

THE BROOKINGS INSTITUTION

A BROOKINGS-CSIS-CENTER
FOR U.S. GLOBAL ENGAGEMENT BRIEFING

Transforming Foreign Aid for the 21st Century:
New Recommendations from the Brookings-CSIS Task Force

Thursday, June 22, 2006

Falk Auditorium
1775 Massachusetts Avenue, N.W.
Washington, D.C.

Moderators:

GEORGE INGRAM, Vice President, Academy for
Educational Development

JOHN HAMRE, President and CEO, Center for
Strategic and International Studies

NANCY LINDBORG, President, Mercy Corps

Panelists:

PAUL CLAYMAN, Chief Counsel, Foreign Relations Committee,
US Senate

CHARLIE FLICKNER, Former Staff Director,
Committee on Appropriations, Subcommittee on Foreign Operations,
U.S. House of Representatives

STEVE HANSCH, Senior Associate, Georgetown University
Institute for the Study of International Migration

STEVE MORRISON, Africa Program, Center for Strategic
and International Studies; Executive
Director, HIV/AIDS Task Force

LARRY NOWELS, Specialist in Foreign Affairs,

Congressional Research Service

MICHAEL O'HANLON, Senior Fellow, Foreign Policy Studies,
The Brookings Institution

ROBERT POLK, Adjunct RSM Operational Evaluation Division,
Institute for Defense Analyses

STEVE RADELET, Senior Fellow, Center for Global Development and former Deputy
Assistant Secretary of the Treasury for Africa, the Middle East, and Asia

PROCEEDINGS

Panel I: Congress, the Executive Branch and Foreign Assistance

MR. INGRAM: -- Security by Other Means has a lot of new and interesting information, some excellent, superb analysis, and interesting recommendations that are worth discussing.

I think the key word that Lael used downstairs was "underperforming." I'm sure Charlie could come up with a more descriptive word. Consistently through the chapters of this report, as through the book that Ann Van Dusen and Carol Lancaster wrote a year ago, there's a message that U.S. foreign assistance programs are disorganized; they're overlapping; they're conflicting. There's no clear message. There's no vision. And we are underperforming both for our own country and for our development partners. We have a panel today that is going to tell us what we should do about it.

Most of you know, directly or indirectly, Charlie Flickner who spent over 25 years on the Hill, first in the Senate with the budgeteers and then in then House with the appropriators. You may not always agree with Charlie, but you know exactly where he stands, and you get him unfiltered. His commitment and his knowledge will be missed on the Hill. I've always been amazed that the CIA didn't recruit Charlie.

(Laughter)

MR. INGRAM: He had the most extensive intelligence network of anybody I've ever known, both within the Hill and within the administration.

Larry Knowles has also spent 30 years on the Hill at the Congressional Research Service, and when I was on the Hill I depended a lot on Larry. He has written more papers, more briefs, analyzing different aspects of foreign assistance than most people have read. He was a real asset with the CRS, and he's within weeks --

MR. NOWELS: Days.

MR. INGRAM: -- days of retiring.

MR. NOWELS: Eight.

MR. INGRAM: Eight days, and Larry will be sorely missed.

Paul Clayman is a senior staffer with Senator Lugar on the Senate Foreign Relations Committee --

MR. CLAYMAN: Counsel to the Committee.

MR. INGRAM: Paul came to the Hill three years ago from the State Department where he was a lawyer working on foreign assistance. He came to the Committee very interested in looking at the entire Foreign Assistance Act. He and I have had long conversations on what we did wrong 15 years ago when we tried to rewrite it, and I'm hoping that he will have the opportunity at some point to write a new Act.

We are under constrained time. We have about an hour. The panel this morning did an excellent job of brief introductory remarks, and I will make sure that the speakers keep themselves to five minutes apiece. I have Paul's watch right in front of me. We will start with Charlie.

MR. FLICKNER: I thought I was second.

MR. INGRAM: No, you're first. You ready? Good. You're always ready, Charlie.

MR. FLICKNER: Well, Lael said I'm still muzzled, so I'm not sure I can say anything. I don't know which one of these -- this one's okay.

As I said briefly before, Congress sees itself as a co-equal branch of government. That, in fact, at the moment is far from true. Vice President Chaney may be the only person in town who sees congressional encroachment on the Executive as a threat, but that's not the only place where he may be mistaken.

