated to, quote “helping the world’s newest democracies make the transition to peace, freedom, and a market economy,” end of quote from the President.

I am hopeful that the Office will develop the concept of a 250-person active duty corps that is contained in the legislation we presented. In Army terms, that is less than a small battalion of well-trained people—a modest but vigorous force multiplier that would greatly improve our Nation’s stabilization capacity.

This corps of civilians could be composed of State Department and USAID employees as well as former military personnel who have the experience and the technical skills to manage stabilization and reconstruction tasks in a hostile environment.

At her confirmation hearings earlier this year, Secretary Rice expressed enthusiastic support for enhancing standing civilian capacity to respond to post-conflict situations. In answer to one of my questions, she said, and I quote, “Creating a strong U.S. Government stabilization and reconstruction capacity is an administration national security priority,” end of quote from the Secretary.

She asserted that, quote “experience has shown that we must have the capacity to manage two to three stabilization and reconstruction operations concurrently. That means [we need] staff in Washington and in the field to manage and deliver quality programs,” end of quote.

Secretary Rice is working to make the State Department an effective interagency leader in post-conflict operations. I consider this new mission to be one of the most important long-term defenses that the State Department can mount against future acts of terrorism.

We are pleased today to welcome a panel of experienced and distinguished witnesses. Ambassador Carlos Pascual is testifying before the committee for the first time in his new job as State Department Coordinator for Reconstruction and Development. He has stayed in close contact with our committee during his tenure, and we appreciate his willingness to exchange ideas and to brief us on plans.

Mr. James Kunder is USAID's Assistant Administrator for Asia and the Near East. In addition to his work at USAID, he was a valuable participant in the committee's Policy Advisory Group process, which examined stabilization and reconstruction issues 2 years ago.

Also joining us are Mr. Ryan Henry, the Deputy Under Secretary of Defense for Policy, and LTG Walter Sharp, Director of Strategic Plans and Policy for the Joint Staff. Any discussion of how we should organize the building of peace in a hostile environment must take strong account of Defense Department expertise and insight. We are grateful to all of our witnesses for coming this morning, and we look forward to an important discussion.

If Senator Biden arrives, I will call upon him for an opening statement if he wishes to present one. And we will call upon each of the witnesses for their statements, which we will hear in full before commencing questions from the panel of Senators, who I hope will join me during the course of our hearing.

Let me mention that the statements should be in this order. First of all, Ambassador Pascual, and then second, Mr. Henry, and then third, General Sharp, who I understand has verbal remarks, no written message—but, nevertheless, we welcome his comments in any form—and then Mr. Kunder.

Let me just say at the outset that all of the prepared statements will be placed in the record in full, so you need not ask permission for that to occur. It will.

And you may proceed in any way you wish to summarize, but do not truncate unduly. This is a panel that is meant to be heard, not simply to be questioned, because the information that you impart, not only to Senators, but through this hearing to the general public, is very much welcome.

I call now upon my friend, Ambassador Pascual, with whom I have enjoyed wonderful association during his tenure in the Ukraine and in various other places. And we thank you for your taking on these new responsibilities.

Ambassador.

**STATEMENT OF HON. CARLOS PASCUAL, AMBASSADOR, COORDINATOR FOR THE OFFICE OF RECONSTRUCTION AND STABILIZATION, DEPARTMENT OF STATE, WASHINGTON, DC**

Ambassador PASCUAL. Mr. Chairman, thank you very much. I appreciate very much having this opportunity to address you this morning to discuss what I consider to be one of the greatest national security challenges of our time, the management of conflict.

I would like to thank you, Mr. Chairman, and Senator Biden and the members of the appropriations committees in the House and the Senate for the \$7.7 million in funding that the Office of the Coordinator for Reconstruction and Stabilization received in the fiscal year 2005 emergency supplemental. And your efforts in that were absolutely crucial in securing that funding for us. Thank you.

These funds are really essential to build our core functions, and they are going to be put to use immediately for some of our projects in Sudan. I am very pleased to be here today with Under Secretary Ryan Henry, with General Skip Sharp, with assistant administrator Jim Kunder.

Managing conflict is too great a challenge and too complex a task for one office alone. It must be a joint effort coordinated across our Government. And seated here with me, Mr. Chairman, are three of our key partners.

As this committee has recognized, the management of conflict requires a paradigm shift in the way we think about international relations.

The 20th century's premise that the struggle between strong powers principally threatens security and stability, and that international security is driven by rational actors scrutinizing one another was turned on its head on September 11.

On that morning, we saw one of the poorest countries in the world become the base of operations for the deadliest external strike the United States has faced in its history. It made us fundamentally reexamine our assumptions about national security.

One constant in this world is that voids will be filled. In the absence of legitimate governance, those voids will be filled with terrorism, organized crime, weapons proliferation, trafficking, and other threats to our national interest.

There is no moment of greater challenge and risk than when countries emerge from conflict or civil strife. It simply is not enough, as you said, Mr. Chairman, to rely on ad-hoc responses.

We have no choice but to adapt and develop new tools to meet the challenges of today. It was in this context that the Office of the Coordinator for Reconstruction and Stabilization was created last year.

We have been charged with creating a joint operations capability within the U.S. Government to prevent or prepare for conflict. This truly has been a bipartisan governmentwide initiative.

I would like to thank Chairman Lugar and Senator Biden for your leadership on this issue. It has provided a foundation on which we have been able to build. You and your staff have been stalwart proponents, of building stronger stabilization and reconstruction capabilities. The administration appreciates your commitment and your leadership on these issues.

In the executive branch, S/CRS has been fortunate to receive tremendous support from the President, Secretary Rice, as you very adequately and appropriately quoted, and Dr. Hadley. We have received resounding support from national security principals and from our colleagues in the combatant commands.

In April 2004, the National Security Council approved the creation of the Office of the Coordinator for Reconstruction and Stabilization. In December, we went back to update them on our progress, and they unanimously reaffirmed their support for S/CRS, and approved the direction in which our operating models have developed.

S/CRS is a unique office. It is a State Department Office with interagency responsibilities. Responding to conflict with unity of effort is broader than the mandate of any one agency.

This mission can require peacekeeping, coordination with military operations, peace negotiations, political transformation, civilian police functions, support for the rule of law, and economic and humanitarian assistance. In light of the breadth of agency respon-



sibilities, we must focus on ensuring a common U.S. Government voice and not a collection of individual agency responses.

The State Department is charged with implementing the President's foreign policy agenda in coordination with the NSC. And as such, NSC principals unanimously agreed with the recommendations that this committee has put forward to establish S/CRS in the State Department.

Our mandate must consider the full spectrum of conflict. Sustainable peace requires more than stabilization. We need to help people take ownership of the transition, so that they can change the very fabric of their societies and redefine governing structures that foster freedom, inclusiveness, and reconciliation. It requires uprooting the ills that led to conflict in the first place. These are complicated tasks and we cannot succeed if our only means of responding is crisis.

We need to understand how we can prevent conflict, or if that is not impossible, we must be able to prepare in advance to respond more effectively.

We are improving our early warning capabilities and linking early warning to early response. We are developing better planning capabilities, such as a common template for civilian agencies in the military for stabilization and reconstruction planning.

We are developing more effective tools for coordination of a crisis response in Washington and in the field. We are putting in place mechanisms to facilitate communication between first responders and policymakers so that decisionmakers receive grounded truth and timely information, and so those on the front lines receive guidance on priorities and objectives.

To build these capabilities, the administration has requested \$124.1 million in the fiscal year 2006 budget. This includes \$24.1 million to support core office functions, training, and exercises. The Department's full personnel request would support initial development of an active response corps within the Department.

The administration is requesting \$100 million for a conflict response fund, which would serve as a flexible account to quickly channel resources into programs, thereby speeding response and impact.

This will also give us time within the administration and Congress to identify longer term funding. I want to stress, Mr. Chairman, my commitment to work closely with Congress and this committee on the use of this fund.

In addition, the administration is seeking a transfer authority, which my colleagues from the Department of Defense will further describe, that would be subject to determinations by the Secretaries of State and Defense and would allow the State Department to draw down up to \$200 million for stabilization and reconstruction activities from the Department of Defense budget.

These resources are fundamental to achieving impact on the ground. The sooner we can get programs started that allow people to see conditions improve for their families and country, the better the chance we have of helping a country get on the right trajectory to stability and peace.

The legislative effort launched by this committee has galvanized support and attention. Your legislation is very much in line with

the administration's efforts, as you have just outlined, Mr. Chairman.

We fully support your initiative to authorize a conflict response fund with flexible authorities, so it can be used rapidly and to authorize additional personnel management flexibility.

The chairman and Senator Biden's proposals call for a response corps from State and USAID, as well as a response readiness reserve. We, indeed, must develop the capacity to manage crisis response as well as to deploy to the field.

The operating concepts we propose will allow for improved central Washington management through staffing of my Office, the Coordinator for Reconstruction and Stabilization. They provide for a rapid diplomatic response capability through an active response corps and a standby corps that can back up first responders.

We are developing ways to strengthen existing contract response mechanisms. We will fill gaps by creating what we have called a Global Skills Network that draws on NGO, private sector, think tank, and university capabilities. An operational database will catalog U.S. Government capabilities.

Looking to the longer term, we are working with Joint Forces Command on a study to assess the cost effectiveness of reserve models that will result in alternatives that we will discuss with this committee and we will seek your views.

The skills and resources we are requesting are not just investments for the future. They are needed right now, most urgently in Sudan.

In close coordination with the NSC, the Department's Africa Bureau, USAID, and the Department of Defense, we are pulling together a unified U.S. Government strategy for Sudan, and the implementation of a Comprehensive Peace Agreement, as well as advancing peace in Darfur and to bring that conflict to an end.

We are working with the Western Hemisphere Affairs Bureau on Cuba to develop a framework for United States strategy for the immediate period after Fidel Castro's death. We have been working with the Department's Africa Bureau on conflict prevention and mitigation strategies in the Democratic Republic of Congo.

Just a month ago, we cohosted a policy exercise that pulled together the interagency community and international participants from the European Union, the United Nations, and other partners to strengthen planning for the DRC's upcoming election.

If we can better coordinate U.S. resources and can better leverage the capabilities of the international community, the private sector, and nongovernmental organizations, we stand a better chance of effecting the dynamics on the ground and ever critical transitions after a conflict.

To put this into perspective, in the case of Iraq, by changing the dynamics enough to allow us to just withdraw one division 1 month earlier, we would be able to save \$1.2 billion. We save hundreds of millions by allowing peacekeepers to end operations sooner if we can get on the ground more quickly and more effectively.

Funding the types of initiatives S/CRS is developing is not only an investment in peace and democracy, it saves money. Even more importantly, it saves lives by removing our troops from harm's way. We owe it to our troops, to the American people, to our national

prestige, to those around the world who struggle to emerge from conflict, to improve our capabilities.

We appreciate the resources you are providing through the supplemental, and we hope that you will continue to support our efforts. Thank you for your attention and I will be happy to answer your questions.

[The prepared statement of Ambassador Pascual follows:]

PREPARED STATEMENT OF AMBASSADOR CARLOS PASCUAL, COORDINATOR FOR THE OFFICE OF RECONSTRUCTION AND STABILIZATION, DEPARTMENT OF STATE, WASHINGTON, DC

#### INTRODUCTION

Mr. Chairman and members of the committee, I appreciate the opportunity to testify today to share with you our progress and to support the President's FY 2006 budget request for the Department of State and to discuss with you the elements related to stabilization and reconstruction. I am particularly pleased to be here so I can thank you, Chairman Lugar and Senator Biden, for your leadership on this issue. I'd also like to recognize the support from Chairman Dreier and Congressman Farr who have supported the development of this Office.

Over the past 15 years, the United States has been involved in 17 significant stabilization and reconstruction operations. Since the cold war there have been 41 stabilization and reconstruction programs that have been carried out internationally. This isn't just an engagement like Iraq or Afghanistan. It's also an issue of Haiti and Mozambique and Somalia and Bosnia and Kosovo and Côte d'Ivoire and Liberia and Sierra Leone and East Timor and Nicaragua, and the list goes on.

The task of dealing with and managing conflict, as well as addressing post-conflict responses, has become a mainstream part of our foreign policy challenges today. The question before us now is whether we should improve the way we organize ourselves to address foreign policy challenges head on, or continue the ad-hoc approach that has characterized our efforts in the past. The administration and many others agree that a more coherent approach would allow us to achieve the kinds of results that support our national interests, that help save lives and that are consistent with American values.

If we do not address this challenge, the costs are also clear. Failed or failing states become voids that will be filled with terrorism, with trade in narcotics, trafficking in people, and with other illegal activities that in the end, inevitably, become a threat to our national interests. The countries where al-Qaida had established its base were Somalia, Sudan, and Afghanistan; it is not a coincidence that they were failed states, where there was a void, where those with some money who could influence leaders could establish a base of illegal operations. What we face today is a question of how we stand up to this national security challenge.

#### CREATION OF S/CRS

It was in that context that administration created the Office of the Coordinator for Reconstruction and Stabilization (S/CRS), specifically with the mandate to lead, coordinate, and institutionalize U.S. Government civilian capacity to prevent or prepare for post-conflict situations, and to help stabilize and reconstruct societies in transition from conflict or civil strife, so they can reach a sustainable path toward peace, democracy, and a market economy. This mission statement has several key elements.

First, we are focusing on prevention of conflict, where we can, because the costs of prevention are always less than intervention.

Second, we stress the word "institutionalize" in the development of U.S. Government capacity, so we can learn from prior experiences and not respond in an ad-hoc way to each new crisis.

Third, if we must respond to conflict, we need to have the goal of putting that country on a path toward being a sustainable and peaceful democracy and market-oriented state. We must place such a goal at the forefront of our planning and engagement. It is much more difficult to get onto the correct vector 6 months or a year and a half down the road than it is at the beginning. So those choices that we make at the outset are absolutely crucial.

Before I describe the plans for our Office in greater detail, let me first outline a few important assumptions. We are working on the basis that we need to have the capacity to concurrently manage two to three stabilization and reconstruction oper-

ations at the same time. As I mentioned earlier, history and experience since the end of the cold war have taught us this is the case.

Further, for stabilization and reconstruction operations to succeed, they generally require a longer term involvement, usually on the order of 5 to 10 years. It requires effective long-term management through regular institutional mechanisms, but as part of a cohesive USG strategy. The S/CRS coordination role will cease as normal state and civilian operations take hold. Therefore if an agency is going to be working on a program in year seven, they must be involved in the design from the beginning to ensure program continuity and accountability.

