

**Senate Foreign Relations Committee**

**Hearing on**

**DEFINING THE MILITARY'S ROLE TOWARD FOREIGN POLICY**

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**An Example of Integrated Security Assistance:  
The 1207 Program**

*Statement by*

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Mr. Chairman and Senator Lugar:

I want to express my appreciation for this opportunity to appear before you today to discuss the military's increasing role in implementing U.S. foreign policy. My remarks will focus on the "1207 program," an example of a congressionally mandated effort to develop integrated security assistance projects. My statement is a summary of a longer report on this subject, which I prepared in response to a joint request from the Department of Defense and the Department of State. The views I express are my own and not those of the U.S. Institute of Peace, which does not advocate specific policy positions.

**Introduction**

Section 1207 of the National Defense Authorization Act of FY 2006 and FY 2007 authorized the Defense Department (DOD) to provide up to \$200 million over two years in funds, services and defense articles to the State Department (DOS) for security, reconstruction, and stabilization. The State Department Office of the Coordinator for Reconstruction and Stabilization (S/CRS) assumed leadership of an interagency process to develop proposals and request funding for projects that would carry out the intent of the Act. Projects focused on security, stabilization or reconstruction objectives. They advanced U.S. national security interests by promoting regional stability and/or building the governance capacity of partner countries to address conflict, instability and sources of terrorism. Programs addressed urgent or emergent threats or opportunities and involved countries where a failure to act could lead to the deployment of U.S. military forces. Projects involved a whole of government approach by integrating initiatives across multiple sectors.

Since the inception of the program in FY06, DOD has provided funding for the following projects:

- In FY 06, DOD transferred \$10 million in Section 1207 assistance to the State Department for a program to support the internal security forces in Lebanon following the Israeli war.
- In FY 07, DOD transferred over \$99 million in Section 1207 assistance to DOS to fund projects in Haiti (\$20m), Somalia (\$25m), Nepal (\$10m), Colombia (\$4m), Trans-Sahara Africa (\$15m), Yemen (\$8.8m) and Southeast Asia (\$16.9m).
- In FY 08, DOD will provide \$100 million for nine projects.
- In FY 09, the NDAA will reauthorize the 1207 program. The House version provides \$100 million annually through 2010; the Senate, \$200 million through 2011.

### **Intent of Congress**

The Senate Armed Services Committee (SASC) introduced section 1207 into the FY 06 NDAA in response to requests from Defense Secretary Donald Rumsfeld and Secretary of State Condoleezza Rice for help in jumpstarting S/CRS by providing authorization and funding for projects that would involve interagency coordination. This action was taken in recognition of the fact that Congress was unable to pass a State Department authorization bill that would authorize S/CRS to conduct a comparable program. Congress regarded 1207 as a source of funding for short-term programs in response to emergencies and unforeseen contingencies.

Congress wanted State Department involvement to insure these security assistance projects would include more than a military perspective and would involve the use of political and economic means to resolve problems. Congress also wanted to indicate its clear support for the State Department assuming long-term responsibility for foreign security assistance programs and to urge the Administration to request future funding for such projects in the State Department budget. Congress was aware that recent Administrations had “pumped up” the foreign assistance component of the Defense Department budget because of the perception that it was easier to obtain congressional approval. Congress hoped that the relative difficulty for DOS of obtaining these funds via DOD would encourage the Administration to request the money through the regular foreign assistance budget.

### **1207 Funds were “authorized,” but not assured**

The money authorized under 1207 was not covered by a corresponding appropriation. Funds were not “earmarked,” but could be taken from the Defense Department’s regular \$150 billion budget for operations and management. DOD was required to decide that 1207 proposals took priority over other uses for the money, which included purchasing military equipment and ammunition. As a result, DOD held approved 1207 applications until the end of the fiscal year to insure that more urgent demands did not arise. Once DOD decided to fund the projects, money was transferred through the Office of Management and Budget to either the State Department or USAID where it was held until the implementing offices were prepared to obligate the funds.