Again, only Republicans can say these things at Brookings. Susan Rice told me that once.

The fact is that we are probably at the second low point since the Marshal Plan in terms of congressional knowledge and interest and involvement in the subject of this report and of this meeting today. Many of you remember people who were national figures, such as Hubert Humphrey, George McGovern, etc., who not only were deeply interested in foreign assistance but were personally quite knowledgeable without a staffer having to tell them what to say and what to think, in the method of the last Democratic candidate for President.

And, today while, as I mentioned before, there are people not on the relevant committees of jurisdiction who are knowledgeable and involved. For the most part, these are members who don't move up the seniority ladder, who take other jobs in the Executive Branch who move out of Congress, who basically are far too smart to become involved in spending their careers as a primary committee choice on the committee dealing with international affairs.

The types of things that Lael and my fellow authors have put into this report, though, cannot pucker (phonetic) partially or fully without the active involvement of at least some members of Congress and hopefully members who influence fellow members. There are always people who go to meetings at the Counsel of Foreign Relations at Brookings who are the favorite poster children of the international affairs community, but they don't swing five other votes. What this community needs are members who, through their own network, through their own work on the floor and committee and so on, who can be looked upon as leaders and can make -- can influence other people to step aside and to let something on the order of a Goldwater/Nichols go through.

The chapter on "Removing Impediments to an Effective Partnership" goes into a lot of history, because I think there is a -- I know that there is a new generation of folks, at last, coming through and occupying many of the seats that folks like us once had, and it helped me

when I first started to have the benefit of people like George telling me what went before, and I'm hoping that this chapter explains how some of the things that exist today came to be and what's the background. Lael, of course, took out all of the exciting stuff for fear that somebody would be offended, but there's enough left to make it worth reading. But the footnotes are the best part. Don't read the text.

A perhaps surprising conclusion I reached in the process of working on this is that the appropriator's dominance and almost monopoly over foreign assistance resource and, to some extent, policy-making has peaked. I did not know last September and October how right I was, and I really do think that while at the moment there's no contender to replace the Foreign Operations subcommittees in the House and Senate, and we have Beth and Nisha and people here who will keep the process alive as long as they're around, I think that basically for reasons far beyond foreign operations, the appropriators have challenges that are going to make it very difficult for whoever's in control of Congress come next January to remain in the position of dominance and preeminence that they've had in recent years.

So, the recommendations that are in the executive summary and also in the chapter are, for the most part, things that are unradical, don't require major changes, but try to reengage the authorizers, and it's not fully adequate in reenergizing the Armed Services Committee, who are increasingly important in this area, but particularly getting the international relations -- Foreign Relations Committee -- essentially by getting them to think about resource and implementation and management issues. Hopefully there will emerge from their ranks people who become knowledgeable enough to work with the necessary and inevitable reforms that will have to come due to the changes that my colleagues mention today.

MR. INGRAM: Thank you, Charlie.

Larry?

MR. NOWELS: First of all, I'd like to just express my appreciation to Lael for

her hard diligence and very great deal of patience for the process of bringing this project to closure, and I'm delighted that it occurred before I'm actually physically out of town and would miss all this.

I prepared a chapter on sort of reminiscing about past efforts to reform and restructure a foreign assistance program, and at the outset I just want to make it very clear, despite what some of you may be thinking, I did not live through the Kennedy administration and the reforms that I talk about here.

(Laughter)

MR. NOWELS: But most of the others I was around, so I speak from a lot of personal experience but not in total.

Firstly, obviously there's been no shortage of efforts to reform foreign assistance over the past 45 years, and the intent of this particular chapter was to see if we could discern some themes and lessons that we might learn that possibly would be useful to future efforts in restructuring these programs. So, that's kind of the premise I went through. I'm also going to conclude with just a couple of points about two current efforts that are underway and what some of these lessons might tell them and some of the challenges they face based on past experience.