Post-conflict reconstruction and stabilization cannot be the effort of just one office. Our Government cannot undertake a responsibility which is so broad and so deep, that covers so many different potential countries over so many years, without recognizing there must be a centralized office that leads, coordinates, and is a center point for joint operations.

However, this central point cannot be a substitute for those other successful capabilities that already exist throughout the Government. Therefore, one of the goals for our Office is to make recommendations within the policy and budget development processes as appropriate to support the capabilities required across the USG—to meet reconstruction and stabilization challenges. Another requirement is to engage with the military, international partners, and nongovernmental organizations, and the private sector to develop their capacities and to coordinate with them in planning operations.

#### STATUS OF OFFICE

S/CRS was mandated by a decision taken by National Security Council Principals in April 2004. The Office was established in July 2004. Eight positions and \$536,000 were reprogrammed in FY 2004 with congressional support. The FY 2005 supplemental request included funding for S/CRS to continue building this capability in advance of the FY 2006 budget request. With the support of this committee, especially Chairman Lugar and Senator Biden, as well as the support of many members including, Chairman Cochran, Chairman McConnell, Senator Leahy, Chairman Wolf, and Congressman Farr, we received \$7.7 million in the enacted FY 2005 supplemental. This funding will allow us to provide reconstruction and stabilization management support for Sudan including coordinating the United States efforts underway to implement the Sudan peace agreement and assistance to Darfur. This funding, however, will not be sufficient to solidify the Office's staffing or provide for a civilian rapid response capacity.

Using nonreimbursable details, we have 35 staff in what is an interagency office in the State Department. We have staff from the State Department, USAID, the Office of the Secretary of Defense, the Joint Chiefs, Joint Forces Command, the Corps of Engineers, Department of the Treasury, and the Intelligence Community. This has been essential to create a capability that not only provides a range of skills, but gives us the capacity to reach back to individual agencies for support.

We have established a Policy Coordinating Committee on stabilization and reconstruction. We have eight interagency working groups that have been created to address: Transitional security; rule of law; democracy and governance; infrastructure; economic and social well-being; humanitarian issues; management; and monitoring and resources.

We have established extremely strong connections with our colleagues in the military, especially with Regional Commanders. There has been no greater supporter of the concept of developing a strong civilian stabilization and reconstruction capability than our uniformed military. What we have heard at every single combatant command is that soldiers have been increasingly pushed to take up responsibilities that they were not trained to do. The military wants to work with us so that civilians can deploy with them to undertake civilian activities, allowing our Armed Forces to concentrate on those activities for which they should be responsible. We need to have a partnership—a partnership in planning that begins at the outset and is interlinked all the way through training, exercises, and finally the process of stabilization and reconstruction.

From this modest base, the task that we face is to institutionalize an even broader and stronger capability in our Government, so that we really address conflict management and conflict responses as a national security priority. This will require dedicated management resources and new models of operations that must be built and supported. This is what our budget request supports.

#### FUNCTIONS OF S/CRS

S/CRS will pursue five core functions:

- *Monitor and Plan:* Identify states and regions of greatest risk and importance, and lead U.S. planning focused on these priorities to avert crises, when possible, to prepare for them as necessary. Integrate planning and exercises with the military.
- *Prepare Skills and Resources:* Establish and manage an interagency capability to deploy personnel and resources in an immediate surge response and the capacity to sustain assistance until traditional support mechanisms can operate effectively. Civilian response corps and standby civilian capabilities will be developed.
- *Mobilize and Deploy:* Coordinate the deployment of U.S. resources and implementation of programs in cooperation with international and local partners to accelerate transitions from conflict to peace.
- *Leverage International Resources:* Work with international organizations, international financial institutions, individual states, and NGOs to harmonize approaches, coordinate planning, accelerate deployment of assets, and increase the interoperability of personnel and equipment in multilateral operations.
- *Learn from Experience:* Incorporate best practices and lessons learned into functional changes in training, planning, exercises, and operational capabilities that support improved performance.

In undertaking these functions, S/CRS will not duplicate missions of USAID or other implementing agencies. However, resources are required to fill critical management gaps; necessary functions that are not currently being performed.

#### BUDGET REQUEST

The President is seeking funding in the FY 2006 budget request to establish the Office and begin to prepare the capacities we need to respond to conflict in a comprehensive, integrated, and effective way. The FY 2006 budget includes \$24.1 million in State Operations funds for S/CRS operations and to support the creation of an Active Response Corps in the Department of State. The FY 2006 request also includes \$100 million in a Conflict Response Fund that will allow the State Department to rapidly initiate programs in failed or failing states when the window of opportunity is open widest and while longer term funding sources are identified.

This first phase request focuses on building core leadership, coordination, and response capabilities in the Department of State and providing baseline funding to support rapid field responses essential to creating positive dynamics for successful R&S operations.

As we learn lessons from this phase on operational requirements and resource needs, we will factor these lessons into redefining our operational models and future requests to make them effective. We will consult with the Congress throughout this process.

#### PERSONNEL RESOURCES REQUIREMENTS

We have learned the importance of having an effective capacity to mobilize and deploy in both Washington and overseas and have the people that are necessary to be able to do that. It takes training, planning, exercises, and effective mechanisms for deployment. In the model that we propose, we have analyzed the capabilities that we need inside of the Government, the capabilities that we need in our external partners, and the resources that are necessary to make this all work and operate together. While we will utilize the skills and resources of existing programs and personnel to plan and respond, there are additional resources needed to make those work effectively and to speed response efforts.

- *Washington Management—S/CRS Staff:* To lead and coordinate USG efforts requires a dedicated core staff. S/CRS will play this role and act as a force multiplier. S/CRS will facilitate the planning and the monitoring process; coordinate the management in Washington and create a capacity for coordination in the field; take the leadership role in outreach to the international community; develop an institutional memory by extracting lessons learned and injecting that back into our operations.

This staff would have the following specific ongoing responsibilities:

- Build and maintain skills and capabilities necessary for rapid response.
- Develop and manage a response corps.
- Develop deployment capabilities and rosters.
- Develop deployment mechanisms with the military.
- Develop and lead the interagency processes for planning and response.
- Develop templates for response efforts, processes, metrics, and reporting.

- Lead the interagency process to monitoring instability—focus attention on risks of instability.
- Manage planning, exercises, and relationships with the military.
- Develop and oversee programs for training of specific skills.
- Create and maintain a lessons-learned capacity—systematically institutionalize lessons in our operations.
- Lead crisis prevention exercises.
- Manage resources through tracking, reporting, and financial controls.
- Serve as a focal point within the U.S. Government to engage other countries and international organizations on stabilization and reconstruction.

During management of a conflict response S/CRS staff would:

- Establish an interagency management group with regional and functional skills to provide leadership and integration of effort.
- Develop the strategic framework for response.
- Synchronize and integrate interagency efforts.
- Monitor and report.
- Form the core of teams deployed to the field to help develop the overall strategy.
- Deploy to bolster planning capacity at Regional Combatant Command.
- Deploy with military.
- Lead initial assessments in the field and support the embassy, if one is in place.
- Manage surge from State and other agencies and private sector.

Our budget request supports 54 positions for S/CRS. To add additional needed capabilities we would continue to have detailees from other agencies with a goal of 80 people total. This is a fairly modest-sized staff considering the requirements.

- *Active Response Corps (ARC)*: The Department needs the capability to quickly establish or increase a diplomatic presence on the ground.

The FY 2006 budget request proposes to develop a corps of 100 people within the State Department, both Foreign and Civil Service employees with a mix of skills—political, economic, diplomatic security, administrative, law enforcement—so we can increase the presence in an embassy that has been drawn down, or establish a diplomatic operation, by turning to a pretrained group of people. This pre-identified group of people would first participate in a training and exercise program. They would then be placed in jobs in regional and functional bureaus but with the understanding that if a team for first-responders and deployments is required, the ARC would be the team that you could turn to. Graduates will form a cadre of standby capabilities within the Department.

Ongoing Responsibilities of ARC members:

—From Management Bureaus, to:

- Develop and manage reserves.
- Develop new management platforms for interoperability and deployment support.
- Provide emergency field support.

—From Regional Bureaus, to:

- Identify and monitor countries at risk of instability.
- Engage in conflict prevention strategies.
- Provide crisis response surge capacity for backstopping.

—From Functional Bureaus, to:

- Engage in coordinating development of peace building capacity.
- Leverage international engagement.
- Facilitate civil-military coordination on broad issues.

During an operation, members of the ARC would be:

- First responders:
  - Deploying when the State Department must establish a transitional or post-conflict ground operation, such as an interim embassy or U.S. office.
- Diplomats:
  - Tying assistance to overall foreign policy objectives.
  - Engaging with local leaders.
  - Assessing needs and making recommendations.
  - Coordinating with the international community on policy and strategy.
  - Managing the influx of technical personnel.
- Surge Capacity to rapidly fill gaps, such as:
  - Staffing the Washington management team.

- Participating in the planning group at military command.
- Deploying with the military into the field.
- Serving as the liaison with international organizations and NGOs on the ground.
- Advising on transitional economic policies.

I encourage the Congress to fully support the requested personnel resources that will enable us to identify people from within the Department to start developing this cadre of employees.

- *Technical Corps:* We will also need to, in the future, develop an additional cadre of technical specialists outside of the Department of State we could quickly tap and put in the field, specialists who could design an activity and be available to actually then oversee and supervise that activity over time.

#### PROGRAM DELIVERY RESOURCES REQUIRED

In addition to having the people that are necessary to manage and monitor and ensure that there is an effective response, there is a requirement to mobilize and deploy quickly. Our planning efforts will synchronize key programs through a range of government mechanisms and in partnership with international actors. However, we need to have both rapid mechanisms for initiating programs as well as rapidly deployable people to perform the technical assistance and other services on the ground. We need to have sufficient prepositioned global funding mechanisms (such as indefinite quantity contracts) in a range of key areas such as transitional security, the rule of law, infrastructure, humanitarian transition, economics, governance and participation, so we do not have to start the contracting process and the competition during a crisis, delaying our response. In cases where it is particularly important to have a common doctrine and common training, we need to do that in advance.

In order to do that, we must have resources to make sure that those mechanisms are in place with firms, with individuals, with NGOs, with think-thanks, with universities and resources to train individuals as necessary. We have also begun analysis of whether it would make sense to have something in the civilian world that is akin to the military reserve which could include different skills that might extend the base of constabulary police, judges, civil administrators, city planners, economists, and other skills. We will assess whether it's more cost effective to obtain those skills through a reserve or through a contract or other roster mechanism.

To be able to mobilize such resources quickly, we have proposed a \$100 million Conflict Response Fund that will support initial program activities in a crisis situation to provide the administration with an immediate source of funding to respond to a crisis and to provide the administration and the Congress additional time to address longer term requirements.

To use the fund, the Secretary of State would need to determine that a post-conflict response is in our national interest, consulting with the Congress and sending notifications when resources from the fund are required. Such an account would fund programs that promote stability, advance the rule of law, facilitate transitional governance and political legitimacy, and address immediate social and economic needs. These programs' funds would normally be spent in the course of a post-conflict response. The difference in making them available quickly is that they would:

- Influence the dynamic and viability of post-conflict operations.
- Maximize impact of USG interagency instruments.
- Leverage matching international responses.
- Allows time to seek other funding mechanisms for long-term through regular budget processes.

#### LEGISLATION AND AUTHORITIES

We have first looked at what we can do now with existing authorities and mechanisms and then reviewed what additional authorities and mechanisms would not be helpful. The administration's Foreign Relations Authorization Act request for fiscal years 2006 and 2007 contains authorities required to provide this flexibility and we hope the Congress acts favorably on our request. We look forward to working with the Congress toward enactment of legislation that meets the administration's needs.

We need very much the personnel flexibilities requested by the administration so that we have additional tools for hiring people under a variety of mechanisms for temporary or quick response work as well as flexible authorities requested for the Conflict Response Fund contained within the FY 2006 budget request.

## CONCLUSION

We have incorporated lessons learned from a range of post conflict operations into the development of our Office. What we have learned is that there is a need for management resources and authority to lead a coordinated response. From the military we have taken the lesson of joint operations, planning, exercises, and a capacity to coordinate them all. By having key staff identified in advance, able to play these management roles, able to plan, to exercise, to train, to put in place the kind of advance mechanisms that I have discussed and, with some resources, actually get them into the field quickly, we can save lives, save money, and advance our international prestige.

To give you an example, consider the \$124 million that is called for in the FY 2006 request. If we are able as a result of getting into the field more quickly, at a critical moment, and to affect the dynamics in the course of a stabilization operation, and as a result take just one Army division out of the field 1 month earlier, we would save the taxpayers \$1.2 billion, according to the Pentagon. If we can end an international peacekeeping operation 6 months earlier, net savings could amount to hundreds of millions, depending on the size and nature of that peacekeeping operation. Not only is investment in the S/CRS initiative a necessary thing to do from a policy perspective, it will, in the end, save us money and quite possibly lives.

Thank you for allowing me to explain this key initiative in the President's FY 2006 budget request for the Department of State. I welcome the opportunity to answer your questions.

The CHAIRMAN. Thank you, Ambassador Pascual.

The CHAIRMAN. I call now upon Mr. Henry for his testimony.

**STATEMENT OF THE HON. RYAN HENRY, PRINCIPAL DEPUTY,  
OFFICE OF THE UNDER SECRETARY OF DEFENSE FOR POLICY,  
U.S. DEPARTMENT OF DEFENSE, WASHINGTON, DC**

Mr. HENRY. Thank you, Mr. Chairman. I am pleased to appear before you and your committee today with Ambassador Pascual, and my colleagues from both the Joint Staff and the U.S. Agency for International Development. And I have submitted a statement for the record, and would like to take you up on your offer to summarize some key points.

The Department of Defense strongly supports the Office of the Coordinator for Reconstruction and Stabilization within the State Department and its mission to mobilize capabilities for stabilization and reconstruction for operations abroad.

As our National Defense Strategy and National Military Strategy make clear, some of the most significant threats to our national interests in the early 21st century will stem from instabilities, extremism, terrorism, and criminality that is generated within weak states.

The experiences of Afghanistan and Iraq, of Liberia and Haiti, during the first term of this administration and other—and places elsewhere have reinforced that addressing the threats requires a comprehensive government approach to both stabilization and reconstruction.

