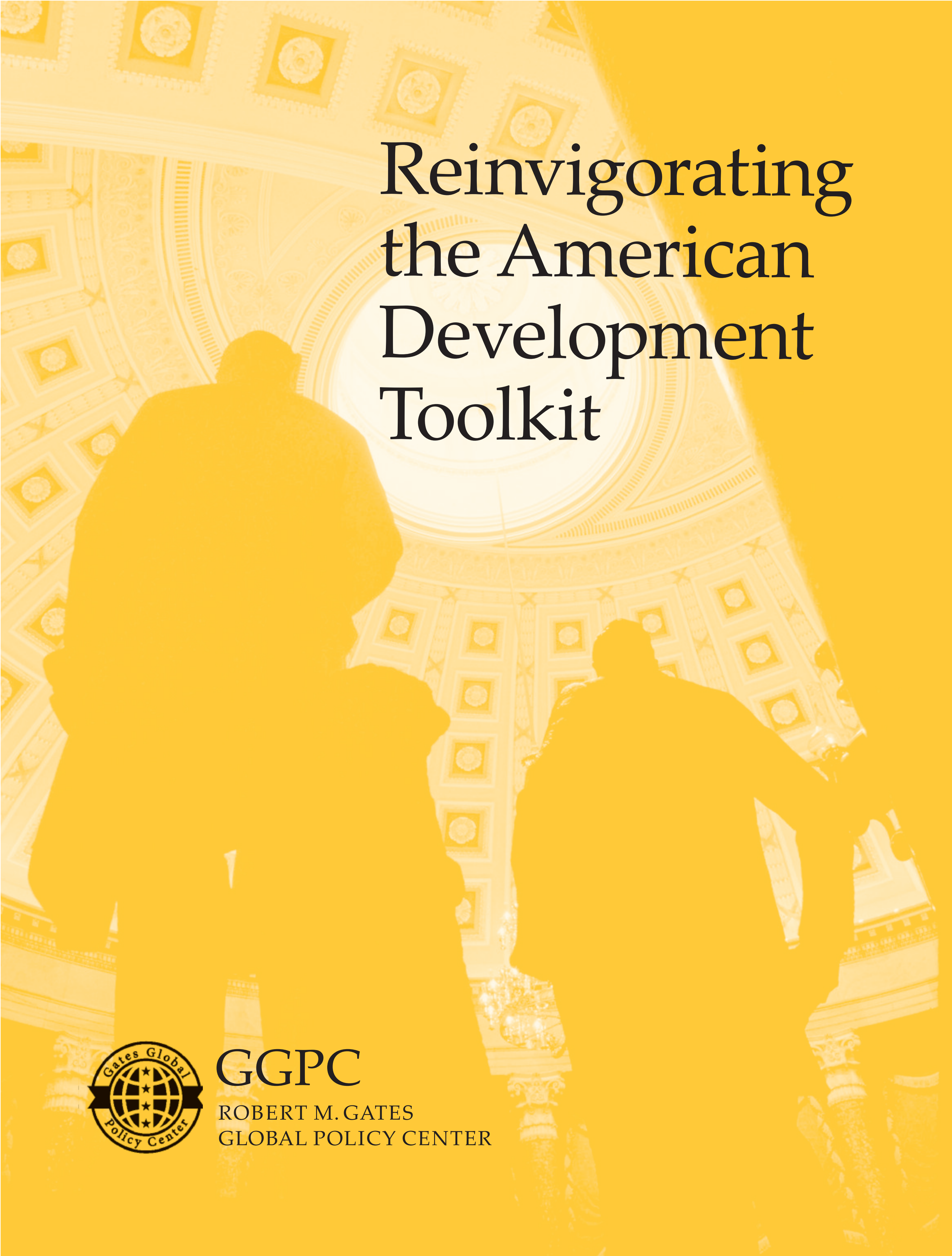
Reinvigorating the American Development Toolkit



GGPC

ROBERT M. GATES
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Reinvigorating the American Development Toolkit

Executive Summary

U.S. development assistance is less than one percent of the federal budget but a crucial instrument of our national power to affect conditions in the world at large for the better.

Since 1945, American foreign assistance—including technical and educational programs, economic aid, grants, loans, as well as humanitarian aid—has helped to relieve human suffering, to move countries to stability and enhanced well-being, and to abet the emergence of the current world order led by self-reliant, democratic, and economically interconnected nations.

But shifting power balances, the world's wars and Big Power rivalry, looming transnational challenges, and technological innovation have fundamentally transformed the trajectory of global development and economic growth. The U.S. must adapt its assistance toolkit to these changed realities.

Improving conditions in the world at large is not only a moral good, but also in our national self-interest. This report from the Robert M. Gates Global Policy Center (GGPC) provides a menu of recommendations for modernizing and revitalizing the U.S. development and economic growth toolkit. The report draws heavily from two main sources.

The first is the Second Gates Forum which was held in December 2023 and chaired by former Secretary of Defense Robert M. Gates. The Forum convened leaders from across government, the private sector, and the academy to explore a central question: How might the U.S., today, reinvigorate our foreign assistance to better advance our various national interests?