I looked at seven reform initiatives, and there were more. There were some that were a little bit too narrowly focused I thought, weren't broad enough, something like the Ferris Commission that started out looking just at USAID management reforms and then expanded. But the seven I looked at were the initial days of the Kennedy administration and the establishment of USAID; the Peterson Commission in the late 1960s; the New Directions legislation of the early 1970s; the Humphrey initiative and the International Development Cooperation Agency exercise of the late '70s; the Carlucci Commission during the Reagan administration; the Hamilton-Gilman task force, which I hesitate to even mention since we have the ring leader of that particular effort right here -- have to be careful; and then, finally, the

Wharton report and the Clinton administration and the Peace, Prosperity, and Democracy Act of 1993-1994.

And, if you look at these, you know, kind of the bottom line, the Kennedy administration effort and the New Directions legislation are the two initiatives that you could say had some degree or a significant degree of success while the other five were much more modest if any success at all.

But I think we need to keep in mind that while these others were not quite so successful, there were some themes and ideas that emerged during those reviews that later groups picked up or that later led to legislative changes or Executive Branch policy reforms so that possibly measuring an effort of success at the time is not the best measure but to look at it over time to see what it contributed to the overall debate.

In the chapter I identify nine themes, or challenges. I'm not going to cover all of them today. I'll just very briefly touch on a few of them and then conclude with some points for these two recent efforts.

The first characteristic conclusion I came to is that presidential and White House involvement and senior State Department involvement is absolutely critical. That was what separated the Kennedy administration's effort from really every other effort that went forward. The only thing that was close to that was the Deputy Secretary of State Wharton's initial attempt, where it seemed to have senior backing within the administration of the White House, but soon that disappeared; and, in fact, a competitive exercise began at the White House that really put up a road block to the Wharton effort.

A second point -- those that participate in these reform initiatives really need to continue to provide a consistent supportive message and exercise a degree -- or demonstrate a degree -- of consensus on their recommendations that came up. Again, Kennedy and the New Directions legislation provided that backdrop, but the Humphrey-Idka (phonetic) exercise

revealed tremendous disagreements within the administration, resulting in the resignation of the AID administrator over this. The Hamilton-Gilman task force -- Congressman Gilman, in the end, withdrew his support of some of the very key recommendations, which diluted its impact I believe.

A third characteristic is the stakeholder's need to be involved throughout the process. Within the Executive agencies, within Congress, between Congress and the Executive Branch, as well as NGOs, private sector foreign policy activists, it's important to that to create ownership. Probably the best example was the Carlucci Commission that had a huge number of commissioners. Maybe that was one of the problems, but they did represent a wide range of interests, and they were involved. In the end it didn't help produce something that had impact at the time, but there was an effort to recognition. They needed all the stakeholders at the table during the year of the Commission's work. But others failed to do this. The Wharton effort was very much an insider exercise. Hamilton-Gilman -- and I think George will acknowledge this -- did not reach across the Congress to the Senate early enough, even though they did reach out to the Executive Branch all along.

And, unlike the other legislative initiative, the New Directions legislation, that was moving simultaneously in both the House and the Senate, so there was a parallel operation that came to closure at the same time.

And, following this point, if legislation is needed, Congress needs to be involved very early in the process. That's what was important about -- the Kennedy draft bill was being worked with key congressional committees before it was submitted. Unfortunately, others did not do that, including the Wharton effort, which promised legislation within 90 days and didn't deliver for almost a year, and then it was -- not had time to be fully vetted.

One of the other things is if you attempt comprehensive reform, a real overhaul of all agencies, policy, programs, it promises the greatest impact if you're successful, but it also

provides the most challenges to achieving success. Too much turf involved, too many special interests, and so it's not surprising we've seen some efforts succeed that were very narrowly focused on a particular aspect but has also led to this criticism of lack of coherency and then overall strategic framework for our foreign aid programs.

Also, likewise, reorganizing government structures is very, very challenging, and almost every one of these commissions recommended some form of a new agency or mergers or whatnot, and of course it is probably the poster child for what not to do in that regard.

But other foreign aid agencies have emerged -- OPEC, TDA, MCC -- and maybe that's symptomatic of the fact that we aren't able to comprehensibly put together a plan and implement it for a complete overhaul, and what you do is have the emergence of these other entities that then contribute to the lack of coherency and multiple actors in the process.

And, finally, timing of developing of region consensus and approval of these initiatives is critical, because it's not just the Executive Branch schedule but, most importantly I think, in many ways the congressional schedule if Congress is to be involved. Kennedy's effort, again, is the model. It came in the early days of a new administration and a new Congress.