The Department of Defense has a key role to play in establishing a secure environment. But the expertise of other U.S. Government departments and agencies in promoting essential services, the rule of law, the development of civil society and elected governments, and the institution of a market-based economy is essential in establishing a stable-nation state.

S/CRS will play a critical role in coordinating the work across all departments and agencies within the Government, and the Department of Defense stands ready to respond positively.



The ability of S/CRS to coordinate our Government's response and mobilize civilian capabilities quickly will save lives and treasure.

Preventing conflict and rapidly establishing a sustainable peace after conflict are critical objectives. Because the Department of Defense understands the need for early measures to prevent problems from becoming crises, and crises from becoming conflicts, we have provided a significant amount of support already to S/CRS.

We have six personnel as liaison and expert advisors to the Coordinator. We have arranged participation in multiple conferences, seminars, trainings, and most especially, military exercises on the behalf of S/CRS.

We have funded a feasibility study on the development of a civilian response force. We are offering support to S/CRS's planning efforts. And we have provided advice and assistance to the development of different operational concepts that might be used by the Coordinator.

We are funding model-based predictive tools to identify to states of concern, and we have sponsored a legislative proposal and a defense authorization bill to help State fill the civilian deployment gap until S/CRS and the State Department are able to do so.

I would also like to take a moment to highlight DOD's legislative proposal in support of S/CRS and the issue of funding the Coordinator generally.

The Department of Defense strongly supports the President's budget for both State and S/CRS, and so they can continue the capability—developing capabilities for reconstruction and stabilization.

In the near term, DOD would like to help S/CRS fill the gap in its ability to deploy in a crisis. The administration's recommended section 1204 of the defense authorization bill proposes to fill this gap by offering a transfer authority in drawdown of up to \$200 million for goods, services, and additional funding for S/CRS when they need to deploy. And I would urge the committee to support the State and S/CRS budgets in full.

We are hoping the Senate Armed Services Committee, under Chairman Warner, will also support the inclusion of our recommended section 1204 to enable the deployment of the Coordinator's activities.

The main goal of DOD's support to S/CRS is to integrate civilian and military efforts across the spectrum of peace and conflict. In addition to the ongoing support already mentioned, DOD plans on focusing the integration of civilian and military efforts in three broad areas—training and exercising, planning and operational needs. And I will discuss these briefly.

Joint training and education ensures that the civilian and military personnel who deploy to the field have common operating assumptions and understand how to work together.

Similarly, the purposes of joint exercises is to provide the civilian and military personnel an opportunity to test what they have learned before they deploy. Joint planning helps identify civilian and military roles and responsibilities and ensure that the civilian and military personnel know what to expect from their counterparts when they are deployed.

The main challenge here is in developing a robust civilian planning capability that is comparable and compatible with the current military planning process.

Achieving jointness in the area of operational needs requires comprehensively addressing the current shortfall in trained and deployable civilians for reconstruction and stabilization in missions abroad.

This will require expanding the current mechanisms and, in some cases, establishing new ones. For instance, there is an abundance of untapped talent in State and local governments and non-profit and private sectors.

S/CRS and DOD have already begun working together toward jointness and training and exercising, planning and the development of operational needs. But there is still much work to be done. It will require the full funding of the President's budget this year and in future years.

The establishment of S/CRS is a first critical step to transforming the way our Government addresses the pressing security requirements and responds to the stabilization and reconstruction missions around the world.

We cannot realize this vision of the committee and the President in championing S/CRS without continued backing from the Hill. I appreciate the opportunity to speak to you and look forward to your questions.

[The prepared statement of Mr. Henry follows:]

PREPARED STATEMENT OF HON. RYAN HENRY, PRINCIPAL DEPUTY, OFFICE OF THE UNDER SECRETARY OF DEFENSE FOR POLICY, DEPARTMENT OF DEFENSE, WASHINGTON, DC

#### INTRODUCTION

Mr. Chairman and members of the subcommittee, I am pleased to appear before you today with Ambassador Carlos Pascual, the Coordinator for Reconstruction and Stabilization at the State Department, as well as my colleagues from the Joint Staff and the U.S. Agency for International Development.

Ambassador Pascual and his staff have done an excellent job in standing up the new Office of the Coordinator for Reconstruction and Stabilization (S/CRS) to lead, coordinate, and institutionalize U.S. Government civilian capacity to prevent or prepare for post-major conflict situations, and to help stabilize and reconstruct societies in transition from conflict or civil strife, so they can reach a sustainable path toward peace, democracy, and a market economy.

In the coming years, the work of S/CRS will be critical to achieving U.S. national security goals. As the National Security Strategy and the National Military Strategy make clear, some of the most significant threats to U.S. national interests in the early 21st century stem from the instabilities, extremism, terrorism, and criminality generated within weak states.

Because of the centrality of these threats in the war on terrorism, DOD is working diligently to make stability operations a core competency of our Armed Forces. However, as the experiences of Afghanistan, Iraq, and elsewhere demonstrate, the military can not accomplish these missions alone.

Efforts must be made to build the capacity of our partners abroad and augment the ability of civilian components of the USG to respond rapidly and effectively. The ability to mobilize civilian resources quickly is as important as the ability to mobilize military resources in achieving U.S. national security goals.

#### DOD SUPPORT TO S/CRS TO DATE

DOD is strongly committed to supporting S/CRS in its efforts to increase civilian capacity to respond to stabilization and reconstruction missions around the world. The ability of civilian components of the USG to prevent conflict and/or establish a sustainable peace will save lives and money by either obviating the need for military force in the first place or helping our troops come home more quickly.

Since the establishment of S/CRS in July 2004, DOD has provided a significant amount of support to S/CRS, including:

- Sending five to six liaisons at a given time to S/CRS.
- Inviting S/CRS to participate in innumerable conferences, seminars, training classes, and exercises.
- Funding a feasibility study on development of a “Civilian Response Force.”
- Offering support to S/CRS planning efforts.
- Providing advice and assistance to the development of S/CRS operational concepts to coordinate USG efforts at the strategic, operational, and tactical levels.
- Sponsoring section 1204 legislative proposal to allow DOD to help State fill the “civilian deployment gap” until S/CRS is able to do so.

Many of these activities are ongoing. Of particular concern, however, is DOD’s section 1204 legislative proposal in the National Defense Authorization bill, which would allow DOD to help State fill the “civilian deployment gap.”

#### SECTION 1204 LEGISLATIVE PROPOSAL

The Department of Defense’s section 1204 legislative proposal to support S/CRS has not been included in either the House or Senate FY 2006 defense authorization bills. The proposal would allow the DOD to transfer up to \$200 million in goods, services, and funding to S/CRS through FY 2006. DOD goods, services, and funding would bridge a gap in the S/CRS’s near-term ability to deploy quickly to a crisis.

Existing DOD authorities do not have enough flexibility to support civilian partners. For example, under the Economy Act, DOD can only use items from existing stocks to support activities that it has that authority to do itself. Drawdown is slow and prohibits the transfer of funds or the ability to contract—both vital for stabilization and reconstruction operations. I urge you to include this provision in the authorization bill during upcoming floor consideration.

#### CURRENT FOCUS OF DOD SUPPORT TO S/CRS

The main goal of DOD support to S/CRS is to integrate civilian and military efforts across the spectrum of peace and conflict. Achieving this goal requires civilian and military personnel to train together, plan together, and operate together. Hence DOD efforts in support of S/CRS are focused on three areas: Training and Exercising, Planning, and Operational Needs.

#### TRAINING AND EXERCISING

The Armed Forces of the United States are the best in the world because they continuously go through cycles of training, exercising, and operating. Achieving the same skill level on the civilian side of the USG will require similar repetitive cycles of training, exercising, and operating.

As a first step, the Department of Defense has opened the doors of its educational institutions to S/CRS and invited them to multiple exercises. DOD is also participating in S/CRS efforts to create training opportunities, such as the new course on stabilization and reconstruction that the Foreign Service Institute has developed.

The goal is for DOD and S/CRS to train and exercise jointly—with the DOD learning from S/CRS and S/CRS learning from DOD. Joint training and education ensures that civilians and military deployed in the field have common operating assumptions and understand how to work together. Joint exercising gives civilians and military personnel the opportunity to test what they’ve learned before they are deployed.

The Department of Defense would like to expand joint training and exercising with S/CRS and other civilian components of the USG. The main limiting factor for S/CRS is time and funding. S/CRS has a total staff of approximately 35 persons with a heavy workload and day-to-day responsibilities that often preclude long-term training for themselves and the development of training opportunities for others.

#### PLANNING

Building a robust planning capability in S/CRS and other civilian components of the USG is critical to ensuring future success in stabilization and reconstruction missions. This is a large and important task which will involve not only education and training, but also the creation of new structures.

The Department of Defense realizes the critical nature of this task and is working to (1) help S/CRS develop a planning capability and (2) integrate S/CRS and other civilian components of the USG, as appropriate, into the DOD planning process. S/CRS staff have made progress in this area. They have begun to develop a strategic

planning template and are learning about the military planning process. There is much work to do. There is a shared desire to move forward.

#### OPERATIONAL NEEDS

The Department of Defense has identified the lack of trained and deployable civilians as a critical limiting factor in the ability of the USG to conduct stabilization and reconstruction missions abroad. Full funding of the Department of State and S/CRS in FY 2006 would allow it to develop an Active Response Corps consisting of 100 personnel from within the State Department. They are also looking at expanding contract mechanisms and putting together a USG database of civilians within the USG.

This is a good start, but a more robust mechanism may be needed. At the request of S/CRS, DOD is funding a feasibility study for S/CRS on the establishment of a "Civilian Response Corps" managed by a civilian department or agency. The study is assessing the requirements and costs of various options contracts, rosters, reserves, and combinations thereof—for providing a standby civilian capacity for deployments.

The study is still being worked on, but there are a few conclusions that can be drawn from previous experience:

- (1) Regular training and exercising of a civilian corps is just as important as with a military reserve. "Pick-up" games rarely work well.
- (2) There is an abundance of untapped talent in State and local governments, and the nonprofit and private sectors.
- (3) Contract mechanisms may be sufficient for some skill sets, but not all (i.e. transitional security).

#### CONCLUSION

The strategic environment has changed and the USG must keep pace if it hopes to accomplish its national security objectives and win the war on terror. Establishing S/CRS is a critical first step to transforming the way the USG responds to stabilization and reconstruction missions around the world. It is important to continue transforming the USG to meet the challenges of war, instability, and peace.

The CHAIRMAN. Well, thank you very much, Mr. Henry, for coming this morning.

The CHAIRMAN. I appreciate your mention of Chairman Warner. I would mention we would want to share the full hearing record with the chairman, with Senator Levin, the distinguished ranking member, and other members of the Armed Services Committee, because they share our interest in what we are talking about today.

Mr. HENRY. Yes, sir.

The CHAIRMAN. General Sharp. Can we—may we have your thoughts this morning?

#### **STATEMENT OF LTG WALTER SHARP, DIRECTOR, STRATEGIC PLANS AND POLICY, JOINT STAFF, DEPARTMENT OF DEFENSE, WASHINGTON, DC**

General SHARP. Good morning, sir. Good morning, Mr. Chairman. And I also appreciate the opportunity to appear before you today to discuss this very important initiative. As you know the primary purpose of our military is to win our Nation's wars.

With the support of Congress we have had some major successes during the last 4 years of sustained combat operations. However, those of us in uniform are acutely aware of the limits of traditional military power.

Enhancing our post-conflict stabilization and reconstruction capabilities is important in our ability to be able to prevail. General Myers, General Pace, and the combatant commanders are committed to helping build the civilian capacity to plan and execute future stabilization and reconstruction operations.

We believe stabilization and reconstruction operations need to become a core competency of all departments of our Government. Our experiences in Afghanistan, Iraq, and elsewhere have made it clear that our military cannot accomplish this mission alone.

In addition to building the capacity of our partners overseas, we must enhance the ability of all departments of our Government to rapidly plan and respond to a crisis. Only then can we bring to bear all elements of national power in a coordinated fashion.

Taking on crises in this manner will allow us to more rapidly and effectively stop or avert or lessen the depth and breadth of any problems and contingencies, and most importantly save both military and civilian lives and money.

Developing this capacity takes leadership and organization. With the help of this committee and many others, we believe Ambassador Pascual is providing the right leadership and building the right organization.

S/CRS is developing a cadre of deployable people who have skills in the following areas that we think are critical. First, security—both from developing the police and also the military side. Second, rule of law—developing the country's judicial and penal capabilities. Third, an infrastructure—developing a country's electrical, fuel, and sanitation systems. Fourth, in the economic and social welfare areas—helping a country to develop jobs and health services. Fifth, humanitarian—making sure that food and shelter is available. And, sixth, governance—helping to establish the ability of a country to govern and to conduct elections.

This effort is focused on three capabilities that are particularly important for stabilization and reconstruction operations. The first required capability for stabilization and reconstruction is planning. All agencies in the U.S. Government need to have the types of deliberate and crisis planning capabilities possessed by our combat commanders, joint task force commanders, and the joint staff.

Ambassador Pascual and Administrator Natsios have made good progress not only in developing their planning processes but in integrating them with the military here in Washington and out with our combatant commanders.

I would also like to add that Admiral Giambastiani and Joint Forces Command have taken a very active role in this endeavor.

The second required capability is to be able to rapidly mobilize and deploy properly trained civilians when a crisis arises. Ambassador Pascual and his staff have come up with some innovative ideas of how to accomplish this, including the active reserve corps and several expanded contracting mechanisms that will allow us to quickly build up, then sustain, our capability for stabilization and reconstruction.

DOD has considerable experience with mobilizing and deploying Reserve forces in time of crisis. And we have provided lessons learned and other assistance as required. There is more work to be done, but we believe we are definitely on the right track.

The third necessary capability is to exercise these planning and execution functions. This is essential to ensure that planning, mobilization, and deployment mechanisms are sufficiently well developed and integrated with all other agencies to include the Department of Defense. Here, again, good progress has been made.

Both S/CRS and USAID has spent considerable time ensuring that stabilization and reconstruction operations are featured in all future combatant command exercises.

The necessary training to prepare personnel for these exercises is being put into place as well. In fact, two officers from my staff are attending the new Foreign Service Institute course on stabilization and reconstruction this week.

