

STATEMENT OF
JAMES KUNDER
BEFORE THE
SUBCOMMITTEE ON GOVERNMENT MANAGEMENT, ORGANIZATION, AND
PROCUREMENT
HOUSE COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
“USAID: MANAGEMENT CHALLENGES AND STRATEGIC OBJECTIVES”

28 APRIL 2009

I appreciate the opportunity to appear before the Committee on the important topic of “USAID: Management Challenges and Strategic Objectives.” The Committee’s interest in this topic is timely and crucial to our nation’s foreign policy success abroad.

I recently completed thirteen years of service at the U.S. Agency for International, including assignments as Director of U.S. Foreign Disaster Assistance, Mission Director in Afghanistan, Assistant Administrator for Asia and the Near East and, most recently, Acting Deputy Administrator. I will draw upon these experiences, as well as tours of duty in the NGO community, as a consultant to the United Nations, and in the U.S. military in my observations to the Committee today.

The first area I would like to address, in response to the Committee’s questions, is USAID’s long-term strategic plan. Regrettably, this is an area of weakness in our foreign aid program and our foreign policy writ large. While we perform many important humanitarian and development services around the world, it is notable that there is not a comprehensive model for foreign aid from the United States that addresses, worldwide, our nation’s strategic goals and the needs of the developing world. This is a subject on which the Congress could and should demand higher levels of strategic planning and analysis.

Let me explain what I mean in more detail. If, in a corporate setting, the sales division approached the board and asked for a larger marketing staff, the board would naturally ask, first, “what are we trying to accomplish?” “What are our overall marketing goals?” “What additional market share are we attempting to achieve?” In that corporate setting, we would demand to know, first, the quantifiable objectives in terms of marketing expectations before determining how many salesmen the firm wants to hire. Analogously, the U.S. military has developed its well-known Quadrennial Defense Review process, which assesses the military threats facing the nation, and determines

how the U.S. military will face those threats. Once the Quadrennial Defense Review process establishes the level of the threat and the strategies necessary to meet those threats, the “force planners” at the Department of Defense begin the complex analytical process of determining how many soldiers, sailors, airmen, and Marines our nation will need to meet the mission of fighting and winning the nation’s wars.

In the civilian diplomatic and development realms, we should make the same effort to establish, on a periodic basis, program objectives on which staffing levels can reasonably be built. This would naturally require a significant shift in how State, USAID, and the Congress itself, establish priorities and allocate resources. For example, if the Congress established as a clear-cut program objective for the foreign assistance program meeting on-time the Millennium Development Goal for basic education, allocating sufficient program dollars to achieve the USG portion of this goal, then workforce planners at USAID would have a laser-beam formula for building the education technical specialist workforce to accomplish this goal. Such an approach, explicitly linking program outcomes with staff size and configuration, is complex and difficult in the foreign assistance field, but no more so than in the military field, where the Department of Defense proceeds with a similar process.

In short, inadequate long-term strategic planning is probably the single biggest challenge facing USAID and the U.S. foreign assistance program in general. Establishment of a comprehensive set of strategic goals for the U.S. foreign aid program is management challenge number one, and should be the centerpiece of any effort to re-write foreign aid legislation in this Congress.

The second issue I would like to address is the question of human capital challenges at USAID. What kind of foreign aid workforce do we need, and what skills do they need? USAID recently launched the Development Leadership Initiative. The Development Leadership Initiative is the Agency’s plan to reverse a precipitous decline in Foreign Service Officer staffing in the past twenty-five years. USAID concluded, and concluded correctly, that the steady erosion of U.S. Foreign Service Officer development specialists – from a high of over 10,000 during the Vietnam War to a low of just over one thousand two years ago – made it virtually impossible to carry out the range of relief, reconstruction and development missions assigned to USAID. USAID officers serve in more than 80 developing countries, where the absence of crucial systems makes the development mission challenging in the best of times. Having just over 1000 of these development specialists available in 85 countries worldwide significantly undercut our nation’s ability to address underlying causes of poverty and instability.

In essence, the Development Leadership Initiative proposes a four-year plan to double the size of the American Foreign Service Officer workforce at USAID and significantly increase our nation’s ability to project the health, education, governance, infrastructure, relief and other programs that are so critical to United States foreign policy and the well-being of billions of individuals in developing countries. A crucial component of the Initiative is increasing the size of the contracts officer workforce at USAID, in order to

improve oversight of our assistance and acquisition instruments. I know this is an area of great interest for the Committee.