The second source for this GGPC report is a volume of research papers prepared in advance of the Forum by our partner, William & Mary's Global Research Institute (GRI). The volume—*The Imperative to Reinvigorate U.S. Development Capabilities to Better Advance America's National Interests*—was directed by GRI's Samantha Custer and AidData's Policy Analysis Unit. That volume is highly recommended.

This GGPC report is neither a consensus document reflecting the Forum discussions, nor does it summarize the far more extensive volume prepared by AidData. Instead, the report presents GGPC's own recommendations for revitalizing U.S. development assistance. ●

U.S. Development Assistance: Lessons from the Cold War to the Present

President John F. Kennedy with members of a goodwill mission from Dahomey, June 1962. Credit: John F. Kennedy Presidential Library and Museum

From 1945 to the end of the Cold War, U.S. development assistance was a blend of altruism and the pursuit of national economic and security interests. Presidents Truman and Eisenhower channeled aid to a war-ravaged Europe and East Asia, and in 1961, President Kennedy created the U.S. Agency for International Development to dramatically expand assistance to the countries in the globe's "southern half" then struggling for independence. The U.S. incanted against four enemies —poverty, ignorance, disease, and the "adversaries of freedom." We thought that as nations became self-reliant and more prosperous, they would as a matter of course, join the peaceful community of nations based on trade and democratic rule of law, and also become donors themselves.

In the last thirty years, the trajectory of international development and growth has changed in far-reaching ways. The "Global South"—including the less-developed countries of Asia, Africa, and Latin America—is home to more than five billion people (not including China). It is a vast and enormously complex place. It contains some of the fastest growing economies as well as many of the most troubled countries. In all this, the globe's southern half is central to the future.

Most developing countries are under intense pressure to grow economically. However, many struggle to put themselves on a stable footing or generate growth because of fragile or poorly formed governing institutions, factional violence, unaccountable leadership, or corruption. Some, furthermore, are racked by war, man-made disasters, poverty, and disease. Our adversaries and competitors take advantage of these conditions for their own purposes.

Putin's Russian Federation and revolutionary Iran are declared foes of the community of nations. With little to offer it, they are intent on tearing it down. Meanwhile, China's world-straddling Belt and Road Initiative has poured hundreds of billions of dollars into the Global South in a bid to translate assistance and techno-economic cooperation into strategic advantage. This is altering inter-state relations and country development paths. Instead of building the institutions needed for self-reliance and growth, many less-developed countries are facing high levels of indebtedness and other burdens which are compromising their national futures.

We have been sluggish in responding to these changes and in upgrading our development toolkit accordingly. In the current "crowded development marketplace," the U.S. has been in reactionary mode—more against our adversaries than pro-a-better-future. Like the rest of us, Global South countries are today far more self-determined and aspirational. They do not want to be pawns in a Big Power competition, nor clients in somebody else's empire. We need to communicate and demonstrate to key Global South countries what we are and always have been for—self-government and mutually beneficial prosperity, based on commerce and rule of law. We need to adapt our development toolkit to the world as it is now. Most of all, we need focus—not just on the competition, but in understanding the changed Global South environments in which we are operating, as well the flexibility to work with the diverse governments and peoples therein.

Lessons Learned

When the Cold War ended, many came to believe the U.S. government's core tools for fostering and shaping the character of global development and growth were much less relevant. Despite decades of support by lawmakers of both parties and across administrations, we lost our aim on a better future, and government's pro-development capabilities were progressively dismantled. Then, in 1998, Congress restructured our assistance apparatus and tucked what remained of USAID under the policy guidance of the State Department.

After 9/11, President Bush re-established development assistance as a critical pillar of national security strategy. Since then, the reinvention of the U.S. development toolkit has repeatedly drawn on innovations made in the wider international network of donors, including philanthropies, private development and civil society organizations, banks, businesses, and allied nations. Today's policymakers are beneficiaries of an ongoing transformation of foreign assistance, and we have a track record to tell us about what has worked and why. What have we learned?

1) Most important, strong presidential and top-level leadership is needed to prioritize development assistance, modernize it, and integrate it into broader U.S. national security and economic strategy. In 1961, President Kennedy created USAID. In 2003, President Bush launched the President's Emergency Plan for AIDS Relief (PEPFAR)—the most successful international health program in history—as well as the 2004 Millennium Challenge Corporation (MCC). President Obama led innovative efforts to draw-in greater U.S. business sector involvement in overseas development, including the 2013 Power Africa initiative. Under President Trump, the 2018 Development Finance Corporation (DFC) and the 2020 Prosper Africa initiative were launched to catalyze investment and two-way commerce. Further, USAID's signature Journey to Self-Reliance initiative made significant strides in better aligning our full assistance toolkit along with country-specific roadmaps and metrics focused on outcomes.