As I stated earlier, we are committed to helping our civilian counterparts succeed. I have highlighted many of the actions that have taken—that we have taken to assist Ambassador Pascual and his organization.

The chairman, General Myers, also joins with Ryan Henry in requesting that Congress include the President's section 1204 in the fiscal year 2006 defense authorization bill.

This proposal would allow DOD to transfer up to \$200 million in equipment services and money to S/CRS during fiscal year 2006 and greatly improve Ambassador Pascual's ability to rapidly deploy in a crisis.

In conclusion, Mr. Chairman, the President has charged us with a task of improving the responsiveness of our Government to help nations emerging from tyranny and war. I believe we had made good progress toward building that kind of robust organization that can plan, mobilize, and deploy at a pace equal to the military and provide assistance the President has called for.

Many challenges remain. However, with the continual help of this committee and Congress as a whole, we can succeed. Mr. Chairman, this concludes my remarks. I look forward to your questions.

The CHAIRMAN. Thank you very much, General Sharp, for your testimony.

I would like to call now on Mr. Kunder. And I have already recognized the wonderful contribution you have made to our group as we began to think about this legislation and the whole area. It is great to welcome you back today.

**STATEMENT OF THE HON. JAMES R. KUNDER, ASSISTANT ADMINISTRATOR FOR ASIA AND THE NEAR EAST, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT, WASHINGTON, DC**

Mr. KUNDER. Thank you, sir. I consider the service on that advisory group one of the high points of my career and very much appreciated the opportunity to do that.

I just want to make four points quickly. I appreciate your telling us we do not have to be too economical with our words, but we should be economical.

First, I would like to say that we unequivocally and strongly support the Office that Carlos is leading at the Department of State. We think this is exactly the right tool at exactly the right time to organize the overall U.S. Government effort and to make it more effective in crisis response.

I had the opportunity to open the USAID mission in Kabul, Afghanistan, after the Taliban fell, and previously I had the opportunity to serve as Director of USAID's Office of Foreign Disaster Assistance, so I have some experience in crisis response, having worked in Somalia, Bosnia, southern Sudan, and other places. And,

while what we are discussing may appear to be an abstract government organization issue, I want to endorse very much what Ambassador Pascual said about the urgency of moving forward, because in the field, the inefficiencies in response, or the slowness in response, is translated into broken bodies and starving children. So the urgency in the real world is quite intense that we get these kind of reforms done.

I would also agree very much with what Mr. Henry has said about the costs in terms of our own soldiers' lives and, of course, our own children's lives, if we allow these unstable spots to fester on the face of the earth. So we very strongly endorse what Carlos is doing.

We also want to note that we think the President and Secretary of State's choice of Ambassador Pascual was inspired. We are proud of the fact that he has served in USAID, as well as the State Department, so we think he has enormous breadth of experience and a unique perspective. In general, we think that the Office of Crisis Response and Stabilization is exactly the right tool.

The second point I would like to make is that we, at USAID, are trying to organize in response to the impetus that the committee has provided and the President has provided. Administrator Natsios, when he took over the job as USAID Administrator, created a new bureau called the Bureau for Democracy, Conflict and Humanitarian Assistance, to link together the various elements that General Sharp was just talking about, recognizing that humanitarian response, governance, and crisis response are all critical.

Subsequent to the creation of Ambassador Pascual's Office, we are looking at reorganizing again in direct response, so that we can provide the kinds of teams that he will need to deploy and the capacity that he will need when he gives the signal to send our U.S. Government joint forces forward.

We have also created a new Office of Military Affairs at USAID. In the real world, we are dealing with our military colleagues on a daily basis in the provincial reconstruction teams in Afghanistan, in the field in Iraq, and in many other places. But we completely agree that we need to do more joint training and more joint planning.

So, under the overall umbrella that Ambassador Pascual is putting together here, we are trying to establish these direct civilian/military linkages to be more effective in the field.

The third point I would make—and hence the charts up here and charts appended to my statement—is that, in addition to structural change, we are trying to do serious operational research in the process that we are engaged in. This is something we are doing in conjunction with Ambassador Pascual's Office and in cooperation with our military colleagues.

The U.S. Government needs to understand better exactly what to do when we have a crisis. We are looking not just at after nations have fallen apart, but we are looking at countries that are beginning to show the signs of instability and trying to generate resources so that a penny spent now saves the taxpayer a dollar later.

Across the area that I am honored to manage, we not only are looking at Afghanistan reconstruction and Iraq reconstruction, but we are also looking at Nepal, and we are looking at fraying of the social order in Bangladesh, and we are looking at Sri Lanka, and we are looking at continued instability in Mindanao in the Philippines. These charts look at questions about how we can direct the sources of instability, government effectiveness versus government legitimacy, delivery of social services but delivery of social services in socially acceptable ways. How do we engage the active Muslim communities in these places, who agree with us on many questions of child survival and maternal well-being—how do we mobilize them as assets, rather than enemies?

This kind of operational research, which I just touch on with these charts, is, I think, a rich area for us all to work together on.

The fourth point I would touch on in closing is the question of resources and manpower. I thought one of the most important findings to come out of the policy advisory group that you initiated, and which you cited earlier, is the fact that we have to have some bodies to do this. I have reported to the committee before—and I am not here specifically to talk about USAID; I am here as part of the interagency team—but USAID, from a high point of about 9,000 employees during the Vietnam war, because of policy decisions made during the nineties is down to about 2,100 officers worldwide.

We simply, at some point, need the bodies to get out in the field. So we strongly endorse Ambassador Pascual's call for the conflict response fund, the \$100 million fund, and also the establishment of some standing capacity so that we can get the right folks out to the field.

I was listening closely to General Sharp's comments about the kinds of capacities we need. We completely agree with that. Right now, within the U.S. Government, we know that in every crisis there is likely to be a need for demobilizing fighters. In any one of these crises, informal forces—militia forces, guerrilla forces, warlord forces—are constituted. We need to demobilize those fighters and reintegrate them into civilian life.

Yet we do not have a dedicated capacity anywhere in the U.S. Government, a cadre of technical experts, who know how to do that well.

And in closing, sir, I would like to thank the committee and the Senate and the Congress for their support for beginning to turn this around. We have gotten authority from the Congress to increase our hiring at USAID by a couple hundred. It is not enough, but it is very much welcome. We have brought one of our new classes of "new entry professionals" to this hearing. If I could ask the chairman's indulgence, we have a group of them standing in the back of the room, who are coming up for their first congressional hearing.

The CHAIRMAN. Please stand.

Mr. KUNDER. This is part of their training in understanding the importance of the Congress to our work.

The CHAIRMAN. Right.

Mr. KUNDER. These are the kind of folks with graduate degrees who will help rejuvenate some of us gray-haired folks who have been working in this area.



So with that, I would just close again with our strong endorsement of Ambassador Pascual's role and the criticality of sustained support and resources for what he is doing.

Thank you, sir.

[The prepared statement of Mr. Kunder follows:]

PREPARED STATEMENT OF JAMES KINDER, ASSISTANT ADMINISTRATOR FOR ASIA AND THE NEAR EAST, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT, WASHINGTON, DC

Mr. Chairman, members of the committee, it is an honor to appear before you again today. I especially welcome the opportunity to testify on the new Office of the Coordinator for Reconstruction and Stabilization in the State Department (S/CRS) and its role as part of our national security architecture. We, at USAID, appreciate the committee's strong interest in, and support for, improving the U.S. Government's crisis response capability, and the sustained leadership shown by the chairman, Senator Biden, and other members of the committee.

Clearly, one of the central lessons of 9/11 is the critical importance of weak and failing states. The pathologies that emerge from fragile and failed states readily spread across porous boundaries and potentially affect entire regions with crime, drugs, disease, trafficking, and environmental degradation, as well as economic deterioration and political instability. These states may also be the scenes of large-scale refugee or internal displacement, and can spawn widespread human rights abuses.

As the National Security Strategy states, we need to bring to bear the whole range of tools that are at our disposal—in the domains of defense, diplomacy, and development—and apply them in a much more consistent, coherent, and coordinated fashion. The President meant this in a general sense and as a fundamental prerequisite to a more effective foreign policy in a period of instability. But the coordination imperative also applies, specifically, in the case of failing and failed states where military, diplomatic, and development endeavors must be brought to bear synergistically.

Failed and failing states are both the incubators of terrorism and the sanctuary for terrorists. It was no mere coincidence that the Sudan, Somalia, and Afghanistan served as al-Qaida's training and staging redoubts. As the National Security Strategy document succinctly puts it: "America is now threatened less by conquering states than by failing ones." Regions far away, we now know by painful experience, are not immune from the consequences that arise from state failure on other continents. This became all too obvious to this country the morning of September 11, 2001.

Over the last 15 years, USAID has been involved in six major post-conflict and stabilization projects, including Somalia, Bosnia, Kosovo, Liberia, Afghanistan, and Iraq. We have also been significantly involved in a variety of others, including Cambodia, Mozambique, El Salvador, Nicaragua, Guatemala, Rwanda, Sierra Leone, Colombia, and East Timor. As these lists indicate, the problem is not limited to any one region of the world, nor is state failure a transient phenomenon. USAID brings unique strengths that it has gathered from over 50 years of humanitarian and post-conflict interventions. In a 2001 study, our Bureau of Policy and Program Coordination found, incredibly, that two-thirds of the 80 countries, where we were present, had experienced violent conflict over the previous 5 years.

As this committee has noted in previous deliberations, the USG's approach to dealing with failing and failed states has, historically, been ad hoc and reactive. All too often, senior policymakers have become seriously engaged only at the point when the situation has deteriorated to such a point that continued inaction has become unacceptable as a matter of national security or morality. Stated differently, we have historically tended to engage ourselves at the point where our interventions are most urgent and least promising. Because failed and failing states feature prominently in the Global War on Terror, we must be more proactive and strategic in our response.

The President's initiative in establishing the Office of Reconstruction and Stabilization (S/CRS) is an important component in addressing this most important national security problem. USAID believes S/CRS can play a significant role as part of the new foreign policy apparatus required to meet the challenges we now face. S/CRS can help "fill the gap" in meeting some of the shortcomings we have experienced in dealing with failed and failing states over the past decade and a half, and in better coordinating the civilian response to crisis, as well as the civil-military strategies, plans, and responses essential to successful stabilization operations.

As a standing office, S/CRS can help monitor states that are prone to fragility and bring high-level attention to problems as they develop. This can help us take steps necessary to shore up weak states. In the event of failures we cannot prevent, S/CRS can also help us design strategies that ensure a timely, effective USG response. In other words, the existence of S/CRS will allow for timelier interventions that can either prevent or mitigate a crisis. This will help avoid situations, as in Somalia, where matters degenerated to such an extent that our only effective alternative was the application of force. In brief, S/CRS will enable us to act in a more proactive manner and with a greater array of tools.

S/CRS can play an important role in coordinating with partners in other countries and international organizations to pool the necessary resources to deal more effectively with states in crisis. It can play the same indispensable coordinating role among a range of departments and offices in the USG, ensuring that the particular expertise and value-added of each USG agency is reinforcing the overall USG effort. For these reasons, USAID is a strong supporter of the S/CRS architecture and has been providing staff and resources to assist the Office in getting up and running. USAID has seconded 7 senior staff from the Agency to further CRS's work, and we intend to continue providing staff support to bolster its capacity in key leadership areas.

We also believe Ambassador Pascual to be an inspired choice to lead S/CRS. We are proud that, among the many contributions he has made to our Nation, he initially came from the ranks of USAID. His extraordinary breadth of experience and perspective, and his analytical and leadership qualities, make him an ideal person for the unifying and innovating role in which the President and Secretary of State have asked him to serve.

USAID's work in fragile and failing states will be guided by its new Fragile States Strategy.<sup>1</sup> With assistance to weak states now at the center of the national security agenda, USAID has undertaken an extensive reassessment of how to improve the effectiveness of its response to the unique challenges posed by fragile states. The strategy identifies three central goals: Improving the analysis and monitoring of fragile states; focusing programs on the causes of fragility; and improving internal business practices to facilitate a rapid and effective response. The strategy is based on the understanding that close coordination among the range of USG agencies is essential, which is why we believe S/CRS has such a crucial role to play.

It should be noted that the efforts to improve stabilization and reconstruction capacity in the United States have parallels internationally, as well. USAID's sister agency in Great Britain, the Department for International Development (DFID), has also put forward a fragile-states strategy that closely parallels our own. Fragile and failing states were also on the agenda of a Development Assistance Committee (DAC) meeting of the OECD in February. This gathering brought together some 100 heads of donor organizations, Western development officials, and representatives from developing countries and afforded both DFID and USAID the opportunity to unveil their respective strategies.

Recognizing that USAID must adapt its structures and functions to the current challenges our Nation faces, Administrator Natsios has made a number of innovative internal changes, both preceding the establishment of S/CRS and in sync with the new office. For example, upon assuming office, the Administrator established the new Bureau for Democracy, Conflict and Humanitarian Assistance, structurally linking the Agency's response to the disparate elements often encountered in failed or failing states: Humanitarian needs; conflict within society; and democracy and governance issues. Within this new Bureau, Mr. Natsios created the Office of Conflict Management and Mitigation, with the specific mission of tracking failing states and impelling responses to prevent full-scale state failure.

As we implement our Fragile States Strategy we are now pursuing further organizational changes within USAID so that we can meet the Agency's new mandate under the President's National Security Strategy. This includes organizing to interface effectively with S/CRS, across the range of USAID's response capabilities. We are concurrently perfecting an agencywide response platform that links rapid post-conflict humanitarian and stabilization activities with immediate planning for longer term recovery. We view this linkage as the real value-added USAID brings to the USG's reconstruction and stabilization arsenal. USAID management recognizes that we need to stop the instability when states fail—to "staunch the bleeding," if you will—but we also need, simultaneously, to sow the seeds for long-term reconstruction and development. In military terms, we need to take the steps that will allow our troops to come home as soon as possible, but we also need to initiate

<sup>1</sup>This document has been retained in the permanent record of the hearing and also can be viewed at the Web site: [www.usaid.gov/policy/2005\\_fragile\\_states\\_strategy.pdf](http://www.usaid.gov/policy/2005_fragile_states_strategy.pdf).

the long-term development that will help ensure they will not be called back to the same country several years later. We are developing a standard structure and system for standing up and operating a complex emergency task force that can become operational as quickly as USAID's Response Management Teams (RMTs) for natural disasters, then transition rapidly to a reconstruction and development platform. Our initial efforts at such a task force configuration in Afghanistan, Iraq, and the Asian tsunami have taught us useful lessons, on which we are building.