I think the Hamilton-Gilman task force and New Directions legislation were also very sensitive to this timing so that it could begin the debate and Congress could begin early in a new congress. But other commissions came at very awkward times, and I think that led to their not being seriously managed.

So, just a couple of points on the two efforts underway right now. First is, of course, the director of Foreign Assistance and Transformational Development. Some of these lessons on the positive side -- there has seemed to be direct involvement of the Secretary of State, very senior-level involvement. And it is limited to just the State Department and USAID, so it's not taking on the entire foreign aid bureaucracy, but of course a lot of people think that's one of the shortcomings. Some of the challenges, though, that these lessons suggest for this

effort, are that the concept is really, in my view then, designed without the involvement of all the stakeholders. Even within the State Department and USAID, it was very closely held. There's been very little consultation with Congress, and there have been many questions asked at this informal stage by Congress that, frankly, have not been well answered.

Incremental implementation -- which seems to be the way this initiative is heading with limited details, full scope of initiatives -- is also problematic.

And timing. By the time a proposal would come to Congress -- we're in the last two years of this administration and it's got to be -- they need to be laying the groundwork right now, and they need to be doing it in a very clear, coherent, transparent fashion or else Congress won't have the time to act on it or the inclination to act early in the year.

The second effort that's largely less visible I guess is the Health Commission. It's had a checkered start, and it's been over two years really getting going, but it is operational now. Some of the challenges there -- there's, what I can see, no serious Executive Branch support, no buy-in there and, in fact, it could be viewed in the Executive Branch as a competitor, depending on where they head with the current efforts by Ambassador Tobias.

And, I think even in Congress there's relatively narrow congressional support. This was an idea of Congressman Wolf, but there's disagreement elsewhere in Congress about the Commission being established. Of course Congressman Wolfe could be the chairman of the House Foreign Operations Subcommittee --

UNIDENTIFIED SPEAKER: (off mike)

MR. NOWELS: Okay, if he's reelected. A lot of if's -- if the House retains control -- I mean, if the Republicans retain control, etc. -- but in any case he might be in a position next year to elevate the profile of the Health Commission. It seems to me that consensus is going to be very difficult to develop within the Commission because of the wide array of interest and perspectives of the commissioners.

And, finally, timing -- they couldn't have done it worse as far as timing goes, because if they submit a report according to their two-year window, they will be submitting a report just about at the beginning of last year of this administration after we will have seen whether the current initiative has succeeded or failed, and you will be in the second year of a Congress heading into national elections. Probably the worst time. What they need to do is extend their life for about eight or nine months and have an eye toward the next administration, whether it's Republican or Democratic. That's their opportunity to have impact.

MR. INGRAM: Thank you, Larry.

Paul, where are we headed? What can we do?

MR. CLAYMAN:

I've been in Congress now three and a half years as counsel to Chairman of the Senate Foreign Relations Committee, Senator Lugar, and in that time I've learned to say the following: I would like to associate myself with the remarks of my dear friends here on the panel - or, in plain speak, "what they said."

I can add a little more based on my years as a practitioner, but before I do that I really do want publicly to thank Larry Nowels. I think all of us here, without even knowing it, owe him a round of applause. I'm saying this because there's one more report I want out of him before he leaves in six days.

(Laughter)

MR. CLAYMAN: But truly -- and I'm most jealous, because he's going to a lovely part of the country -- Boulder, Colorado, and so we will miss you. I know I will miss you.

I certainly can't expand much upon what these two have -- 65 years' experience and with George over a hundred years' experience.

(Laughter)

MR. CLAYMAN: But I was at State for 15 years and for much of it I was the

only lawyer working on foreign assistance issues at a time when things grew rapidly from four to five bureaus doing foreign assistance programs to nineteen. I think that's probably the most interesting thing I can talk about.

During that time, bureaus at State increasingly wanted to run their own foreign assistance programs, despite the fact that no one had joined the State Department Foreign Service to design, implement, and oversee foreign assistance programs. At the time, these individuals were not trained to do this work, and most didn't know how to approach the issue.

Yet, they had allocations of funding and they needed to spend those funds. The goal too often became simply to get an allocation memo signed, whether it be by the deputy secretary, undersecretary, assistant secretaries -- all of whom, by the way, had power to approve the allocation of different types of funding, but few of whom spoke regularly to develop a coordinated plan for foreign assistance.

