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BUILDING CAPACITY FOR STABILIZATION & RECONSTRUCTION

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WHY IT MATTERS

In the absence of effective governing, states are hollow vessels, providing opportunities for transnational terrorism, organized crime and the proliferation of weapons of mass destruction. Such states cannot act decisively to control the spread of deadly diseases, let alone regulate conflict and provide an environment conducive to economic growth and development. Such voids in governance are perhaps most common after conflicts, when it takes time to establish trust and capacity in state structures and between previously warring factions.

An effective stabilization and reconstruction capacity requires the integration of traditional military peacekeeping and peace enforcement capabilities with civilian initiatives to address humanitarian needs, build capacity to administer the rule of law, promote reconciliation among previously warring parties, and help build the physical, human and institutional infrastructure necessary to create a positive peace that is self-sustaining long after peacekeepers leave a conflict. It seeks to create effective public institutions that, through negotiation with civil society, can establish a consensual framework for governing within the rule of law. To succeed, stabilization and reconstruction initiatives require multilateral cooperation to bring together the necessary range and depth of skills, and the capacity to sustain them over at least a 5-10 year period. This has been true even in tiny Kosovo, much less Afghanistan and Iraq.

In the United States, peacebuilding assumed a new place in national priorities after 9/11. Afghanistan, at the time the second poorest country in the world, served as the base for the most significant strike on U.S. territory in the history of the republic. The Bush Administration subsequently elevated the threat of state failure to a top national security objective. The U.S. National Security Strategy affirmed that: "America is now threatened less by conquering states than we are by failing ones."[1] Since then, Canada, the UK, Germany, Australia, the United Nations, the European Union, and the African Union have all created some form of institutionalized, cross-agency capacity for "peacebuilding." Many countries have incorporated stabilization and reconstruction capabilities into their foreign aid programs or foreign ministries.

The chances for state failure rise dramatically in the void between war and peace. This fragility is most often linked with civil wars—19 of them in 2004, for example.[2] The U.S. invasion of Iraq demonstrated yet another form of state failure linked to international interventions. While concern over the mismanagement of the Iraq War and its aftermath has perpetuated skepticism about what the Bush Administration intends from peacebuilding, the absence of stabilization and reconstruction planning and capacity in Iraq in 2003 and 2004 was a driving cause in the biggest political and international security issue affecting the United States – as well as all the countries of the Middle East and oil-importing countries around the world.

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[1] President George W. Bush, *The National Security Strategy of the United States of America*, September 2002, p. 1. Available: http://www.whitehouse.gov/nsc/nss.pdf; accessed 30 May 2007.
[2] Paul Collier and Anke Hoeffler, "New Hot Paper Comments," ESI Special Topics, January 2006. Available: http://www.esi-topics.com/nhp/2006/january-06-Hoeffler_Collier.html; accessed 30 May 2007.

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For most of the world, civil wars and regional conflicts have been an affliction in search of attention. Sub-Saharan Africa alone has suffered from 168 conflicts between 1990 and 2003.[3] The Great Lakes conflict claimed more than 3.8 million lives in the Democratic Republic of the Congo alone.[4] Historically, neighboring states have suffered a significant share of the cost of another country's civil war due to refugees and the disruptions from wider instability.[5] To underscore further the need for peacebuilding, 44% of countries recovering from civil war face the risk of renewed conflict within the first five years of reaching a peace agreement.[6] The need for capacity to rebuild from conflict is not just a phenomenon associated with American military intervention. It is a reality of the international security environment that affects American interests even when U.S. troops are not involved.

That said, state failure amidst cycles of violence need not be an inevitable result from civil war and interstate conflict. A RAND study of eight UN-led peace operations found that seven of these countries are still at peace.[7] While the results would have been grimmer if the RAND study had included UN operations in Croatia, Bosnia, Somalia, Haiti, Angola, and Rwanda, lessons have been learned. In second chances in both Haiti and the Democratic Republic of Congo, UN missions are making progress despite massive underfunding and huge political complications. This testimony addresses both lessons learned and what is required to achieve institutional capacities in stabilization and reconstruction given the frequency and scale of conflicts that exacerbate the risk of state failure.