The President and Secretary Rice have emphasized the centrality of democracy and freedom, both to our national security and to development in general. Democracy and human freedom contribute to stability and prevent state collapse, and further, when states are rebuilding, democratic, inclusive governance must be incorporated into the reconstruction process. Without strong democratic systems in place, reconstruction efforts are left in jeopardy. Democracy, rule of law, and good governance are the key elements of USAID's Democracy Strategy that are needed to ensure the success of reconstruction efforts in fragile and failing states.

The spread of democracy is central to our national security. As the President has said, new challenges arise from "terror networks" that are aided by "outlaw regimes" or live at the intersection of failed states, poverty, chaos, and despair. It should now be clear that the advance of democracy leads to peace, because governments that respect the rights of their people also respect the rights of their neighbors and because "in the long run, stability cannot be purchased at the expense of liberty."

Good governance, founded on democratic principles, is our best hope of meeting those challenges before they become threats. USAID has established, as a core goal, "the transition to, and consolidation of democracy and good governance throughout the world." To reach that goal, we focus on three objectives: Expand political freedom and competition; promote justice and human rights through rule of law; and strengthen democratic and accountable governance. USAID programs are implemented by a democracy corps of over 400 democracy and governance officers who serve in over 80 country and regional missions, and who are managing \$1.2 billion in program resources in 2005 support the administration's initiative.

USAID is dedicated to ensuring that its resources carry out the vision of the President, and ultimately the American people, by supporting the development of prosperous democratic partners for the United States around the world. Two recent examples of USAID's efforts in post-conflict democracy building include:

*Iraq:* USAID played a key role in supporting the Iraqi election process as well as helping to build democratic institutions in a country that was misruled with an iron fist for generations. USAID helped mobilize thousands of Iraqi election staff, many hundred Iraqi civil society organizations, and helped Iraqi and international organizations to field domestic election observers, deliver voter education, and implement conflict mitigation programs. With USAID support, over 220 core election monitors were trained, and with additional European Union support, in turn trained as many as 12,000 domestic monitors. One indicator of election success was the higher than anticipated voter turnout. But most importantly, the 275-member Iraqi National Assembly (INA)—with 25 percent female representation—was elected to govern the country, draft a new constitution, and provide for a national referendum on the constitution and subsequently a constitutional government.

*Afghanistan:* USAID has helped Afghanistan move toward the promise of democracy, stability, and peace. The staging of the Loya Jirga national assembly in summer 2002, only months after the fall of the Taliban regime, owes much to logistical support provided by USAID. The USG was the largest and earliest donor. USAID provided \$151.2 million, including logistical support for the Afghan Transitional Authority to convene the delegates responsible for ratifying the new Afghan Constitution. USAID also supported the October 2004 Presidential elections, when Afghans elected Hamid Karzai. USAID today is deeply involved in helping to prepare for parliamentary elections currently scheduled for September 2005—helping Afghans build a legitimate state with institutions that promote good governance and the rule of law.

An important element of our restructuring for stabilization and reconstruction efforts is a more formal linkage with the U.S. Department of Defense at the operational level. Although we have traditionally maintained a military liaison unit in USAID's Office of Foreign Disaster Assistance (OFDA), and while we work closely with military units in Afghanistan, Iraq, in the tsunami response, and in many other locales, Administrator Natsios has directed that we establish improved planning and liaison structures. In response to his directive, USAID has now created a Military Policy Board, and a new Office of Military Affairs. The Military Policy Board oversees the policy interface with DOD, including personnel and training actions. The new Office of Military Affairs will manage and facilitate USAID's day-

to-day work with DOD, prioritizing and managing training, conferences and exercises, planning, communications and operations with the military when crises arise.

The USAID links with S/CRS, our strengthened crisis response platform, and new Office of Military Affairs will significantly increase USAID's stabilization and reconstruction capabilities. We believe these changes will make us a more useful partner to Ambassador Pascual and his team, as he takes on the challenges he faces, including the need for a coordinated USG plan and response, the imperative for additional, flexible resources, and the requirement for filling in the gaps that still exist within the USG response system.

In closing, I would like to bring to the committee's attention two areas of policy and operational research in which USAID is active, and which we hope will contribute to the topic we are discussing today: Building peace in hostile environments. As part of the development of USAID's Fragile States Strategy mentioned earlier, we are pursuing ongoing work to examine fragile states—failing, failed, or recovering states—and what steps the USG can take to assist them. Our work attempts to disaggregate the causal factors for fragility, broadly arrayed as issues of effectiveness and issues of legitimacy. We then align resources against these factors. The attached chart reviews our approach to fragile states.

A second area of operational research, shared with S/CRS, is in the area of refining the post-conflict task framework, and carefully delineating and sequencing the required tasks, when a nation does slip into crisis. The second attached chart, prepared for our Iraq program, serves as a brief indicator of how a "menu" of task options is transformed into a reconstruction strategy. By carefully examining the task framework, we believe we can contribute to the USG's efforts to identify programmatic and organizational gaps in the overall stabilization and reconstruction system.

USAID applauds the committee's staunch support for S/CRS and the stabilization and reconstruction response systems needed to meet our national security objectives. I am prepared to answer any questions the committee may have.

# The Fragility Framework

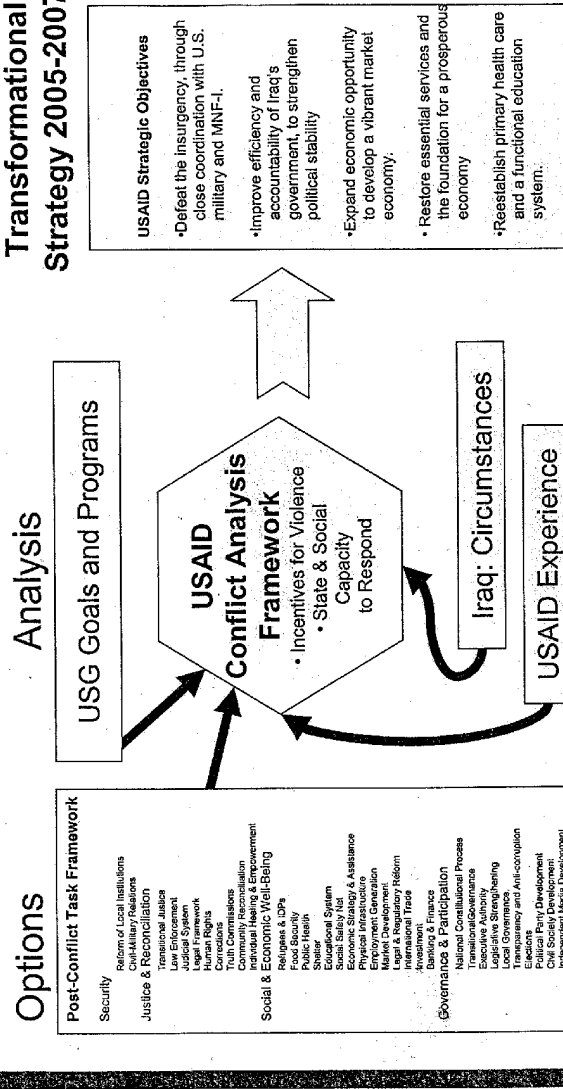
**Table 1. Analyzing Governance in Fragile States: The Fragility Framework**

	<b>Effectiveness</b>	<b>Legitimacy</b>
<b>Security</b>	Military and police services that secure borders and limit crime	Military and police services that are provided reasonably, equitably, and without major violation of human rights
<b>Political</b>	Political institutions and processes that adequately ensure response to citizen needs	Political processes, norms, and leaders that are acceptable to the citizenry
<b>Economic</b>	Economic and financial institutions and infrastructure that support economic growth (including jobs), adapt to economic change, and manage natural resources	Economic institutions, financial services, and income-generating opportunities that are widely accessible and reasonably transparent, particularly related to access to and governance of natural resources
<b>Social</b>	Provision of basic services that generally meet demand, including that of vulnerable and minority groups, is assured	Tolerance of diverse customs, cultures, and beliefs

Note. The illustrations of effectiveness and legitimacy are indicative and will be refined based on pilot testing in the field.



## Transformational Strategy 2005-2007



The CHAIRMAN. Well, thank you very much for that strong testimony. Likewise for introduction of your new associates. That is so important in understanding this.

Let me just begin the questioning. We will have a 10-minute round, and I have a lot of questions. So I hope we will have opportunities to raise those during the course of the time.

I would just mention for those who come into this subject, sort of in midstream, that without oversimplifying what we are talking about, it is the fact that there has been perhaps a long American

tradition of going out into the world and fighting battles successfully and, having done so with satisfaction that the right side has won, withdrawing, coming home, and retiring.

And one can argue historically how well or how poorly that all has worked, but obviously we are in a new cycle of understanding of this. Afghanistan in the late eighties is a case in point. Suddenly we did withdraw from Afghanistan. We withdrew from Pakistan. We, in essence, came home. But not everything continued well in Afghanistan.

And as we now know, the al-Qaida encampments began training persons who attacked us here in the United States, not in Afghanistan. Americans have wondered what happened in the meanwhile.

Now, essentially we went back to Afghanistan, but the thought on this occasion was that perhaps we should work carefully with the Afghans on a government structure there that would be very helpful for all the people of that country, but, likewise, helpful for ourselves and for the rest of the world, so that there would not be a reconstitution of al-Qaida or an incubator for terrorism in the country.

That is a big commitment, as you have pointed out, a daunting challenge, Afghanistan, all by itself. And you can say, "Well, surely, there must be talented Americans that can be found somewhere in the country to supplement the role of our fighters, who are still working their way through the rest of al-Qaida or the Taliban or so forth," and there are. But the point of our exercise now is to identify these professionals and maybe others that are an auxiliary, who can be helpful to them permanently. Just as we could not have envisioned precisely the outcome in Afghanistan, we have an even more daunting challenge working with our allies in Iraq.

And as you have pointed out, Mr. Kunder, we have even taken a look at Nepal and various other countries that you mentioned, not from the standpoint that we are going in full force to reorganize their governments, but rather as you said, as preventive medicine, where there are requests for help and stability.

Now, since our policy in Afghanistan has been one of dynamically fostering democracy, and we all rejoice in the extraordinary number of manifestations of that in the last 24 months of time. Sometimes, along with democracy, if there has been a very severe dictatorship or autocracy problem, there comes a certain amount of instability as new institutions take hold, as requests come for assistance that may, or may not, be forthcoming if we are not prepared.

In other words, the very dynamism of our foreign policy, hoping that people can be free as the President suggested in his inaugural address, right out here on the Capitol steps, almost denotes a certain degree of instability, albeit creative and hopeful as it may be.

So this is the reason why the Departments of Defense and State, USAID, and others have come together. I salute this as a manifestation of the best of American government.

So, frequently, there are press accounts of disputes, of people pushing for turf. That even happens with congressional committees, worrying about jurisdiction and so forth. But this is a pretty broad subject. We are talking about an imbalance—about military people, about State Department professionals, but also people who have experience, maybe in business and banking and education

and political systems and health and education—all of these things really do not come under any committee or any department of our Government.

So this requires an enormous amount of cooperation and sharing. That has been manifested by this panel this morning, and I salute that.

Well, let me commence questioning with you, Ambassador Pascual, by getting down to the nitty-gritty of the problem. The executive branch has requested \$24 million for fiscal year 2006 for the Office and \$100 million for an emergency fund. That is funding that members of this committee fully authorized, but other Members of Congress do not yet understand the complexity of the problem. And so as a result, the emergency supplemental fell far short of the request, and some reports indicated that the House of Representative's mark is thus far a very low figure for the 2006 funding.

Now, describe to us what will be the impact of this very modest funding if those rumors or reports were to continue into actuality, if you cannot get the full \$100 million for the emergency fund. What is that going to mean about the capability of your Office to be ready for a crisis situation?

Ambassador PASCUAL. Mr. Chairman, thank you very much. Thank you for highlighting these issues, for highlighting the importance of the coordination among the interagency community as you have stated; and, indeed, for highlighting what Secretary Rice has really called the need for transformational diplomacy, of diplomacy that can actually affect changes and differences on the ground. And your question on resources really cuts to the core of the capacity of the United States to have a real and effective transformational diplomacy throughout the world.

One of the things that I have learned from my military colleagues is that if we want to be effective on the other side of a conflict, if we want to be able to respond when the theater demands us to respond is that we have to have the capacity ahead of time to plan, to prepare, to prepare skills and resources, to organize ourselves in advance.

And it is exactly these kinds of issues that are going to be affected if we do not get the types of resources that we are seeking. It is also going to affect our capacity to deploy.

Let me be more specific. There are certainly things that we will be able to do as a result of the limited resources we have received so far, and if we do receive a lower level of resources, I think it is important to be frank about that. We are very—working very hard to improve our Washington management capabilities.

I do believe that we will be able to manage one post-conflict response out of Washington with a lower level of resources, but it will be out of Washington. We will improve our planning capabilities. We are committed to that. We think that is essential.

We believe—we will continue to improve our coordination with the military. We will be able to develop a better cataloging of contractual capabilities.

What we will not be able to do is to develop an active response corps that establishes the kind of standby capabilities that allows us to move into the field effectively and quickly. It will affect our



ability to develop this kind of civilian reserve that all of us have underscored as absolutely critical to have, to have that type of transformational skill that is necessary to affect a conflict early in the process, so that we can influence the dynamic.

It will affect our capacity to deploy resources to the field quickly. It will affect our ability to conduct extensive exercises that allow us to really sharpen the capacity to work effectively in the field and work through issues in advance.

And, quite frankly, it would also affect our ability to regularize our staff. Presently, we have about 45 people working on these issues. Most of those people are there on temporary arrangements and details, so it is fantastic that the U.S. Government has brought itself together to do this, but unfortunately it creates transition and turnover. And if what we want to do is institutionalize the capability, we have to have people who are consistent and regular.

So, in effect, Mr. Chairman, what happens if we get those lower resources is that it relegates us to better planning in Washington. It really cripples our capability to make a difference where it counts on the ground, in the field, where we need to effect the dynamics of change.

The CHAIRMAN. I thank you very much for that response.

I want to recognize now, Senator Chafee, who has joined us in the hearing. I call upon him for his comments and questions.

Senator CHAFEE. Thank you, Mr. Chairman, and welcome, gentlemen.