It was haphazard at best, and I felt very sorry for the young foreign service officers who were simply told to do something for X-country and they would design something, spend weeks, talk with one another, and then they would bring the proposal to me, the lawyer, and I'd too often have to say you can't do that, what are you trying to do? So, we'd get into these battles. That's one reason I very much welcome this new Director of Foreign Assistance position, with Randy Tobias at the head. But in any event, there was a lot that happened within State, taking things away from AID that many believe shouldn't have happened. Maybe it's good that it happened, because now it's led to the creation of the new Tobias office.

As an aside, there was a very good point that John Bolton would raise - he was responsible for approving the allocation of economic support funds. One thing that John Bolton did when he was in charge of approving economic support funds -- a memo would come to him advising that a bureau wanted to do a certain program in a country and he would call the people up and ask the following questions: What foreign policy interest are we trying to achieve with

this program? And how will this program achieve that goal? Seemed like fair questions but nobody liked those questions; nobody could answer those questions. The real answer too often was that “but look, Congress gave us \$50 million. It's getting near the end of the year and we need to spend it.” And ultimately he offended many people, because he would ask those questions not realizing -- or maybe not caring -- that many of the programs that these bureaus wanted to do were actually forced upon them by members of Congress. So, call him tone deaf to congressional interests, but ultimately Congress passed legislation stripping John Bolton of the authority to approve economic support funds.

MR. CLAYMAN: So, one thing that makes clear the mess that existed in the foreign assistance area when Secretary Rice came in, was a chart prepared showing all the players that are involved in the process. This is that chart.

(Laughter)

MR. CLAYMAN: So, for all of you who believe that some reform of foreign assistance is necessary, I can't give you this chart, but, there's your statistical support. Right there it is.

So, that's my first point. Most people at State didn't know how to develop, implement and oversee foreign assistance programs and had problems in attempting to do so.

Second, there are things that my fellow panelists and others have alluded to in their chapters, etc., talking about legal impediments to implementing foreign assistance...that the Congress has gotten in the way. In my years doing foreign assistance at State there wasn't a single -- well, there was one legal impediment that we couldn't get around. You just have to know what accounts, what authorities to use. You pull them together. Sometimes you have to go up to the President, but you could do anything you wanted. So, for those people -- including this administration - who say it's a mess, you can't do anything because the law prevents it, that is wrong, you can do anything. It takes creative lawyering; it takes moving money around; it takes

whatever. But it can be done. Doesn't mean it's good, but it can be done.

The one exception I will note was the administration wanted to provide assistance to provide heavy fuel oil to North Korea as part of the Agreed framework to stop North Korea from developing nuclear weapons. There were monetary caps set by Congress, and the language also said that notwithstanding any other provision of law no more than \$50 million could be provided. That lasted for two years and then another provision was added that was read by State lawyers to allow additional funds to flow to North Korea.

What happened was that Congress fundamentally did not want to flat out stop the administration from working with the North Koreans because it didn't want to take the heat if something went bad. If North Korea developed nuclear weapons because we failed to provide it with heavy fuel oil, that would have been on congressional heads. They didn't want to do that.

My third point goes to things that have been said earlier today - that the Administration prefers to work with the appropriators. Absolutely correct. In my years doing foreign assistance I met with the authorizers probably a maximum of 10 times. I didn't want to meet with them. There was no reason to meet with them. They had no ability to help us. In fact, in many cases they could do nothing but harm the Administration by adding reporting requirements, etc. -- and it wasn't pleasant. So, if I wanted something, I called one of five, six people - appropriators, and you could get a result in 5 minutes on the phone or, if they were really angry, it might take 12 minutes. But other than that, that's where I knew to go for assistance.