2) Close relationships—and lasting partnerships—are a prerequisite of development. The pioneering work of the MCC—which forges sustainable development "compacts" between the U.S. and well-governed countries committed to using aid to improve the lives of their people—became a model for other impactful successor initiatives. The most effective development programs depend on and inspire deep partnerships at all levels—between our frontline officers and foreign counterparts, between our government and theirs, and between foreign governments and the people they must serve to achieve resilience and sustained growth.

3) Getting the incentives right—and keeping them that way—is essential. In 2002, President Bush pledged "greater contributions from developed nations" in exchange for "greater responsibility" from less-developed recipient countries.

Subsequently, the MCC successfully encouraged forward-looking foreign leaders to undertake preemptive reforms and commit to a market-oriented future—to embrace short-term pain for larger, future benefit.

Development is a long-term effort that demands reliability. But long-range plans can fall prey to urgent needs and shifting circumstances. To maintain momentum, the MCC, PEPFAR, and the DFC were all intentionally designed, authorized, and resourced to ensure flexibility and demonstrate a many-year commitment to foreign partners in pursuit of well-defined goals.

President George Bush. Credit: Reuters

4) Self-awareness and pragmatism in the pursuit of shared outcomes can go a long way. We have an unfortunate penchant to regard the large scale or intensity of a generous effort as making it more likely to succeed. But focusing on output instead of outcomes is a recipe for waste and loss of credibility. In contrast, programs like PEPFAR aimed first to discover "what works" for the communities we sought to help, and then to translate that into larger gains through backing our partners with the resources and know-how they needed. The attainment of tangible outcomes generated political support at home and overseas for lasting partnerships.

5) Effective assistance depends on hard data, evidence, and knowledge-sharing. Development is a highly interactive and political process, as the intense debate over metrics makes clear. But we cannot know if we're actually succeeding if we can't measure it, and when it comes to maintaining committed foreign partnerships, a shared evidence-based understanding of challenges, of total investment, and of progress against shared goals is crucial.

With our partners, we need always to be asking whether we are measuring the right things. Here, again, the priority focus needs to be on outcomes—on the effectiveness of aid in creating locally-sustained futures. What is a partner country's vision for success and, how is our partnership helping to progress them along a path toward s elf-reliance and growth?

6) Without coordination—or "teamwork" —aid is apt to miss the mark. Our best leaders and programs have continuously aimed to optimize integration—in the interagency, with other donors and the private sector, and with our foreign partners. We have proven mechanisms for achieving coordination. With good structural design, some programs have managed to bake it in to how we operate. The PEPFAR Coordinator, for example, was empowered by the President with unprecedented command and budget authority and flexibility to support foreign leaders and communities against a dynamic viral foe.

In other instances, coordination has been achieved through clear lines of engagement and purpose. The synchronization of targeted development, political, and security assistance which made Plan Colombia so effective at achieving its goals, for example, was the outgrowth of an integrated U.S. approach—of an interagency imbued with a mission to back the Colombians who knew best how to save their country.

7) Effective assistance empowers foreign leaders and fosters self-reliance. Through our foreign partners, the PEPFAR campaign created social infrastructure and governing capacity which helped stabilize countries and also proved adaptable—against Ebola, as well as Covid-19.

Our assistance is most impactful when it involves dynamic and committed foreign leaders from the beginning and backs their ideas and strategies. We cannot want something for others that they do not want for themselves. The development art involves learning what our foreign partners need and want, identifying the obstacles, and empowering counterparts in ways which advance U.S. interests and sow resilient governing compacts and sustainable futures. ●

Problems in our Development Toolkit

Against a background of some innovation and success, the ongoing transformation of U.S. foreign assistance over the last twenty years is still hampered by problems and at risk of stalling. Some of these constraints are structural, others operational. We've created significant new tools and programs, but there has been insufficient thinking or learning about how these capabilities should relate to one another—and how they can best work together to move partner countries along their paths to self-reliance and to mutually beneficial growth. Still further constraints on U.S. assistance are due to a lack of focus or political neglect. Many of our best instruments—the MCC, for example—are badly under-resourced and underutilized.

We cannot afford to persist in this way—especially not in today's contested development marketplace. How, then, do we reinvigorate our development toolkit to advance our many foreign interests? A number of problem areas deserve close attention, including the following:

1. Structural and Strategic

We need, in the first place, someone with the authority to bring all of our built capabilities and acquired know-how together—to integrate the toolkit, and then to focus this on the achievement of outcomes. Good ideas and policy initiatives matter little if we lack the structures and systems to implement them and see them through. Who in government has the authority to formulate a global development strategy and make it credible?

Further, we need a frank national debate about our priorities in key geographies and sectors. If we track straight-line demographic and growth trends, the Indo-Pacific is the future, and Africa is just over that horizon. But the United States will not have much of an ability to develop and keep self-reliant trading partners in either one of these pivotal world regions without also successfully renewing our compacts with our sister republics in Latin America. What, therefore, are our goals and desired outcomes, what are our timeframes for achieving them, and how are we going to do it?