In Rhode Island, we have a number of Liberians that have fled the violence and chaos of Liberia, and frequently they suggest to us, "It would be good if we could go back and help with any reconstruction in our home country." Is there any apparatus for including people that have fled their home countries in going back and helping rebuild?

Mr. KUNDER. Sir, I think we recognize very much the importance of expatriate communities with special language skills, with special contacts, and so forth. In Afghanistan, for example, both the United States Government and the U.N. system established programs, specifically, to try to get diaspora Afghans back in the country. We have regular outreach meetings to expatriate communities that might be interested in investing in their countries and so forth.

It is a complex area, because, frankly, there are sometimes complex dynamics between those who have fled, been forced to flee, and those who have stayed. And so that those who return sometimes—there are just complex dynamics. I should leave it at that.

But, in general, we recognize the extraordinary value added of expatriate communities, and we have specifically tried to target them as assets for reconstruction.

Senator CHAFEE. And you indicated it has worked in Afghanistan in reaching out to Afghans around the world to come back. That has been the experience there?

Mr. KUNDER. Certainly—I think I can speak for the other organizations as well—certainly at USAID the investors, the technical consultants, the counterparts that we work with in every country in crisis include some significant component of the expatriate community. So in Iraq, we have got a lot of Iraqi Americans working

for us here in Washington and in Baghdad. In Kabul, we have got Afghan Americans working for us, so it is very much a part of the United States Government response.

Senator CHAFEE. Yes, sir.

Ambassador PASCUAL. If I might add to that a little bit? One of the things that has been very important is the extent to which communities organize themselves in the United States, and we can engage with them in a systematic and organized way.

It creates a greater capability, in fact, to be able to work with those groups and mobilize their skills. Certainly, one of the strongest examples that we have seen of that throughout the world is with the Armenian-American community, which has played a very important and strong role in the development and reconstruction of Armenia.

We are currently looking at how we can, in fact, mobilize this type of diaspora capability in Sudan. And there are tremendous—in fact, there are very large numbers of Sudanese professionals who are now starting to go back to southern Sudan, and, hopefully, to northern Sudan to bring a different perspective and skills and capabilities there.

We are looking at ways in which we can regularize the process of tapping those skills and capabilities. Inevitably, as Mr. Kunder said, you have to have a country-specific response that has the right political mix. But, in fact, if we can find a way to generalize those—the tapping of those capabilities, it will be to the good.

And if you have some suggestions for us on groups that we might contact relative to Liberia, we would certainly be glad to do so and follow up on that suggestion.

Senator CHAFEE. Great.

Thank you, Mr. Chairman. Thank you, gentlemen.

The CHAIRMAN. Thank you very much, Senator Chafee.

Ambassador, let me just underline a point you made and ask you to elaborate some more. In his May 18 address, President Bush cited the creation of a new active response corps, to be, as he quoted “on-call.” And my question would be: Is this to be a reserve corps, an active duty corps, or how does it fit with what we were calling for in our report as a response readiness corps with an active duty and a reserve component?

For example, we had suggested 250 people in the active duty component, but a much larger reserve of citizens, some retired military, some former government officials, some just talented people in our communities, who, in the same capacity as in the military can be called up to serve their country on various occasions where those particular talents are involved.

Describe, if you can, more explicitly, what you envision. Even, granted, we have talked about the constraints, the finance here, and the need to flesh this out, so that you have that. But in the best of all worlds and you have got the money, how does this work in your judgment?

Ambassador PASCUAL. Thank you. Let me put this in context of three types of capabilities that we believe are essential to produce an effective response on the ground. One is leadership and coordination in Washington; a second is to have the diplomatic and technical leadership and design capabilities that can be deployed to the

ground; and, third, the skills and capabilities that are absolutely essential to be able to implement programs and make them work.

And so we need to have staffing for all three parts of that. The first portion of that component is led by my Office. It plays a core leadership and coordination role in Washington and brings together the interagency community.

In order to have diplomatic and technical leadership on the ground, we must have, as you exactly suggested in your bill, to—the capability of deploying diplomats and technical specialists in a rapid response group that is able to engage from the outset in many of the core civilian functions that are fundamental to our diplomatic efforts, such as negotiations on peace agreements, the development of political arrangements on the ground, the development of transitional strategies, as well as the design of some of the key programs that are fundamental and necessary to promote change and security and stability—as General Sharp said, in particular, some of those programs that are necessary in transitional security.

The active response corps is specifically targeted for that purpose. What we are seeking to have in the State Department is a group of 100 active response diplomats. They would train first in a program through my Office. They would participate in regular exercises. They would generally work in teams of about 33 people each.

The intent is to have a mix of individuals with political and economic and diplomatic security, and administrative skills. And what they would be able to do is create—go out to the field and create the foundation for diplomatic operation if it does not exist; or if an embassy has been drawn down significantly or needs technical support in certain specific areas that they would be able to provide that.

In those moments when those individuals are not deployed, they would work in Washington in either regional or functional bureaus on issues related to conflict and conflict response. Some of this might include early warning activities. It may be developing the reserve mechanisms that we have been establishing. It may be working on relations with our international partners. It may be working on—with individual bureaus on specific conflict activities that they need to be able to address.

So, in effect, what we are looking at is a mechanism of having individuals that are proactively addressing the questions of conflict and stabilization, and they work in Washington, are trained and prepared, and then are able to go out in any of those circumstances that are necessary.

I would just stress that in addition to this, it is still absolutely crucial to have that capability of the implementation of programs on the ground. And that is exactly where your reserve concept comes into play, as was also underscored by members of this panel here.

And in order to achieve that, what we are doing immediately is looking at how we expand the contractual capabilities that we have, because we have those authorities. But if we are going to create a separate type of reserve mechanism that is akin to what the military has, that will require new authorities, new mechanisms,

and so we are jointly studying that with Joint Forces Command, so that if we come back with proposals that we can demonstrate to you that it is the most cost-effective way of getting the job done.

The CHAIRMAN. Well, that is very helpful, and it leads to a question I would like to pose to Mr. Henry and General Sharp. And it is along these lines. If you were to try to design the ideal civilian counterpart as a partner to the military in stabilization reconstruction, what would the organization look like and how would you describe the possibilities for joint training and planning that would be most useful to bring that about?

Mr. HENRY. I will go ahead and begin, and then turn it over to General Sharp.

One of the things is we, in the Department of Defense, consider ourselves a learning organization and adaptability is a—the coin of the realm. No conflict we go into is like the last one. There's always lessons learned to be taken from it, so I think a key attribute needs to be adaptability.

What we would suggest is to put together a structure that looks compatible based on the lessons learned that we have had over the last several conflicts, and areas where we needed to get in a capability like S/CRS will provide, and then the next step we would take is both train and exercise to it. And we think that one of the things that makes us such a potent fighting force is our ability to exercise in as realistic a scenario as possible.

And that is one of the things we really look forward to in the establishment of S/CRS, and we have already started to take advantage of that, is integrating that in with our exercise program. And one of the things—adaptations we have made now is that we look at every exercise we do and see where we are doing stability ops and making sure that that is a key element of the exercise objectives; from there, to be able to learn and iterate more and then to adapt as we see real world situations. But to go in with something that is too static, locked in concrete is an approach we think works to the disadvantage of what the real world circumstances might prevent—present us with.

The CHAIRMAN. General.

General SHARP. Sir, just a couple of things to add to that. First off, I think that it is important to note that we, as the U.S. Government, I think, really have made progress. As Ambassador Pascual says, we have a ways to go, but we have made progress.

I was in Haiti for 6 months during the mid-1990s when the military went in and tried to help stand up a government and develop a police corps and run elections. I mean we had some other help, but it was mostly on our own down there.

I saw a marked difference when I was in Bosnia from 2000 to 2001, where the Embassy was more robust. USAID had great folks there doing it on the ground, but I guess my—what I saw is we were not really well coordinated. We had individual stovepipe organizations that did not have a common overall set of objectives or goals and coordinating mechanisms to be able to move forward.

And you move forward then to Afghanistan, and I think we made great progress in Afghanistan. If you look at what the provisional reconstruction teams, the PRTs are doing, which I think we have 24 or 25 throughout the country right now, how those are working

together to pull all elements of not only our power together, but to try to pull the Afghan Government together. And it is making tremendous progress there.

The other thing we learned, I think, really in Afghanistan is the importance of—at the command level properly integrating and coordinating. What Ambassador Khalilzad and Dave Barno, General Dave Barno at the time, were able to pull together for a joint command center, sharing intelligence, sharing strategic goals, the military believes is really a model of how to do that. And I think we learned from there to—what General Casey and Ambassador Negroponte have been able to do in Iraq, again sharing a lot of abilities to go through there.

The U.S. Government, both in Afghanistan and Iraq, have a set of strategies with specific objectives and goals that each one of the departments are measuring themselves, working together and coordinating as it goes through. So I think there has been progress made.

When you look, specifically, at what sorts of skills do we need within these organizations that we are talking about today—I mean I talked through some of the very specific ones from police and governance and rule of law, et cetera, but I also believe that within those there needs to be some skills specifically in language and cultural awareness. I mean, every country that we will go into will be different, both from a language perspective, but probably just as importantly is the culture, as to what that country is used to as far as these structures and how we can help them develop those that have come down.

Ryan and everybody else has talked about the ability to plan. We, of course, in the military think that that is very important, and we put a lot of time into that. We all completely understand that the plan changes, as we say in the military, as soon as you cross the line of departure, but you have a plan to base off of, a plan to adjust from.

I think the next important is the individuals in it that understand the capabilities of other organizations within our Government and other international organizations. Now, we in the military in the mid-1980s, thanks a lot to the Congress, have really learned the importance of jointness and the ability to understand other military capabilities. The Goldwater-Nichols really helped us along that way.

I think that it might be smart to take a look at that from an interagency perspective of the whole U.S. Government. You know, should senior, or should people as they come up in State or USAID or the military, be required to spend time in other organizations in order to be able to use those skills, so that when we have to deploy to conflict, we all understand each other.

Continual education, I think, is very important, again of very great importance in the military, to take young officers, and all the way up through the line, to be able to continue to educate them as we go through.

And I think the last one I will just hit on is the importance of having individuals that understand we are a nation at war, that we, as a people, I believe, have the responsibility to all participate in one way or another of winning that war. And these types of or-

ganizations are an excellent opportunity to have individuals who understand the importance of selfless service, understand the importance of being part of something that is larger than themselves, to go out and help other people. So I guess those are the type of characteristics that I think are important for this organization.

The CHAIRMAN. Well, thank you very much, General. I think you have made some profoundly important points. And I will not repeat all of them, but I made notes as you proceeded. There is a big difference between our interventions, in which you were involved, in Haiti and Bosnia—but what is our understanding in our own Government of what is required—what are the lessons learned from all this? I noted the point that you made about people who understand what all of the agencies of our Government might do, and likewise what our allies, what other countries, may contribute. This is knowledge that does not come particularly easily, but it requires assignments across Agencies that are not, I suppose, more typical in the Defense Department and in State and elsewhere—learning of what others are doing in our Government and what talents others may bring to the table.

That is so important because that is the whole point, I suppose, of our testimony today in which all of you appear together and are, in fact, conversant with what each other is doing—thank goodness—and supportive, and amending the bill as we proceed. It is important for us in the Congress to understand lessons from your experiences, because you have been there.

I just offer anecdotally, sort of triggered by this, my own very small military experience a long time ago, now 48 or 47 years ago, I was a young intelligence briefer for Admiral Arleigh Burke, when he was Chief of Naval Operations. One of the reasons that Admiral Burke employed me was to make the Navy point of view well known to Members of Congress or Cabinet members, others that he was able to inveigle into the morning briefings. But then I had the good fortune to go down to the basement to see Allen Dulles and the CIA people, along with other people from other services, who also had points of view, the Air Force point of view or the Army point of view or what have you.

This was extraordinarily instructive to me as an advocate who was loyal to Admiral Burke and the Navy. This was long before Goldwater-Nichols, and even the joint chiefs came in in the same way. Since then, our culture has evolved as regards public service. The complexities of dealing in other nations really have accelerated that, because if we are to be successful—as you have stated so well—Americans understand that the war on terrorism is a long-going thing. It does not simply involve nation states. In places where there are people who are declared targets of retaliation, this involves a civilian component constantly trying to think through, in a dangerous world, how we contribute.

I think what we are talking about today offers in this reserve corps, or however we wish to talk about this, a way in which people of talent in our country, who really want to give of themselves, will have that opportunity. That is, we are bright enough to be able to structure the mechanisms that identify them and finance those activities. So, I thank you very much for that response.

Mr. Kunder, in your testimony, you described a new Bureau for Democracy, Conflict and Humanitarian Assistance, and pointed out that the Agency would be developing an agencywide response platform. Just yesterday, as it turns out, we had Mr. Michael Hess before our committee for his confirmation hearing, to head up this Bureau. You are appearing back to back, Wednesday and Thursday.

We are pleased that such a qualified person has been identified and nominated by the President. But can you go into more detail about your views of what this "response platform" is to be? How will Mr. Hess organize the Bureau? How many people, for instance, will be involved? And would you consider these people reserves, to be quickly pulled from various places? How will you identify the people in his situation?

Mr. KUNDER. Thank you, sir. If I may just comment, you were talking about the specialized response corps that we very much support Ambassador Pascual on. I think one of the interesting phenomena in that area is that this is an odd occupational specialty. I mean, our Nation has a certain number of computer programmers that move from job to job.

A crisis response coordinator for southern Sudan is an occupational specialty as well, and there have been traditionally a cadre of folks who have moved around in this field. And I can tell you that they are in demand; the demand far exceeds supply. Because of the number of crises going on around the world right now, we simply do not have enough. We have got to invest in creating the kinds of folks who will be on standby, who can deploy quickly.

One of the interesting phenomena, I was thinking when General Sharp was talking about Bosnia, about some of our military officers, because they have served in peacekeeping operations and post-conflict operations, and these are men and women who retire often in their midforties full of energy and experience. We are increasingly seeing what we see with Mr. Hess, and that is a retired military officer moving into a management role on the civilian side. And that is an enormous potential asset for us.

Specifically on the Bureau for Democracy, Conflict and Humanitarian Assistance, currently that Bureau has within it some traditional offices that USAID has used to respond to crises: The Office of Food for Peace that delivers food assistance around the world, the Office of Foreign Disaster Assistance, which responds both to natural disasters, tsunamis, and so forth and also conflict situations.