Projects that were designed to respond to urgent threats or emergent opportunities were delayed because 1207 funding did not become available for up to a year after proposals were submitted. In Somalia, the defeat of the Islamic Courts Movement and the return of the Transitional Federal Government to Mogadishu created an opportunity for the U.S. to assist Somalia to restore stability, initiate counter terrorism efforts and alleviate human suffering. An integrated security assistance proposal was submitted in February 2007, but 1207 funds for project implementation did not reach the Africa Bureau of the State Department until February 2008, a year later. By then conditions in Somalia had changed dramatically and parts of the proposal could not be implemented because of the deteriorating security situation.

Waiting a year might seem like an exceptional delay except when compared to conventional U.S. foreign assistance programs. In the normal congressional budget cycle, the administration begins planning for the allocation of U.S. foreign and military assistance two years in advance of the fiscal year in which the funds will be appropriated. Congressional earmarks, report language and legal restrictions then determine how all but a tiny fraction of the money will be utilized during the fiscal year and thereafter. In the case of Foreign Military Financing (FMF), funding to deal with emergencies may not be available for up to four years in the future. Of the \$4.6 billion FMF account only \$80 million was available for discretionary use by DOD, which is less than the annual 1207 authorization.

The same is true for the State/USAID foreign assistance budget, which is all but completely controlled by earmarks and other legislative limitations. Supplemental appropriations can provide funds for emergencies, but this type of legislation is often controversial and may take up to a year from preparation to congressional approval. State and DOD officials view the fact that 1207 proposals were prepared, approved and funded within 12-14 months as operating at 'light speed' or 'bureaucratic real time.'

### **Recommendations for Improvements in the 1207 Program**

The Administration and Congress are increasingly aware that military force alone will not overcome the diverse and largely non-military challenges that the U.S. faces from extremism and political instability. The 1207 program is a small, but important effort by Congress to encourage the State and Defense Departments to develop joint approaches to these emergent challenges. Despite some initial problems, it now seems likely that the program will continue. To improve the current 1207 program, it is suggested that the State and Defense Departments adopt the following recommendations:

- **Set aside DOD funds.** Since the Secretaries of State and Defense have publicly endorsed the 1207 program, DOD should set aside \$100 million as a virtual contingency fund so that proposals receive funding as soon as they are approved. This will remove the current tension over whether DOD will actually make the money available and speed implementation of projects. This would help avoid the inability to implement projects because the crisis has worsened or the opportunity has disappeared.

- **Provide strategic direction.** State and DOD should provide strategic direction for 1207 projects by encouraging specific countries to submit proposals and providing the administrative support required to prepare applications. This would ensure that critical countries would not be left out or fail for lack of capacity to prepare the applications. It would also counter the practice of reducing the size of projects to spread the available funds as far as possible. The Haiti Strategic Initiative was reduced from three cities to one; the Tans-Sahara Counter Terrorism Project from five countries to three. This year \$100 million was divided among nine countries.
- **Clarify the relationship between 1207 and the Civilian Response Corps (CRC).** Since S/CRS leads both of these initiatives, it should clarify the relationship between the Active Response Corps (ARC) and Standby Response Corps (SRC) components of the CRC and the 1207 program. ARC and SRC personnel that will be assigned to various agencies could be used to implement 1207 projects and 1207 could be used as a source of supplemental funding to keep CRC personnel in the field. However, this use of 1207 funds should be discussed with Congress and participating agencies and agreed in advance. Currently, S/CRS does not implement 1207 projects, a task that is delegated to USAID and other DOS bureaus.
- **Evaluate implementation of 1207 projects.** While the 1207 program is entering its third year, almost none of the 1207 projects have been evaluated to determine if they are accomplishing their objectives. S/CRS should use the money it will set aside this year for monitoring and evaluation to determine whether the eight original 1207 projects have been effectively implemented and achieved their goals.
- **Transfer funding to the State Department.** In the future, the State Department should request that Congress act on its stated intention toward the 1207 program and appropriate the funding to the State Department. DOD could still participate in deciding on project proposals, but the money would be guaranteed and could be made available more quickly. This would require coordinating the efforts of various congressional committees, but it would streamline the application process and restore the traditional role of the State Department in funding U.S. foreign assistance.

**Note: The statement is based upon a US Institute of Peace Special Report entitled “Integrated Security Assistance: the 1207 Program,” which is available on line at <http://www.usip.org/pubs/specialreports/sr207.html>.**