2. Inflexibility

A crucial next step is fixing how we equip development agencies to cope with rapidly evolving operating environments and geo-political dynamics. Congress routinely appropriates funding for agencies to address specific problems. In this, earmarks can be a powerful vehicle for facilitating focused bipartisan action in the world at-large. However, earmarking and associated directives can also generate issues when circumstances change. Our development agencies require greater flexibility to respond to opportunities as they arise. The rigidity of the Foreign Assistance Act impedes our response time and ability to better align our full development toolkit around the pursuit of national economic and security interests.

3. Resourcing

As noted, the critical development tools which we've already built are poorly integrated, under-resourced, and underutilized. Twenty years ago, the creation of the Millennium Challenge Corporation captured the imagination of developing countries at all levels. The opportunity for a mutually beneficial compact with the U.S. encouraged key countries to undertake critical but politically painful reforms. Back then, we were the biggest development partner around. But today Global South countries have other options.

Agencies like the MCC and DFC could be far more effective in engaging emerging economies and moving them from traditional aid recipients to success stories. But these tools receive just a miniscule slice of the total federal development budget—less than two percent. The MCC only gets to work on 1.5 sustainable development compacts per year, and we continue to fall far short of its original authorization.

Resources drive policy, and we need to invest in a well-incentivized, overall approach—one that has USAID working with the countries of greatest need to help move them to MCC and DFC eligibility and, eventually, to becoming stable trading partners. We have to remember, many of today's less-developed countries are key swing states which may define the future.

4. Humanitarian Operations

One area requiring of a hard look is our government's humanitarian response to natural and man-made disasters. Such relief is separate from our development assistance; the two are appropriated differently, under different authorities. Unlike development, which promotes our economic and security self-interest, we provide humanitarian aid without condition. In the past, we've given aid to peoples living under adversarial regimes like North Korea and Iran. Our moral traditions and abundance have made America the most generous of nations, and in dealing with humanitarian crises, we routinely outspend all OECD countries combined.

Today, however, the high levels of forcibly displaced people around the world are unprecedented. The American capacity to mobilize against rapid onset crises is first-rate. But we are far less adept at dealing with the complexities of protracted crises—the man-made ones especially. The result is that urgent efforts to deliver humanitarian relief frequently turn into multi-year operations, with few better outcomes in sight.

Senior leaders now worry that our humanitarian operations are in danger of eating away our strategic development budgets. Our frontline officers are already overstretched; soon, some of our greatest challenges may be those of human capacity. Prudence and the awareness of limits is required, but also experimentation. Development and humanitarian relief must find ways to concert their efforts—particularly in the area of investing in resilience.

How do we incorporate the seeding of resilience into complex humanitarian operations?

One focus of the 2019 Global Fragility Act (GFA) is to enhance interagency coordination in backing foreign leaders and communities committed to turning brittle security situations around. Are there cost-effective lessons to be drawn from GFA pilot programs about resilience-building which are applicable to full-blown crises elsewhere? There is, further, untapped leadership, managerial talent, and resources in many grief-stricken places, as well as in the wider network of donors. Do we have the situational awareness, relationships, tools, and coordinating frameworks we need to draw in these actors and help them devise a permanent path out of crisis?

5. Risk Aversion

Development and humanitarian operations can be inherently risky because they require forward-stationed people in places which are different from home and sometimes dangerous. In 1993, USAID had 16,000 professionals—the majority of them in far-flung areas overseas. But the hollowing out of USAID meant a net loss in government of know-how and hard-earned experience. We've since become more averse to working in difficult circumstances. There's a big difference in risk perception and tolerance today versus then.

None of this is to say the threats to our forward-stationed Foreign Service Officers aren't real: we've had to shut down missions and pull people out of many places, including consequential ones where we need to be. But, in the Afghanistan surge in 2009, more than ninety percent of civilians never left the compound they were detailed to.

Few things are more damaging to our world economic and diplomatic engagement strategy than our inability to meet with the very people we need to be collaborating with. In this, we must remember, the people who sign up for difficult overseas assignments are generally more willing to assume personal security risks than Washington is. Development is not accomplished at home; it depends on face-to-face relationships overseas.

We need to re-empower our forward posts. In a previous era, USAID officers had far greater autonomy to perform their vital work than they have today. Some strides have been made in the right direction. USAID has been rebuilding; it now has 10,000 employees—two thirds of them serving abroad. Technology and procedural tweaks have made it so that portfolio managers back home do not have to micromanage the movements of overseas officers.

But far more needs to be done to equip our Foreign Service Officers (FSOs) on the frontlines of development with the operational flex, training, lengthier stays, situational awareness, and decision-making authority they need. USAID's in-country FSOs are the eyes and ears of our global development strategy; they should be further empowered—and they must be amply supported with the requisite "on call" resources and technical expertise to make development happen.

6. Operational Confusion

Since 9/11, the number of U.S. agencies engaged in overseas development and humanitarian operations has more than doubled—from eight to twenty. This proliferation of actors and offices is a recipe for waste and duplication of effort.