What the Administrator has proposed is reconfiguring and adding new offices; creating a new Office of Conflict Mitigation, a new Office of Military Affairs. These are the kinds of decisions that Mr. Hess will face, and exactly how we are going to configure that new bureau so that it best fits into the structure that Ambassador Pascual is creating.

Currently there are in excess of 100 people in that Bureau. That is by our standard a pretty significant asset. There is an inner ring of about 100 people, and the question is how we are best going to configure those to be the best partner in the kinds of situations we have been describing.

We have traditionally also maintained an outer ring along the lines of what Ambassador Pascual was describing earlier of reserves on call, teams of these kinds of experts who may be working for the U.S. Government in one crisis, but working for an NGO in the next crisis.

We maintain rosters. We keep computer databases of their skill sets, so that if, in fact, we do need a food logistician in southern Sudan, we literally are able to search our databases and find an individual who has that kind of relevant experience.

So we see the need both for an inner circle of U.S. Government employees who do this full time and are ready to deploy immediately and then an outer ring of reserves who we can call upon to supplement that.

The CHAIRMAN. This leads me to a question of you, Ambassador, and that is: Are you working to develop joint contingency planning with Defense and USAID in southern Sudan? Can you describe how you are going about such planning, whether you have civilians ready to go? What is happening there generally?

Ambassador PASCUAL. We very much are beginning a process of doing contingency planning and, in fact, not just contingency planning, but planning for things that have to happen today in southern Sudan, but even more broadly than that, how we look at Sudan in general.

It is absolutely crucial that we have the capacity to look around—look at the full range of challenges that we are facing in Sudan in order to be able to bring together our policy in a way that really makes an impact and has a difference.

It requires us to address immediate humanitarian needs. There is obviously a pressing and humanitarian and security situation in Darfur, where violence needs to be brought to an end. There are issues that need to be addressed in southern Sudan and in transition areas and in key flash points on transformation of security forces and demilitarization.

All three of those things need to be done as a platform in order to create a basic foundation for stability and normalcy, so that people can actually start to have lives again. And then from that, we need to be able to build—we need to build in addressing the infrastructure for economy and social transformation. We need to build the capacity to actually have a government that is responsible to its people and which is transparent and uses its resources in an accountable and transparent way. And without that kind of government, it is going to be difficult for Sudan to succeed in peace.

And finally we need to help build the capabilities and the capacities that exist in the south, so that this is not just an internationally driven activity, but, in fact, that the Sudanese have the capacity to bring this process forward into the long term.

So what we are doing is bringing together with the National Security Council, with USAID, the Africa Bureau, and the State Department, with the Department of Defense, a core team that is looking at each of those areas. And for each of those areas we are identifying strategic priorities, we are identifying how to sequence the activities, we are identifying the resource requirements.

As you might imagine, the resource requirements are huge, and we are asking very tough questions about what can we do within



existing resources, where we can get international donors to pick up, what can be done by the resources which are held by the Government of southern Sudan.

We are in the midst of this process right now. We are in the process of bringing it together so that we can present it to our deputies and allow them to review that, and from that then be able to make the judgments on what is necessary on how to address some of the resource gaps, which inevitably will arise from the process.

The CHAIRMAN. Well, this is very important information. You are acutely aware, as anyone would be, of the calls daily from persons throughout the world as to what our response may be in Sudan. And the coordination you have described is critical in each of the areas of competence, as well as geographically, but we wish you success. And I wanted to try to illuminate that situation, which is there now.

Let me ask about a potential situation, without being provocative. It is suggested from time to time that there will come a day in which the Government of Cuba changes. In a situation of this variety, as is often raised hypothetically, would we be prepared in our Government to assist the people of Cuba under those circumstances?

There are many Americans who have all sorts of plans for us for Cuba informally. But at the same time this is going to raise an issue, I suspect, with whichever administration may face it over time. And that is not the only one of these situations, but it is one that is very close to us, one that is often commented on.

What sort of capabilities do you envision your Agency, or those you are allied with, would have in the event that some type of planning was required, as well as humanitarian activity?

Ambassador PASCUAL. Thank you. Again, an extremely important issue where we have an opportunity now to look ahead and be able to plan for the future. And we indeed have been engaged with my Office together with the Western Hemisphere Bureau and the State Department and USAID and the Department of Defense, as well as the Foreign Service Institute, the National Defense University in looking at this issue.

It is, indeed, the policy of the United States that we seek a peaceful democratic transformation in Cuba. Last year, the President tasked Secretary Powell and Secretary Martinez to pull together a report, which was developed by the Commission on Assistance for a Free Cuba. That report looks at an extensive set of activities that are important to undertake to be able to support a transitional process, or to support a democratic Cuba when that opportunity arises.

But the key challenge is, in fact, to be able to look at what kinds of steps are necessary after Fidel Castro's death to be able to really strengthen and support that transition to democracy so that it is not just a succession. And in order to do that, we have been working in policy roundtables and exercises to be able to learn lessons from other transition experiences.

We have worked very closely with the individuals and experts who have been involved in Central and Eastern Europe in the former Soviet Union, because we learned a great deal there about

political transition and economic transformation, about how to deal with intelligence services and security services and what kinds of things need to be asked, how to deal with security in those transformational situations and how to work with—effectively, with our allies in that environment.

And so by bringing together that kind of core expertise, we have been able to put suggestions and ideas on the table that are now being factored into our policy process.

We have also worked on simulation exercises that force us to look at different scenarios and ask those tough questions now, because we know whatever the scenario is that there are going to be tough questions. And better that we rehearse those today and understand how we might be able to respond.

So we are actively engaged in this process right now, and it, I think, is making contributions not only to what we might do in the future, but greater enlightenment to the kinds of steps that we can take today to be able to prepare us for that eventuality.

The CHAIRMAN. Well, thank you very much for that response, because it does indicate once again the forward looking aspects in your testimony. Jointly, gentlemen, you have mentioned Nepal and other countries that are engaged in change and that may require assistance. But this requires some thoughtfulness.

General Sharp has said often that people who have language skills, cultural background, scholarships, understand the traditions and the people in ways that, maybe, not each one of our citizens may. We should find those Americans who have those talents.

Let me ask you, General Sharp, and maybe Mr. Henry would have a comment on this. In your testimony, both of you have discussed a section in the Department of Defense authorization request to the Congress that the Defense Department be authorized to transfer, if necessary, \$200 million in goods, services, and funding to the Bureau that is headed by Ambassador Pascual.

Unfortunately, neither the Senate, nor the House congressional authorizing committees, have included this provision in their bills. So this leads to the question: Why the resistance?

I think those of us involved in practical politics have some idea about the resistance, although, maybe technically there are some other reasons.

Essentially, many times the defense committees, whether it be the House or the Senate, do not wish to see defense spending going elsewhere. They are reticent to do this. From the standpoint of those dealing with the State Department situation, it has been an unfortunate fact of life that the 150 account has been perennially downsized whatever the year, and whatever the circumstances.

We sort of start at the high-water mark here, and we are fighting all the way through the succeeding stages. Sometimes we are successful, if we can go to the floor and offer an amendment restoring all of that which has been lost in the process, and sometimes gaining some favor. This process is not new.

On the other hand, what you have proposed is very important, the potential flexibility that is involved here. There is a mandate to transfer funds, but it does suggest that there may be value in doing that. Do you have some thoughts, General Sharp or Mr.

Henry, about how we might reengage the problem or be more successful?

Mr. HENRY. Well, first of all, the thinking on the part of the administration is that this is something that is actually keyed at saving both American dollars, taxpayer dollars, but also hopefully, American lives.

As I said in my statement, we have come to understand the criticality of early measures in taking and getting in and engaging on problems so they do not become crises and, then for us in the defense, so the crises do not become conflicts.

If we find ourselves engaged in a conflict, then the rate of spending will be significantly higher and, again, we will be putting the lives at risk of American servicemen and servicewomen, so that is the reason why we have initiated this. We think that it is a good investment for all parties concerned. We look forward to working with all parts of the Congress to try to work with them on the reasoning behind this.

It is not—the transfer is only based upon the fact that there would be a demonstrated need that would be agreed upon by both Secretaries to be able to do this. It is not something that will be done at all times, but it is a contingency, and that is the world that we live in in the Department of Defense. We have developed a standing Army in other branches of the military, because we realize the world is an unsafe place to live, and we have to exercise it from time to time. And that is what we are trying to work with the Congress and, obviously, the State Department and have that same sort of standing capability. And we think that as an adjunct to that is the ability to have this civilian reserve force, to have this ability to have this real surge capability to which the dollars would be applied.

General SHARP. Just, very briefly, to add to Mr. Henry's answer is: We believe that as we fight this war on terrorism, we are going to have an enemy that moves around quickly, that crosses borders, that really is not in any location, that we, as the U.S. Government, need to have some pretty flexible ability to both be able to surge people, but also money and across departments in order to be able to try to fight and win this war on terrorism. That is going to be a critical component of it.

So I think anything that the Congress can do to, you know, give the ability to all of these departments to be able to utilize their capabilities at the maximum as quickly as possible and utilizing the funding that Congress and the people of the United States have given and to be able to share that. And the more that we are of one organization between all these, I think the more that makes sense.

The CHAIRMAN. This may be a question to be raised directly with Secretary Rumsfeld, but would it be helpful if I were to contact the Secretary for—and would he be prepared to argue strenuously the points that you have made with Senator Warner or the corresponding chairman in the House committee, because I think that type of intervention is likely to be required for there to be a change in mood in, at least, the defense committees.

Mr. HENRY. Secretary Rumsfeld, along with the rest of the Department, feels that this sort of capability is important. Earlier in

response to another question, General Sharp talked about the idea of joint interagency. As we go into our Quadrennial Defense Review, this is one of the areas that we are actually looking for.

We understand that the national security establishment that was developed in 1947 was one that was focused on what eventually became a cold war, and we have optimized that over the last half century in that direction.

Here, we find ourselves faced with a different sort of war that we are engaged in. And we have to make some adaptations and modifications to our security structure. And as we see it, it is probably less stovepipes and more of what we have learned about in the Department of the inherent value of jointness, which we have reinforced over and over again, but most specifically in Afghanistan and Iraq, and the significant amount of value added you get when you are willing to work an interdependency—on interdependencies and accept those and work across lines. And so we think this is a first step, both the standing up of S/CRS, but also the funding mechanism to go in that direction.

And so this is something that the Secretary is behind and we would expect to see similar recommendations and proposals coming out of the Quadrennial Defense Review about how we can do this across the Government.

The CHAIRMAN. Well, that would be very helpful. I know that as you have opportunities to brief the Secretary, not only about this hearing but also about your general understanding of things, you can be helpful in that respect. We all will attempt to be if we work together on this.

Mr. Kunder, let me ask—I have had the pleasure of meeting with 80 USAID mission directors who were in town a couple of weeks ago. I understand they also met with you and Ambassador Pascual, at one point during their 3-day meeting here in Washington.

What reactions did you gauge from the mission directors to your Office and to the types of ideas that we are presenting today? Do you have any feeling, either of you, Mr. Kunder or Ambassador Pascual?

Mr. KUNDER. I think I would agree with what Lieutenant General Sharp said earlier that all employees of the U.S. Government, certainly in the foreign policy side, have to understand that we are engaged in a global war on terrorism.

You know our cadre of senior leaders and many of them came into government in a different world, a more peaceful world. And many of them were engaged in what they would consider long-term development or long-term improvements in human progress around the world. But certainly under the Secretary's leadership, Secretary Rice's leadership, and under Andrew Natsios' leadership, both have delivered strong and unequivocal messages that all of our team is, to some extent, engaged in the war on terrorism.

I think there has been a broad acceptance of the importance of the work they are doing as part of that effort, whether they are doing children's survival programs in West Africa or they are on the front lines in Iraq or Afghanistan, they understand the need to be participants in that conflict and win that conflict. And, second, they also understand the importance of interagency coordination. This is something that comes second nature to them already, be-

cause they are part of each Ambassador's country team, in which they serve, on which we have military attachés and representatives of U.S. Government Agencies.

So, I think it is not that difficult a transition for them to understand the kind of coordination that takes place at the country level and then moving that up to the interagency level in Washington. So far we have had excellent support for the whole concept.

The CHAIRMAN. Good. Go ahead.

Ambassador PASCUAL. If I could add briefly, we had an excellent dialog and exchange when I spoke to the group of mission directors. And one of the things that I really felt so strongly about is that all of them were recognizing that they are at the front lines of transforming realities on the ground, that they really are change agents, and that they play a new type of role in the implementation of U.S. foreign policy and security policy that is different from what we may have seen in the past. The centrality is a bit different.

I think they all recognize the importance of having a multiple capacity of different resources brought together in an effective way. The military often says—uses the term that we have to look at all elements of U.S. power and how those elements are brought together on the ground to achieve certain effects on the ground.

And, indeed, what I found from these mission directors is that they were focused on how to achieve those effects and how to coordinate and work with others, particularly some who have worked in Afghanistan or Iraq have seen some phenomenal challenges and have come to understand firsthand the importance of actually having that coordinated capability.

And as was outlined a little bit earlier by Mr. Henry, particularly what we have seen in the provincial reconstruction teams, is a real model for the way that the military and civilians can work together, but the other thing that they emphasized is that the model works if you get civilians on the ground.

And if there is one complaint, what we heard, was that it is absolutely crucial to have a greater capacity to get civilian capabilities on the ground more effectively, sooner in ways that people are prepared.

And, if anything, this conversation, I think, has really highlighted the importance of having a real surge capability and funding that surge capability. What we have heard from our military colleagues is that that is the core business of the Department of Defense is to establish that surge capacity to train it, to exercise it, and then be able to deploy it.

And what has been so difficult for us on the civilian side is to build that as part of the operational model that we have for all that we do that we have to have that surge capability, and we have to fund it, because if we do not fund it, we do not create it, we do not have the people, we do not train them, we cannot make it work.

And I think all of us who have been working on these issues have come to that similar conclusion that were highlighted very much when you started this work in 2003 that we have to have the resources, the authorities, and the capabilities to actually be able to get on the ground quickly.

The CHAIRMAN. I was inspired by the meeting with the 80 directors. First of all, it was an education. We have 80 different situations. We are serving that many—80 countries—and, to borrow some of your language earlier, preventive medicine in a way; the success of many of these directors and their colleagues can make a profound difference in terms of the future of those countries. Perhaps a future without conflict and without bloodshed, even within the countries or from their neighbors.