This Initiative, which has enjoyed the support of the Congress thus far, must be sustained over the full four-year planned lifecycle, in order to achieve its important goals. So, I would request that funding continue to be made available for USAID's Development Leadership Initiative, in Fiscal Years 2009, 2010 and 2011, and that funding be appropriated to sustain the increased staffing levels from Fiscal Year 2012 forward.

I want to suggest that efforts to increase the size of State and USAID's respective workforces must be complemented by investments in tools and skills that these workforces will require to optimize America's investment in a robust 21st Century workforce. Some of these complementary investments are obvious: new and existing employees at USAID must be given the computing and telecommunications technology they need to accomplish their missions. USAID needs to implement fully, for example, the Agency's new Global Acquisition and Assistance System. I believe we must think of each one of our USAID development specialists and State diplomats – in whom our nation has invested so much – as a human asset that must be equipped with the very latest technology we have to offer. Each USAID officer deployed abroad should be deployed with the very latest geo-referencing systems, ability to teleconference, ability to operate in classified or non-classified environments, ability to interface with other bilateral and multilateral development agencies, ability to call on security assets, and other tools that will enhance each officer's ability to achieve his or her development mission.

Beyond technical tools, I believe USAID's rebuilding efforts must be accompanied by a dramatic increase in training investments. The USAID officers comprising a 21st Century workforce need to know how to deal with their colleagues in the other U.S. government agencies, with their military colleagues, with their foundation and NGO colleagues, with the staff at multilateral financial institutions, with their private sector colleagues to leverage public investments, and with the media, in order to optimize development messages. USAID officers have significant, often world-class, skills in their technical specialties, but not all officers have developed the strategic planning skills required to ensure optimal use of tax dollars funding foreign assistance programs. And, the deterioration of USAID staffing levels over the past several decades has, regrettably, been accompanied by a decline in measurement and evaluation skills, with the relentless demands to deploy ever fewer officers to an ever larger list of countries. Developing these skill sets will require the development of new curricula, and it will require carving out training assignments. In short, it will require additional resources to ensure that the new USAID hires do, in fact, form a 21st Century workforce.

Third, I would like to touch on the issue the Committee raised on the proliferation of foreign assistance programs in agencies throughout the U.S. government, and their impact on USAID. Ensuring that the civilian foreign policy workforce can do a "21st Century" job new levels of coordination and maximizing existing assets.. Currently, more U.S. government agencies with primarily domestic mandates are becoming active in the international arena, consistent with the globalization of both problems and

opportunities. In general, this entry of new federal agencies into the international arena can be an asset. But it requires new levels of coordination, under the overall mandate of the chief of mission. I would recommend that the Committee examine carefully the new concept of a “Country Assistance Strategy” developed by USAID, as a mechanism for ensuring that all U.S. government agencies operating in a given country are coordinating their assistance operations. Coordination, as well as hiring, equipping and training, is an important aspect of a modern workforce.

Fourth, I would like to comment on another major management challenge at USAID: the topic of personal security for our civilian workforce, and – in the dangerous environments in which many of these courageous Americans go abroad – whether there should be some alteration in our government’s method of addressing personal security. It goes without saying that, in a world of extremism and suicide bombers, some risk is inherent in taking on diplomatic or developmental assignments abroad. In general, I believe our U.S. Ambassadors, USAID Mission Directors, and Diplomatic Security personnel are striking a reasonable balance between allowing staff to accomplish their objectives and preventing unnecessary casualties.

Where I would suggest the Committee could most usefully focus its attention in the area of personal security is in the statutes that currently impel joint embassy platforms abroad. Increasingly, as is widely recognized, U.S. embassies are taking on a fortress-like aspect, isolated – both in location and in terms of access – from the people and institutions of the countries in which they are located. From USAID’s perspective, this new approach to consolidated, isolated, fortress-like embassies provides a special challenge to accomplishing the mission of the Agency. When, previously, the majority of USAID offices were located outside Embassy compounds, these offices served as outreach centers for local individuals, local civil society organizations, local farmers groups, local women’s groups, and similar entities. Now, these groups have difficulty gaining the same level of access to Americans stationed in their respective countries, and as more and more services are consolidated between State and USAID, USAID development specialists can find themselves restricted in reaching out to local partner organizations.

Also on this topic, the continuing trend toward consolidating embassy platforms, in my view, will significantly restrict the ability of State, USAID, and other federal agencies to deploy the planned levels of new employees abroad. I would recommend that the Committee seek a study specifically assessing how the current planning for consolidating embassy platforms and services will affect public diplomacy and development efforts abroad, and whether the current consolidation schedule is consistent with plans to revitalize the U.S. government’s overseas civilian workforce.

Thank you again for the opportunity to share these observations with the Committee.