It further leads to confusion—at home, in our own government, as well as among the very people we're trying to cooperate with. As AidData observes: a "given country may have as many as 15 to 17 U.S. government agencies operating within its borders and nine on average." This is verging on an operational fiasco, and streamlining it is a critical task—for advancing our public diplomacy abroad, for maintaining political support at home, and for effective coordination. In any given partner country, who knows fully what all these agencies are doing? Further, who in our own government can explain all these activities and how each is meant to fit together to assist foreign countries along their paths to self-reliance and growth?

We must further enhance interagency teamwork where it matters most—overseas. We've had some success at this—with Plan Colombia a prime example. The task now is to build on it. For instance, both SOUTHCOM and AFRICOM have had top-ranking Foreign Service Officers as deputy commanders. How can we further improve collaboration between our geographic Combatant Commands and development officers in a given theater or country?

Still, even when we're performing relatively well, we're not always sure why. Our interagency systems for acquiring knowledge and learning are not adequate. The GFA aims to move select at-risk countries to stability by, among other things, institutionalizing integration between USAID, Defense, and State on the basis of ten-year, country-specific plans. It will be a missed opportunity if we do not see these pilot programs through, study them, and extrapolate lessons from them.

To change how we work, we need to apply to ourselves one of development's cardinal rules: get the incentives right. We simply do not reward integration or "jointness" in the civilian services. We have to think of better ways to promote top performers and to progress them through a career—including through rotations to the private sector, in allied agencies, and by expanding personnel swaps with partner governments. The future of global development will be complex and demanding; we will need high-caliber people with deep and varied experience to lead it, and attracting and keeping them must be a top priority.

Experimentation demands we get comfortable with risk. The tone has to be set at the highest levels that prudent risk-taking including with smaller domestic and lesser-known foreign partners is expected. Leaders can only incentivize this by rewarding those who succeed—and not penalizing those whose well-conceived plans miss the target. Few in the development field sign up to fail, but the new competencies and capacities we will need to cultivate and empower will only be gained by experience and learning.

7. "Audit-Mindedness"

USAID depends on civil society groups and contractors to implement the majority of assistance programs. Many of these organizations do vital work, and they maintain competencies which government no longer has. However, contracting necessitates procurement, and this invariably means the build-up of an oversight apparatus with large overhead costs. This way of doing things, as AidData argues, tends to award "large, multi-year awards to a small coterie of contractors viewed as less likely to misuse the funds," while the actual cost of working with government to implement projects abroad can be prohibitive for smaller but potentially more effective players.

Not enough of our development dollars actually make it to the countries we mean to assist. If we're going to incentivize development abroad, we must do better at home. Our contracting and project management systems require a wholesale modernization. We must make it easier for more entities to apply and compete so as to maximize transparency and incentivize innovation.

8. Localization

Development is a complex process, and country-specific plans are best devised by our professionals overseas and their foreign counterparts. But, as AidData observes, over ninety percent of our assistance is channeled through civil society organizations in the U.S. or abroad —not through partner governments. The latter must take ownership of the policy, and we must get better at bringing a more diverse group to the planning table—especially from the private sector.

The Biden administration's current drive to localize assistance aims to direct a quarter of USAID program funding to overseas organizations; up to half of this funding is meant to go to initiatives which put local communities in charge of project design, implementation, and evaluation.

But, in all this, we must ask: is our push to localize actually fostering foreign capacity for self-governance and growth? Localization is a method, not the outcome we seek. Our value-added proposition is not to seed U.S.-style development ecosystems in recipient countries, but to move them along an evolutionary path.

Our strategic altruism has been successful because countries want to be less dependent. The success of our development assistance will depend much on fostering the leaders and governing arrangements—for example, in public financial management, and in inclusive governance—which can sustain resilient national compacts. But it is not always clear how our assistance is accomplishing this. With better data, we need to focus on educating foreign governments—and our own—as a common, evidence-based understanding supports greater accountability and committed teamwork across the board.

9. Staying power

Questions about our long-term commitment do great damage to our effectiveness. One reason why foreign partners doubt our reliability is due to the way we operate. There is a deep mismatch between our policy objectives, the way we resource our efforts to achieve these goals, as well as our timeframes for achieving them. How will we ever sustain partnerships if the agencies and programs tasked with doing it are fighting for resources every fiscal year? Moreover, consider the integration impact on our country teams when frontline personnel —the people with the relationships with the foreign counterparts who can get things done —are rotated out, on average, every 18 months.

Staying power, above all, depends on durable relationships—on creating and recreating teamwork with our partners over time. Our poorly integrated toolkit is particularly bad at maintaining cooperation with countries as they progress: once countries gain a more secure footing or new levels of growth, we don't always have the tools in place to work with them in the next phase. Simultaneously, country contexts can shift overnight—nations can take unanticipated leaps forward, or they can backslide.

To deal with this, as noted above, we require better coordination and more responsive mechanisms which can empower our forward leaning FSOs, the strategic leads in all development engagements. This needs to start with a common, data-based understanding of where our partners are at, and then the ability to demonstrate, at each phase, the various tools we have to cooperate with them. Our FSOs must have the authority and means to assess situations, to develop country-specific plans and make deals, and then to vector in the programmatic support, resources, and expertise to see them through. Moreover, foreign nationals comprise seventy percent of the USAID overseas workforce. The latter have deep relationships with the local population; they can make a bigger difference—but only if we can find ways to support them.