So, it was very interesting and the individual experiences that were expressed to me varied, as well as to their reactions to how their message is received back here by the administration, by the Congress and what have you. And so I appreciated it. I think they came altogether for 3 days. It was an important situation.

Yes, sir.

Mr. KUNDER. If I might just say a word, sir. I think that is how we see the linkage. If there is any value added that we believe we, at USAID, can bring, it is in that transition from the crisis response when a country is falling apart, into the long-term improvement, because as we like to say: We want to get our soldiers home as quickly as possible, but we also want to make sure they do not have to go back—have to go back 5 years later to the same place. That is when you get into the long-term improvements in healthcare and education and economic systems.

If I could just add one final thought. I think you mentioned earlier the President's freedom agenda and Ambassador Pascual mentioned Cuba. I think it is another important lesson that the investments in human freedom and democracy are critical on both ends, on the input end and the output end.

If we have open participatory societies and invest in building political parties and civil society organizations, we are less likely to have the societies fall apart into conflict.

And then, if they do fall apart, what we have got to do is build democratic processes as we are trying to do in Afghanistan and Iraq, so that the long-term stability endures. And I think this is the linkage between the President's freedom agenda and the kind of work we are doing here, the critical link between democracy and governance and stability.

The CHAIRMAN. And some of the work that your Agency, USAID, is doing hopefully may mean that American military personnel will not need to be involved in 80 countries or in any number at all to the extent that through thoughtful diplomacy and work on the ground, we are able to achieve these results for the people that are involved.

Mr. KUNDER. That would be our hope; yes, sir.

The CHAIRMAN. Yes. Let me just say that, you know, prior to a number of talented people coming into Iraq, it was my observation during visits there with community groups and what have you, that some of our younger officers, military officers, were suddenly employed as they needed to be, in that situation, in capacities that might have been fulfilled by mayors, superintendents of schools, people who handle these civil capacities—and they did so remarkably well. Even in their home communities in Indiana or wherever they were from, they probably would not have been called upon to take that kind of responsibility.

But nevertheless, it was not the responsibility they had anticipated. This is not where their training and background had led them. But the talents of our military people should not be underestimated, and we are grateful as they adapt to all these conditions. What we are talking about today is how we really have the reinforcements as ready reserve, or a cadre of people who are able, as opposed to a long lapse or a waiting time. Sometimes these engagements, even of our military people, are short lived. Their enlistments run out or what have you, their commitment.

But let me just ask you, Ambassador, are you having trouble recruiting people for dangerous situations? And we have talked about going into harm's way today, and not just in situations that have been in the military conflict, but some others that, as a matter of fact, did have considerable amount of personal risk. And I am just curious about your experience in calling upon Americans to take up these posts.

Ambassador PASCUAL. The willingness on the part of the American civilians to take up these risky assignments in order to be able to address what people believe is truly a national security interest has been phenomenal. And it is within the Government and it is outside of the Government. And, indeed, if we look at the non-governmental community, at the people who have been willing to voluntarily go into these extraordinarily dangerous and complex situations, because they believe it is important to help save lives, to address humanitarian needs, to promote democratic transformation, to give people a chance to actually influence their future. And I believe that in doing so that they are not only advancing the prosperity and the prospects of that country, that they are advancing our own security, is truly remarkable.

Within the U.S. Government and within the State Department we have had an all-out effort to ensure that we can indeed actually staff our Embassies in Afghanistan and Iraq and in other difficult posts. But the reality is that we need more people, and we have a limited number of foreign service officers, we have existing challenging diplomatic missions around the world. And one of the things that is not helpful to our long-term diplomacy is that in order to deal with today's challenges, today's immediate missions, that we simply strip away people from those other important diplomatic functions—

The CHAIRMAN. Yes.

Ambassador PASCUAL [continuing]. That you and others have fought to be able to get out there, so that we have the capacity to actually demonstrate an American presence abroad.

So a key issue, frankly, in being able to recruit and recruit effectively, is actually to have the resources to extend our hand to that wider range of people outside of Government, those people who have the skills and the capabilities who are willing to either volunteer to participate in a reserve corp or to serve as contractors, a whole range of different ways in which we might be able to do this, but we have to have the resources to bring those individuals in, train them and give them the capability to actually put their good will to use.

The CHAIRMAN. Well, that is a critical element of this, and hopefully one of the imports of this hearing will be to encourage our colleagues to understand that and provide you those resources.

I can remember in this committee within the last 2 years—I would be hard pressed to name the date and the time—we discussed these so-called hardship positions out in our Embassies in the field. One reason this came up was that in some cases where there are very, very difficult diplomatic circumstances for the United States, extremely junior foreign service personnel were doing the best that they could, because it had been very hard to identify more senior personnel who had some experience and some background, who at that particular point in their lives and careers were willing to undertake these tasks.

So this is the reason that I raise the question within this new initiative. We have been down the road before, and I can understand that situation with the careers of many persons in the foreign service, that after a while, they fear they have given a lot of time and thought to their country. They would like a situation that seemed less dangerous perhaps for themselves, for their families, for their careers and what have you, and sort of move on in other situations. But, nevertheless, this is a dangerous world, as you all have been pointing out.

The kind of service being offered by persons not only in our military service, but in our diplomatic service, and now in this new joint affair often is dangerous. It is going into harm's way on behalf of all of us, who are, therefore, spared a great deal of agony in our lives and in our communities.

Well, we just appreciate very much all the thoughtfulness you have brought to this hearing. You have been forthcoming and articulate in your testimony. I am certain it is helpful for public understanding of what you are doing.

Let me just say that I would like to insert a statement of Senator Biden in the record. I am pleased to do so.

[The prepared statement of Senator Biden follows:]

PREPARED STATEMENT OF HON. JOSEPH R. BIDEN, JR., U.S. SENATOR FROM  
DELAWARE

Mr . Chairman, I commend you for convening this hearing today—and for your leadership on this issue. In December 2003, you came to me with the idea of convening a group of experts to address our ability to deal with reconstruction and stabilization crises—and I was pleased to join you in this effort.

Since the end of the cold war, the United States has taken on stabilization missions once every 18 months, with an average duration of more than 5 years. We did it in Bosnia, Kosovo, East Timor, Haiti, Somalia, and now Afghanistan and Iraq to name a few. And, in the decade to come, whether we like it or not, we will do it again. Addressing the needs in countries that are on the verge of becoming failed states will continue to be one of our greatest challenges.

Weak states are cracks in the very foundation of our international system. If left unintended—or in other words, if we fail to respond adequately to stabilization and reconstruction crises—they can and they will, in my view, threaten the security and well-being of countries around the world, including the United States. They can become sanctuaries—as we have seen time and again—for terrorist networks, organized crime, and drug traffickers.

For all of these reasons, we ignore failed states at our own peril. As Tom Friedman says, “If you don’t visit a bad neighborhood, it will visit you.”

And, obviously, it is in our own best interest to act efficiently and effectively. We should not reinvent the wheel every time we are faced with a stabilization crisis—cobbling together plans, procedures, and personnel—as we have been doing. We need to be forward thinking, comprehensive, and strategic.



That was the logic behind the legislation I was pleased to join the chairman in proposing in February 2004. Our bill envisions much of what has become a reality: A State Department office that draws on expertise from all civilian agencies, as well as the Department of Defense, to monitor potential crises, create plans and procedures to respond effectively, and efficiently mobilize people and resources.

I appreciate that the administration has moved in this direction—and I appreciate the work, specifically, that Ambassador Pascual has accomplished since his Office of Reconstruction and Stabilization was established at the State Department last summer. There has been solid progress over the past year—but, in my view, we are not where we need to be yet.

I am interested in learning more about how all of you are working together, and your visions for the future. And we especially want to know what you need in the way of resources and help from Congress to get your critically important jobs done. Between the four of you, there is a tremendous amount of expertise in this room, and I thank all of you for being here today.

The CHAIRMAN. Likewise, we will keep the hearing record open today in case there are other members, other colleagues, who might have statements or maybe have questions of you. And if they do, we would ask you to respond for the record.

I thank all of you. And the hearing is adjourned.

[Whereupon, at 11:20 a.m., the hearing was adjourned.]

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#### ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

##### RESPONSE OF HON. RYAN HENRY TO QUESTION SUBMITTED FOR THE RECORD BY SENATOR LUGAR

*Question.* What is the scope of the newly created Stabilization Office at OSD that reports directly to the Deputy Secretary? How does this Office interface with the State Department?

*Answer.* On May 2, 2005, the Deputy Secretary approved the establishment of the Defense Reconstruction Support Office (DRSO) to provide a single DOD focus for coordination of the Department's operational support of U.S. reconstruction activities in Afghanistan and Iraq. This Office is located in Washington Headquarters Services (WHS) and its Director reports directly to the Deputy Secretary.

The DRSO consolidates the functions of the Afghanistan Reachback Office and the Defense Support Office—Iraq. OSD Policy retains responsibility for representing the Department on Iraq and Afghanistan policy matters in the interagency. However the DRSO may engage directly with the State Department and other U.S. departments and agencies on pertinent operational matters to ensure the Department provides well coordinated and responsive operational support for U.S. Government elements engaged in Afghanistan and Iraq.

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##### RESPONSES OF LTG WALTER SHARP TO QUESTIONS SUBMITTED FOR THE RECORD BY SENATOR LUGAR

*Question.* Could you describe what elements of the Defense Science Board Summer Study "Transition to and from Hostilities" are currently being pursued by the Defense Department?

*Answer.* The Defense Science Board (DSB) 2004 Summer Study on "Transition to and from Hostilities" made recommendations for the Department of Defense and the U.S. Government. The Department of Defense has begun implementation, or is considering implementing, many of the DSB's study recommendations.

For example, the Department of Defense is developing a stability operations directive for Secretary of Defense approval. Specific details are pending Secretary of Defense approval; however, we envision a policy where stability operations are a core capability—one U.S. military forces should be prepared to undertake. At such, stability operations will have attention and priority comparable to combat operations.

Additional DSB study implementation examples include:

- Combatant commanders are incorporating stability operations into their planning process and exercise scenarios.
- The Army has identified stability operations and irregular warfare as two of its key focus areas in the coming years and is working with the Marine Corps and

- other DOD components to develop concepts of organization, such as modularity, that are flexible enough to meet stability operations requirements.
- Joint intelligence and operations commands are being established at most of the combatant commands, and formal intelligence campaign plans are being developed to support military operations.
  - The Under Secretary of Defense for Intelligence established the Defense Open Source Council that is conducting a comprehensive assessment of the use of open source information in the defense intelligence cycle.
  - Intelligence, Surveillance, and Reconnaissance (ISR) responsibilities were consolidated under U.S. Strategic Command, which has named the Defense Intelligence Agency as the Joint Force Component Command for ISR.
  - The Under Secretary of Defense for Intelligence has established a defense human intelligence (HUMINT) management office.
  - The Deputy Secretary of Defense has signed the Defense Language Transformation Roadmap, directing each Service and combatant command to designate Senior Language Authorities responsible for language and regional expertise in their respective commands.

In addition to the initiatives above, the Department of Defense is also supporting the development of capabilities in other departments and agencies, principally the State Department's Office of the Coordinator for Reconstruction and Stabilization (S/CRS).

*Question.* Could you describe what elements of the Center for Strategic and International Studies Beyond Goldwater-Nichols Study (Phase I and Phase II) are currently being pursued by the Defense Department?

Answer. The insights into defense reform and interagency integration have helped provide a valuable foundation for the Department of Defense as part of the ongoing Quadrennial Defense Review (QDR). The Center for Strategic and International Studies' (CSIS) proposals for defense reorganization, staff streamlining, and achieving interagency integration are being carefully analyzed, evaluated, and considered in the QDR Issue Process Team (IPT) for Roles, Missions, and Organizations. One working group of this IPT has been tasked specifically with evaluating overlapping functions within the Department of Defense and then developing and proposing organizational alternatives. Another Roles, Missions, and Organizations IPT working group is examining interagency operations and how to achieve more complete integration, particularly in the areas of homeland defense, stability and reconstruction, and civil affairs activities.

*Question.* Do you believe that a study following up from the DSB and CSIS reports would be appropriate? What are your views on the merits of undertaking a single study to examine how best to develop in a complementary manner the capabilities and needs of the State and Defense Departments and USAID to carry out these missions? Should this be done by State and Defense jointly, or undertaken by an independent, nongovernmental organization?

Answer. The DSB and the CSIS are in the best position to determine if they need to follow up on their respective reports. In general, the field of stabilization and reconstruction suffers from an overabundance of reports, not a lack thereof.

The best way for the Department of State, the Department of Defense, and United States Agency for International Development (USAID) to develop capabilities in a complementary manner is for all three organizations to continue the dialog they have already begun. The Department of Defense has developed a close working relationship with the State Department's Office of the Coordinator for Reconstruction and Stabilization (S/CRS) and is developing a close relationship with USAID's new Office of Military Affairs (USAID/OMA).

*Question.* Could you describe the concept of the Joint Interagency Coordination Group and how it is being developed? How do the State Department and USAID fit into the concept? EUCOM is reportedly already working with the State Department, USAID, and other civilian agencies. Can you describe how this is being structured at EUCOM and the other combatant commands?

Answer. The ongoing War on Terrorism intensified the need for military activities to be closely aligned with U.S. diplomatic, law enforcement, financial control, and intelligence sharing endeavors. In the weeks following September 11, 2001, the Joint Staff gained approval from the Deputies Committee to establish a limited Joint Interagency Coordination Group (JIACG) capability in each combatant command. With participation from the Departments of State and Justice and the U.S. Treasury Department, this interim interagency planning capability has shown great

value in prosecuting the War on Terrorism while offering numerous spin-off benefits to both military and civilian agencies.

There is currently no standardized structure for the JIACG. Its size and composition depends on the specific operational and staff requirements at each combatant command.

The emerging JIACG concept calls for an interagency team to deal with a full spectrum of actions including peacetime engagement, crisis prevention, major combat operations, and stabilization operations. The full-spectrum JIACG would be an element of each geographic combatant commander's staff and would be responsible for establishing and/or enhancing regular, timely, and collaborative working relationships between other government agencies (e.g., Department of State, Federal Bureau of Investigation, U.S. Treasury Department, USAID, etc.) to more efficiently and effectively apply the instruments of national power in support of the U.S. National Security Strategy.