UNDERSTANDING THE CHALLENGE

Stabilization and reconstruction, or what the international community calls peacebuilding, is not a precise science. Local circumstances will dictate factors critical to success. Yet we have also learned enough about peacebuilding to describe its complexity and understand practices and capabilities that will increase the chances for sustainable peace.

As a starting point, peacebuilding is a process that demands time. To understand the nature of the process, the types of international skills required, and the local capabilities that must be developed, consider four stages of peace building. All four may move concurrently, but progress in one may coincide with backsliding in another. For peace to become sustainable, some degree of progress is needed at all four levels.[8]

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[3] "The Human Security Report 2005: War and Peace in the 21st Century," Human Security Centre, University of British Columbia, Canada, New York: Oxford University Press, 2005, p. 24. Available: http://www.humansecurityreport.info/HSR2005_PDF/Part1.pdf; accessed 1 June 2007.

[4] Estimated number of deaths from August 1998-April 2004. See Ben Coghlan et al, "Mortality from the Democratic Republic of the Congo: Results from a Nationwide Survey Conducted," Burnet Institute and International Rescue Committee, 2004, p. iii. Available: http://www.globalpolicy.org/security/issues/congo/2004/1208mortalitysurvey.pdf; accessed 1 June 2007.

[5] Collier et al, "Breaking the Conflict Trap: Civil War and Development Policy," World Bank Policy Report and Oxford University Press, 2003, p. 35. Available: http://www-wds.worldbank.org/external/default/WDSContentServer/IW3P/IB/2003/06/30/000094946_0306190405396/Rendered/PDF/multi0page.pdf; accessed 1 June 2007.

[6] Paul Collier and Anke Hoeffler, "Military Expenditure in Post-Conflict States," Centre for the Study of African Economies, Department of Economics, Oxford University. Draft: 8 April 2004, p.3.

[7] James Dobbins et al., *The UN's Role in Nation Building: From the Congo to Iraq*, Santa Monica, CA: RAND Corporation, 2005, p. xxxvi. Available: http://www.rand.org/pubs/monographs/2005/RAND_MG304.pdf; accessed 30 May 2007.

[8] For a fuller explanation of these stages see Carlos Pascual and Stephen Krasner, "Addressing State Failure," *Foreign Affairs*, July/August 2005.

1. *Stabilization*. This is the first requirement after conflict. It is incumbent on the international community to guarantee peace and impose law and order in the absence of a widely accepted rule of law. In addition to provision of basic security, there is a "window of necessity" to meet humanitarian needs and give people confidence in the future. Key factors are restarting basic social services, getting kids back to school, and stimulating local jobs that give people an alternative to taking up arms. The process must start to disarm, demobilize, and reintegrate (DDR) warring opponents. Some form of political activity must begin, often locally, that will lead to credible governance. Elections, when conducted too soon, can be detrimental, forcing competition among previously warring factions before wounds have healed and potentially entrenching criminals or warlords in political office.

2. *Unraveling the Past*. Eventually, societies recovering from conflict must address the factors that drove them to conflict in the first place. If they do not, these issues will at some stage resurface as spoilers to stable peace. Conflict drivers might include: exclusion from politics, persecution of ethnic or religious groups, lack of trust in formal systems of justice, massive poverty, corruption, failing state enterprises, land and water disputes, and income inequality.[9] However, addressing these drivers of conflict can in themselves be destabilizing. Privatization of state industry can lead to more unemployment and political unrest. Going after corruption can drive former elites to use their money and influence to sabotage political transition. Part of the challenge is to gauge when and how to tackle these issues when achieving stability also is an imperative.