10. Cooperation with Allies

Today's international network of development agencies and donors is an historic achievement of the world's leading democracies which has, at many times in the past, made our own assistance sharper and more effective. Despite this, the U.S.'s record of cooperating with allies in the development space is spotty. In the case of PEPFAR, the U.S. took bold and unilateral action that drew in other donors. But we face other more diffuse and looming challenges—including thwarting the next pandemic, and of climate—which might best be dealt with through better planning and teamwork across the wider network of donors.

The world's wars and geopolitics have made coordinating our development and economic engagements with allies and the private sector all the more urgent—for example, in strategic locales, like the South Pacific. But our frameworks for doing this are woefully inadequate.

Remedying this requires, first, knowing more about the interests, capabilities, and in-tentions of the diversity of allied, like-minded, and private sector actors which are doing assistance. Second, it requires structuring partnerships in a complementary way and focusing them. Given the scale, we should take a page from the private sector, and understand that investments today in modernizing State and USAID's information systems could go a long way in helping policymakers to get ahead of future challenges.

In all this, we have much to learn from our treaty allies. Portugal has pioneered the use of one-stop clearing houses in its overseas missions for its foreign development and economic partners to interact with. Germany and Japan have each responded proactively to the growth opportunities in Global South countries by expanding their development finance toolkit, to include concessional or no-interest loans. We will likewise need to think and act far more creatively about ways to use all the economic tools we have.

11. Coordinating with the Private Sector

The American business sector is a huge strength, but despite our best efforts—for example, Prosper Africa—much of its know-how and capital remains untapped by our development programs. How, then, do we employ our full economic toolkit to deliver economic growth which benefits overseas partners and Americans alike?

According to one AidData survey, Global South leaders overwhelmingly look to China as a go-to partner when it comes to building infrastructure because China's state-controlled firms construct energy, transport, real estate, and other projects 2.5 times quicker—in large part because their financing comes easy, and with fewer environmental, social, or political safeguards.

The faster delivery of higher quality infrastructure must be a priority. But we must also prove—through sustained action—our value-added proposition: long-term partnerships, leading to self-reliance and growth based on two-way trade. Indeed, there are kinds of infrastructure which we excel at—most especially the systems which sustain self-reliant and open societies, including agriculture, education, healthcare, governance, and financial systems.

One pivotal race we can't afford to lose is the delivery of core digital infrastructure—including next generation telecommunications, the foundation of the key industries of the future. Global South countries are under immense internal pressure to acquire these platforms, and how they get them will have far-reaching implications for global development and politics. We need allied coordination, new public-private partnerships, and new compacts with the South's emerging hi-tech powers to deliver commercially compelling systems for the developing world.

We need to remember, markets are created and re-created through investment and entrepreneurship. U.S. companies are profit-making organizations; they will flow in, and generate new opportunities, but only if the conditions are right. We must therefore concentrate on rejoining our development assistance with trade, and on building trade capacity with our foreign partners.

One 2023 bill—the Millennium Challenge Corporation Candidacy Reform Act—represents an important step in the right direction. National incomes in the Global South have risen since the MCC was first created, and the bill increases the eligible number of countries MCC can work with to form development compacts.

MCC will need more resources and flexibility to work with more countries; like-wise, DFC needs greater ability to finance private sector-led projects and respond to national priorities. But success at this also depends on getting the meta-incentives right—especially through our trade policy. We need a geo-economic policy and frameworks to drive coordination across our various instruments—USAID, MCC, DFC, the Department of Commerce, the U.S. Trade Representative, etc.—and unlock bilateral commerce with key Global South countries. Those same countries, furthermore, need to be incentivized to reduce trade barriers with their neighbors. In the last century, in East Asia and Europe, we were quite effective at this, including by offering preferred access to the American market. To regain the initiative in global development, we'll need to do more of it. ●

A Menu of Proposals for Improvement

Foreign assistance is a crucial instrument, but our toolkit requires modernization, deeper integration, and far greater flexibility to respond to new circumstances and advance our national interests. The following represents a menu of options for the executive branch, Congress, and the private sector to consider. Some of these options could be implemented by the President or Secretary of State unilaterally. Still other proposals require bipartisan action in Congress to implement, and they should be a top consideration on our foreign policy agenda.

Structural and Strategic Growth

1) Integrate global development into the National Security Strategy.

The next President should make our development and growth policy a component of our National Security Strategy (NSS)—not separate from it. This is critical to promoting integration and interagency teamwork. Our NSS, then, should realistically define priorities and the world development and economic outcomes we seek, and set hard four-and eight-year targets in the ground for achieving them.

Further, the strategy should make clear interagency responsibilities and lines of effort, how this will be coordinated, and also propose metrics by which to measure successful outcomes.

2) The next President should use the National Security Council and the Office of Management and Budget to drive the world development strategy forward.