So, now I'm Counsel to the Senate Foreign Relations Committee, which is an authorizing committee. Well, why did I go? When Senator Lugar became Chairman three and a half years ago and I was offered the opportunity, a few things went through my mind. First, I have always respected him, a good human being, one of the few true internationalists, etc. - and the last time

there was a comprehensive Foreign Assistance Act authorized was in 1985 when Sen. Lugar was Chair, and I was told that he wanted to get back into that mode, of passing authorizing bills. So I left the department and wrote an authorization bill. The first time, we didn't go overboard trying to set new policy. I just basically tried to codify the things that the appropriators had been doing for 20-some years. The bill made it through committee in a two-hour markup. We later got floor time for the bill, had a couple days on the floor dealing with numerous amendments, some problematic, including Senator Boxer's on Mexico city, which was politically charged but was voted on and approved. We were on a roll - needed one more day to finish and were happy. Then, because authorizing bills can be amended with anything, whether or not germane, Senator Kennedy came down and offered an amendment on hate crimes and minimum wage. It was apparently determined by leadership that those topics were not ready to be addressed, so the foreign assistance authorization bill was taken off the floor. A month later Senator Kennedy introduced the same amendment on the defense authorization bill. Apparently that was a more important authorization bill, so the bill was not pulled from the floor and indeed it was adopted. That shows part of the difference between the desire to pass defense authorization bills as opposed to foreign assistance bills.

UNIDENTIFIED SPEAKER: The pope died.

MR. CLAYMAN: Yes. So, yes, thank you.

The next time the legislation was on the floor for two days things were going well until the pope died. Various Senators wanted to attend the funeral so we had to stop - not that the pope's not important --

(Laughter)

MR. CLAYMAN: -- When you realize there's divine intervention, you kind of give up, you know? So, this last year we haven't done one.

So, if we talk about addressing needed changes, one thing that would be helpful is

to change the rules to prevent non-germane amendments from being placed on authorization bills.

UNIDENTIFIED SPEAKER: Healthier pope.

MR. CLAYMAN: Yeah, if we had a healthier pope, exactly. Charlie's walking out on that one.

(Laughter)

MR. CLAYMAN: With respect to new initiatives, I will say, there is a big difference. It is different with respect to major new pieces of authorizing legislation. The Millennium Challenge Corporation account did come to the authorizing committees. We worked very closely with the House and got the legislation as far as we could in a relatively short time. And then the appropriators took over and did the rest, but they took ours, primarily. Same thing with the global AIDS bill. The House authorizers sort of started that. So, on major new initiatives, appropriators are loath to step in absent some authorization imprimatur.

Fifth point -- I personally am very hopeful of the process for the office of the Director of Foreign Assistance with Randy Tobias at the head. It's what I felt, certainly from my experience at State, was needed all along. One central figure who is responsible for all foreign assistance certainly within State and AID. He's not there yet, and what they're really hoping for is to put the '08 budget together. I think that's way too long. I think their imprint needs to start being put on some of these notifications that come up now, and they are talking about doing so next year - trying to take a few countries and massage their oversight and coordination work into it.

And the sixth and final point, which is timely right now because we have a defense authorization bill on the floor pertains to an effort by DoD to develop its own foreign assistance programs. The Administration apparently wants DoD to expand its involvement in such programs further and faster.

You may or may not be aware DoD was given authority the last couple of years to run train-equip programs in Afghanistan and Iraq, as well as to train police there. We basically acquiesced because they're there. DoD had a massive presence, so they should just do it. Not long after that was enacted they sought an expansion of that authority worldwide, and to expanded beyond train-equip to add police training and counter-narcotics, counter-terrorism, programs as well. That concept was ultimately rejected last year largely because of an amendment offered co-sponsored by Senator Lugar, which the Senate accepted. Ultimately, in conference the authority was more limited and given to the President. The President not long ago came out with the determination that 21 countries would be eligible to receive this type of assistance. The countries include some that are quite suspect, such as Equatorial Guinea, which has serious human rights problems. The list also includes wealthy countries, etc. So it appears there continues to be an attempt by DoD to expand its authorities, without true coordination or a comprehensive strategy.

We have introduced an amendment to the defense authorization this year, which seeks to place the Secretary of State squarely in charge of determining what countries should receive what type of training but thus far have not received support from the Administration for such an amendment. So, despite my happiness that Randy Tobias is there and we have this new global coordinator, there still appears to be a problem in that State is ceding some of its traditional authorities to DoD.

So, that's what I have to offer - and I didn't write a chapter, but now you've heard my verse.

Was I within my 5 minutes?

MR. INGRAM: Thank you very much, Paul.

Let me put a suggestion on the table and invite the panelists to comment on it and then open the floor for conversation.