3. *Building the Infrastructure, Laws, and Institutions of a Democracy and Market Economy*. The process of helping countries build the future foundations of their society is generally the most time-consuming and complicated stage of transition. Laws and regulations must be written and adopted, people must be trained in new forms of governance, investments must be made in appropriate infrastructure, and governance theory and training must be turned into practice. The challenges extend from economic capacity (creation of markets, banking systems, tax systems, fiscal viability), to political institutions (political parties, functioning parliaments, accountable executives), to administering the rule of law (constitutions, implementing legislation, judges, lawyers and penitentiary systems), to civilian control of security structures (civilian police, civilian control of the military, new defense and interior ministries). Societies are seeking to transform from "imposed order" to order based on freedom, openness and competition, with laws to regulate clashing interests, legal systems to mediate disputes and political processes to check executive behavior. Such transitions require time and local ownership.

4. *Nurturing Civil Society*. Outsiders cannot build civil society, but they can offer training to media, civic organizations, business groups, environmental activists and others who can advance community interests and guard against abuses of power. The role of women is especially important in rebuilding from conflict as women often take a practical stance on health care, education, and water and land issues that can contribute to an environment of trust.

There are two causal paths to peacebuilding failure: failure from a security perspective to contain opposition in the form of spoilers; and failure from a state-building perspective to build the

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[9] See "Failed State Index Scores 2006" and "Country Profiles," Fund for Peace. Available: http://www.fundforpeace.org/web/index.php?option=com_content&task=view&id=104&Itemid=324; accessed 1 June 2007.

necessary local capacity, legitimacy, and effectiveness to sustain peace. Across the four stages of transition described above, certain practices can increase the chances for success.

- All things being equal, peace agreements should be written, clear about expectations, with achievable mandates for the international community.[10]
- Physical security is a prerequisite for economic and political progress.[11] Adequate forces are needed to enforce the peace, but the use of force without a peace agreement is not sustainable.
- Resource-rich countries have a greater chance of falling back into conflict because they can divert funds to finance war. Accountability for wealth must be started from the outset; and stabilization and reconstruction missions must have a plan for how to deal with resource management issues.[12]
- Sustainability requires local ownership. Peacebuilding entails the redefinition of the state and its relationship with its citizens. If citizens do not believe in the "new state", it cannot succeed. Hence, international institutions must involve locals from the outset and seek their empowerment.
- Significant and sustained investment is needed in the physical, human, and institutional infrastructure of a new state. International development banks, development agencies, the UN, NGOs and increasingly private financial institutions all play essential roles during this stage. If the U.S. stabilization and reconstruction efforts are not integrated with a wider network of capabilities and resources, unilateral U.S. initiatives will fail.
- Building local capacity takes time, often more time than the international community is willing to sustain financing and troops. Moreover, the faster the evolution from stabilization to other stages of transition, the greater role that locals must play, which often creates constraints in absorptive capacity.[13]

ASSESSING PERFORMANCE: THE HARD CASES

Iraq and Afghanistan represent exceptionally hard cases in which the United States has been the lead country and the United Nations has played a secondary role, especially in Iraq. Iraq is particularly hard because it now entails both a civil war and a failed state, and because the U.S. presence there is so widely contested. To build peace in the context of a civil war, experience in Bosnia, Haiti, Mozambique, El Salvador, Guatemala , Northern Ireland, and South Africa has shown that peace agreements are essential requirements, though alone not necessarily sufficient, to guarantee peace.[14]

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[10] William J. Durch, *Twenty-first-century Peace Operations*, Washington, DC: United States Institute of Peace Press, 2007, p. 576.

[11] James Dobbins, et al., *The UN's Role in Nation Building: From the Congo to Iraq*, Santa Monica, CA: RAND Corporation, 2005, p. xxxvi. Available: http://www.rand.org/pubs/monographs/2005/RAND_MG304.pdf; accessed 30 May 2007. Collier and Hoeffler, "The Challenges of Reducing the Global Incidence of Civil War," *Copenhagen Consensus 2004*, 26 March 2004, p. 22. Available: http://www.copenhagenconsensus.com/Files/Filer/CC/Papers/Conflicts_230404.pdf; accessed 30 May 2007.