Resourcing drives policy, and the director of OMB has a unique oversight role in ensuring the interagency is adhering to the NSS and the President's agenda not tying it down.

3) Establish the USAID Administrator as a permanent member of the National Security Council's principals committee.

Across administrations, USAID must have a permanent and larger say on the NSC on all matters that involve development. Further, the NSC is an essential body for coordinating the global development strategy and ensuring all-of-government is in synch.

4) Streamline and reduce duplication in the U.S. development portfolio.

We do not have a mechanism in government to reduce operational confusion, inefficiencies, and duplicative accounts in our foreign development portfolio. At a bare minimum, State's Director of Foreign Assistance should work with the USAID Administrator to get this done. Ideally, this would be a job for the office of a newly empowered coordinator responsible for all U.S. development operations.

5) Someone needs to be in charge of our world development and economic growth strategy.

There are two broad reform options. The first is to appoint a dual-hatted officer as both USAID Administrator and State Director of Foreign Assistance. The second would involve empowering a cabinet-level Administrator at USAID. Institutional design matters, and we must carefully consider the trade-offs of both approaches, including how they impact integration and our ability to pursue long-term development objectives.

In either case, the U.S.'s top development officer must have the bureaucratic and budgetary authority to realize three main objectives: a) coordinating all assistance and economic engagement activities with key Global South countries; b) ensuring the modernization and integration of our full foreign assistance toolkit and, further, its synchronization with other instruments of national power; c) devising and coordinating an action plan with allies, Global South partners, and the private sector for delivering open and commercially competitive platform technologies to less-developed countries.

Legislative

1) Give our agencies the flexibility they need to lead in global development.

Congress has an essential responsibility in setting national priorities—and also in achiev-

ing them. Therefore, lawmakers must consider ways to reduce earmarking and to empower our development agencies with the flexibility they need to keep pace with shifting global circumstances and to lead them.To this end, Congress should recraft the Foreign Assistance Act. USAID, as our premiere development agency, must have the authorities and resources to seize new opportunities and to integrate our full toolkit and overall approach to moving consequential partners across the development continuum.

2) Enhance—and pass—the Millennium Challenge Corporation Candidacy Reform Act.

The national income levels of some Global South countries have risen since the MCC was created two decades ago. We therefore need to broaden the pool of compact-eligible countries that MCC could work with. Further, MCC must have the wherewithal to incentivize and forge new compacts, as the situation warrants.

3) Reauthorize PEPFAR—for five years.

The PEPFAR campaign delivered and created health infrastructure which also proved adaptable against Ebola, as well as Covid-19. It is crucial to build on this infrastructure to get ahead of future health crises. Furthermore, reauthorizing PEPFAR for five years—not just one—will go a long way in showing our commitment to partners in Africa.

4) Reauthorize—and sharpen—the Development Finance Corporation.

The DFC is an essential agency for incentivizing and de-risking U.S. business involvement in addressing development challenges and catalyzing two-way growth that benefits Americans and foreign partners alike. In advance of the DFC's first re-authorization in 2025, we must take stock of its performance to date, and consider ways to increase its portfolio limit so as to promote trade and achieve priority outcomes.

Specifically, we need to concentrate on expanding DFC engagements in strategically consequential countries and regions, as well as in critical sectors like technology, natural resources, and fostering trade capacity. These priorities should be spelled out in the NSS.

Furthermore, a dual-hatted Chief Development Officer could improve coordination between DFC and USAID. Our goal must be to achieve seamless integration between the FSOs who understand the opportunities in the countries where they are stationed, and the DFC deal teams who can draw in the financial and business wherewithal to make things happen.

Modernization and Integration

1) Upgrade U.S. global development information systems.

To drive forward integration, we need a major overhaul of the information and management systems on which USAID, State, and other development agencies rely. To this end, we must invest in new technology capabilities. The new system needs to encompass every facet of U.S. assistance—including procurement, management, evaluation and metrics, and learning.

Further, State and USAID should have the ability to see the totality of the global network of development donors and actors, to rapidly identify complementary partnerships with allies and the private sector, and to optimize their ability to design strategies. Only then can the Secretary of State and the White House see the full range of U.S. activities in this sphere, evaluate their effectiveness in advancing national interests, and weigh trade-offs and priorities.

2) Develop an integrated U.S. government framework for moving priority recipient countries along a trajectory toward self-reliance and sustainable growth.

With the help of new information systems, and an expanded learning and knowledge-sharing agenda (noted below), we must ensure that we have all the capabilities and tools in place to work with foreign partners across the development continuum.

3) Empower our forward-leaning USAID Foreign Service Officers.

Country-specific plans for fostering self-reliance need to be co-designed by our in-country professionals and their counterparts. Further, our FSOs need the operational autonomy, the flexible financing, and the decision-making authority to implement these plans and call in the additional resources and expertise they need.

4) Enable fund sharing between the Defense Department and State/USAID.

Fund-sharing is needed, first, to respond to crisis situations and, second, to enable the geographic Combatant Commands (CCMDs) to vector in resources and know-how from our development agencies and the private sector to respond to fast-changing security environments.