Lael will remember that there was some initial hope that the timing would be for this report to come out at the beginning of the second Bush administration. I'm going to now suggest that the timing of this report is superb, and if you read the chapters, if you listen closely to what Paul just said, it just reinforces the mess that our foreign assistance program, policies, and procedures are in and that I believe requires a lot more than just tinkering around the margins. It requires more than just looking at the State Department and AID. It requires looking at the whole panoply of programs and policies, and if you listen to what Larry says, that requires presidential engagement.

First and foremost, of all of his nine conditions, I think that's the most important one; and you read Charlie's chapter, you have to engage the Congress. I think the only hope for getting the U.S. government to confront this disorganization is to get this issue into the Presidential primaries, for the advocacy groups and think-tank communities and others to force this into the presidential discussions and debates and get a President who, when he walks into the White House, is committed to reviewing the whole area with the goal of rationalizing our policies and purposes, the organizational structure, and the resources. And along with getting the presidential on board, you have to lay the groundwork in the Congress now to get congressional actors engaged so that when the President comes in and is willing to deal he has partners in the Congress who are willing to act.

UNIDENTIFIED SPEAKER: I think the President just last week focused entirely on the issue of the amount of resources, not on the management issues or the appeal against the reductions from these requests in the House Appropriations Bill. We'll know next week what the Senate is doing.

I don't know who advises the President on these matters. If anyone in the room does, please, I guess, tell Lael. But -- and I think one of the reasons this report is as good as it is, is because Lael, who really spearheaded it, doesn't come from our community and actually

comes from an intelligent economic background.

But the fact is that the President would probably be willing to get engaged. I don't think that's the hard part of George's challenge. I think it could be taken up by the various folks who were in the room earlier today who will advise various presidential candidates. I don't know where you find the partners in Congress right now, quite frankly. If anyone knows where they are or where they can be dredged up, again, send Lael a note.

MR. INGRAM: Larry.

MR. NOWELS: I just agree with you, George, on the point on looking toward the presidential primaries. I think no matter how successful the current effort of Tobias and the director of Foreign Assistance is, it is so late in the administration they're doing it incrementally, couldn't get it together to do some of the heavy lifting on the congressional engagement and the appropriations for the '07 cycle, and maybe they'll do it for the '08 cycle. It may be just starting to take hold at the end of the administration, and whoever is elected next time around will be looking at the same type of thing to come up with a different framework. So, engaging the political process to look ahead to the early days of the next administration I think would be the best prospect for seeing some substantial long-term change.

UNIDENTIFIED SPEAKER: (Off mike)

MR. NOWELS: Careful, Sara Lugar's there.

UNIDENTIFIED SPEAKER: Yes, but is term limited?

MR. NOWELS: We've got two and a half more years and I'll be there.

Combined.

(Laughter)

UNIDENTIFIED SPEAKER: You've got one partner.

UNIDENTIFIED SPEAKER: There you go, you've got a partner. Lugar --

UNIDENTIFIED SPEAKER: Then you've got me. I mean, think of doing this

with Chairman (off mike) and Chairman Smith.

MR. INGRAM: Okay, want to say anything before we open the discussion?

(Pause)

UNIDENTIFIED SPEAKER: The lead-up to your conclusions was much more optimistic than your conclusion, which was so pessimistic. In other words you lay out that there's this ferment, there's the HELP Commission, there's the product of this effort. We're entering a political cycle and I would add, you know, we're entering a political cycle in which every presidential candidate is going to be looking and talking about something other than Iraq, and they're going to be looking to talk about use of U.S. soft power in some positive and instructive way, and that's what this is all -- this set of conversations is all about, so coming up -- yeah, there may not be a leadership apparent today, but coming up with a set of ideas that are intelligible, compelling, sensible, coherent that can be taken up, I think you'll find ready and willing folks who are going to be searching for something to say in this zone that talks about restoring U.S. leadership and effectiveness and legitimacy in the world and has an ability to change the subject from Iraq at the right moment. So, I'm just puzzled why you're concluding on such a pessimistic set of points.

(discussion)

MR. INGRAM: I wish we had more time. Clearly there's a lot of interest in this.

Let me say one more time, Lael, thank you and your fellow authors. You've done us all a great service.

If everybody will keep their seat except the current panel and the next panel, we will have a quick shifting of the head table.