[12] Collier and Hoeffler, "Military Expenditure: Threats, Aid, and Arms Races," Policy Research Working Paper no. 2927, World Bank, Washington, D.C., 2002.

[13] The misalignment of donor and host nation agendas often arises most poignantly in the security areas. International actors are generally under pressure to withdraw troops, and there is a massive shortage in internationally deployable police. Yet it will take a good five years to build a viable local military and police force, and even longer to revamp the justice system.

[14] Carlos Pascual and Kenneth M. Pollack, "The Critical Battles: Political Reconciliation and Reconstruction in Iraq," *Washington Quarterly*, vol. 30, no. 3, Summer 2007, pp. 7-19.

Because Iraq is a failed state in the midst of war, the parties themselves cannot be expected to reach a political settlement without an outside broker. Even then, there is a need for external forces to create an environment of stability that allows local entities to make progress across the four stages of peacebuilding described earlier.

Even if Iraq and Afghanistan are not typical of international stabilization and reconstruction requirements, they have so tested the limits of U.S.—and in Afghanistan also the UN and NATO—capabilities, that we should learn from the weaknesses and the stress points in order to build more effective capacity in both the United States and the international community. Tough as these two cases might be, they do not even approach the complexity that would accompany comparable conflicts in states such as Pakistan or Nigeria. Some key lessons:

- Adequate international security forces are needed to uphold the peace and enforce law and order immediately after conflict. In Bosnia and Kosovo the troop to population ratios were, respectively, 19 and 20 to 1,000. [15] In Iraq and Afghanistan the ratios were, respectively, 7 and 1 to 1,000.[16] The subsequent insurgencies in Iraq and Afghanistan should not be a surprise.
- Once a mission loses control over the use of force and criminal activity, it creates the space for insurgency. Understaffing the security component could undermine an entire peace operation.[17]
- Indigenous security forces must assume responsibility for law and order, but building their capacity takes time. In Afghanistan this has required creating new defense and interior ministries, and failure to address such comprehensive restructuring, especially of the police, delayed the creation of effective local capabilities by three or more years.
- While international actors must turn over responsibilities to local actors, precipitous elections when there is a weak legal foundation and few checks and balances in government can create rather than solve problems, such as bringing war lords and criminals into power, or passing flawed legislation such as the Iraqi constitution that favors majority groups and becomes its own driving force for insurgency.
- Creating jobs and building infrastructure are essential to establishing a tangible sense of progress, but these require the capacity for large numbers of civilians to move and act freely. Progress in these areas is unrealistic without security. Yet failure to mobilize civilian capabilities to make progress in these areas will also undermine initial inroads to establish security.
- The scale of American and NATO involvement in Afghanistan, large as they have been, has not been adequate to achieve success. The combination of scale, time, and complexity underscores the need for multilateral engagement to sustain an effective international role over years. Yet to be effective, that role cannot be ad hoc. U.S. and NATO forces at least had the benefit of coordinated planning and training, which the UN has no capacity to do through its ad hoc missions.

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[15] Seth G. Jones et al., *Establishing Law and Order After Conflict*, Santa Monica, California: RAND, 2005, pp. 19, 202, Available: http://www.rand.org/pubs/monographs/2005/RAND_MG374.pdf; accessed 1 June 2007.
[16] Ibid., pp. 184-185.
[17] See Paul Collier and Anke Hoeffler, "Military Expenditure in Post-Conflict States," Centre for the Study of African Economies, Department of Economics, Oxford University. Draft: 8 April 2004.

- The cooperation of neighboring states, or at a minimum their willingness to refrain from supporting insurgent groups, is needed to build peace.