5) Embed top-ranking USAID Foreign Service Officers in all of Defense's geographic Combatant Commands. There must be greater coherence in planning and alignment between USAID and CCMDs. Optimally, there's also alignment, and this is most likely if USAID is empowered with the seat at the table, people, and resource flexibility it needs.

6) Pilot the creation of American Cooperation Centers.

We should take a page from the Portuguese play-book and establish one-stop American Cooperation Centers (ACC) in key countries. Foreign governments, businesses, and civil society organizations should be able to regularly interact with ACC personnel and to explore opportunities for partnerships across the development and growth continuum.

Of course, none of this will work unless we first upgrade our systems and integrate our toolkit and approach, as noted above.

Information Gaps

1) Invest in learning and research.

In addition to modernizing our information systems, we need better systems for gathering data, learning and knowledge-sharing—with our foreign partners, with the global network of donors, and above all, with fellow Americans and the people they elect.

Among other things, our development agencies deserve far better front-end analysis of new and emerging political dynamics, market demands, and opportunities in the countries we need to operate in.

2) Share Intelligence across the interagency.

Economic security is national security. We are good at sharing Intelligence about risks and threats, but poor in identifying and sharing insight on opportunities to advance diplomatic and development objectives.

The Intelligence Community has resources, including risk assessments and other information, which is readily shareable with development agencies as they choose where and how to engage.

3) Create a Task Force on long-term development and humanitarian workforce needs.

The Task Force should advise Congress and the executive branch on future workforce requirements and how to recruit, educate, and retain the highest caliber people needed to lead U.S. development, economic growth, and humanitarian operations.

4) Invest in Total Value metrics—for use abroad, and at home.

One of government's first tasks is to educate. But government has fallen short in this, particularly when it comes to foreign assistance and trade. Our diplomats in the Global South require better data on the total value of U.S. aid and trade and the benefits of this. Further to this, Congress—and the American people—need hard data showing how our aid and expanded trade benefits us at home—and of the opportunities which exist for future growth in the Global South.

We need to invest in data and all-of-country diplomacy so that our development leaders can establish a shared evidence-based understanding with our foreign partners and with Congress about whether U.S. assistance is succeeding, how, and why. Without the education of both, it will be difficult to maintain commitment and lasting long-term partnerships.

Leading in the Global Development Network

1) Craft a U.S. trade policy.

If we're not creating markets, others will. Without a well-conceived trade policy, our en-tire approach to global development and growth is thrown into doubt. Further, as noted, government must do better at giving Congress information which it can use to explain concretely to our fellow citizens just how much our well-being at home—and its further improvement—relies on foreign trade.

America came up in the world through developing other countries and trading with them. We know how to do this, but it is crucial we get the meta-incentives right.

2) Focus on fostering trading capacity.

Mutually beneficial growth depends on building trading capacity with our foreign partners—first with us, and then also by working with them to the remove the barriers which inhibit intra-regional trade.

3) Build better regions.

The formation of economic regions is one way to help groups of smaller countries deal with the challenges posed to them by bigger ones. Where possible, then, we should focus our national and allied development efforts on the economic integration of regions like Oceania, Southeast Asia, North Africa, East Africa, Central Asia and the Caucasus, and the I2U2 Corridor (India-UAE-Israel) as a way of strengthening smaller states to withstand geopolitical stresses including efforts to keep them apart. This will require a steady push by skilled diplomats—and good incentives to draw-in the business sector—because the barriers to open commerce are significant.

4) Expand on aid for trade.

The North American market is the largest in the world. Establishing non-reciprocal tariff programs with key foreign partners in value-added industries can only benefit American consumers and the countries we seek to develop as stable trading partners. We can accomplish this by adding an ascension clause into the 2020 Agreement between the U.S., Mexico, and Canada (USMCA)—just like we had in NAFTA.

5) Synchronize development operations with strategic communications.

Strategic communications require matching our words with action. We require better coordination and data at home and abroad to ensure our diplomacy and development assistance are working together to advance national interests. Further, even when we do well, we do a poor job of making it known. We need to be open about what we actually do and take credit for the generosity of the American public.

Finally, we need one brand—not 9 to 17 different agencies—for all U.S. overseas development and humanitarian operations. All should just say "from the American People." ●

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ABOUT THE ROBERT M. GATES GLOBAL POLICY CENTER

Although our military remains strong and capable of defending our vital national security interests at home and overseas, America's current non-military foreign policy tools have not evolved to match contemporary risks, and sadly all too often our ability to reimagine and deploy new tactics is stalled in acrimonious political discord. Meanwhile, our near-peer competitors, China and Russia, are expanding their global influence through instruments we have failed to deploy systematically.

At GGPC, one of our founding objectives is our willingness to bring people with different perspectives together at regular intervals to tackle critically important areas that have not received adequate attention in recent years, if ever—and, in a nonpartisan way, developing and then delivering actionable recommendations that can gain bipartisan support and ultimately approval. ●