The Office of Stabilization and Reconstruction
The Bush Administration decided at a Principals meeting of the National Security Council in April 2004 to create a Coordinator for Reconstruction and Stabilization (S/CRS) in the State Department to lead interagency civilian efforts and coordination between civilian agencies and the military in order to help countries emerging from conflict build a sustainable peace. S/CRS was established officially in August 2004. An interagency strategy for stabilization and reconstruction was approved at Deputies and Principals meetings in, respectively, November and December 2004. Extensive consultations were held with most regional U.S. Combatant Commands, including a briefing with the Joint Chiefs of Staff, Combatant Commanders, and the Pentagon's civilian leadership in January 2005. In 2005 the President signed National Security Presidential Directive 44 on Management of Interagency Efforts Concerning Reconstruction and Stabilization. This directive governs internal USG operations and civilian-military interface. Importantly, also in 2005, a companion directive for the Department of Defense was also issued (DoD Directive 3000.05) that elevated stability operations to the level of importance of military operations and directed interaction with civilian elements as the lead of any post-conflict reconstruction operation.

The precepts underpinning S/CRS were agreed upon rapidly. The key constraints to developing a more effective stabilization and reconstruction capacity have been bureaucratic competition, and a lack of political support and resources to translate organizational and operational concepts into capacity. Given the huge demands on the Foreign Affairs budget, even the modest annual increase needed to sustain a strong stabilization and reconstruction capacity – on the order of $350 million a year – will not occur unless the President makes clear that sustaining such a capacity is a priority, and invests the political capital needed to secure the resources and authorities. Administration efforts to date have been well intentioned, but without the necessary vitality at senior levels.

As with any new bureaucratic arrangement, S/CRS has stirred controversy across civilian agencies and within the State Department. Strongest support for the office and its functions has come from the uniformed military. Many agencies and offices have feared that S/CRS would usurp their functions. Rather, the role of S/CRS is to perform a function comparable to that of the Joint Staff in the U.S. military. The Joint Staff ensures that there is a common strategy for a given theater, and that all services function inter-operably within that strategy. The Joint Staff oversees planning and doctrine, something that has no comparable place in civilian agencies due to inadequate resources. The Joint Staff does not replace the Army, Navy, Air Force, Marines and Coast Guard. Similarly, *the role that was created for S/CRS was to lead the design of a common U.S. strategy in a given theater for civilian agencies, and between civilian agencies and the U.S. military, to support countries emerging from conflict. The office does not replace USAID, different parts of State, other relevant USG offices. It should, however, ensure that USG civilian capabilities are used more effectively to achieve a common U.S. goal, and that these capabilities are coordinated with the military when there is a U.S. military component, or in others cases with international peacekeeping forces.*

Some have argued that S/CRS should be located in the White House. That would be a mistake comparable to taking the Joint Staff out of the Pentagon and placing it in the National Security Council. A strong core team, drawing on staff from across civilian and defense agencies, should be located as it is now in the agency responsible for U.S. foreign policy, the Stated Department. At least 100 people will be needed to carry out the central functions of S/CRS – a moderate staff that

would also increase the size of the NSC by at least 75%. That said, the NSC has to take a leadership role in stabilization and reconstruction to support State-led operation and to show the Executive Branch and Congress it take the function seriously. Since the creation of S/CRS, the NSC has devoted just one director-level position to these functions. Currently that Director reports to a Senior Director responsible for foreign aid and humanitarian crises and then to a Deputy National Security Advisor whose principal role is trade and the G8. Hardly the staffing structure one might expect for an administration that declared in its 2002 National Security Strategy that "weak states, like Afghanistan, can pose as great a danger to our national interests as strong states."

Two other core functional capabilities are needed to create an effective stabilization and reconstruction capacity. One is to deploy quickly a competent field team that can spearhead civilian stabilization and reconstruction efforts, including the design and management of program strategies and individual projects. The comparable function in the military is the capacity to establish a theater headquarters that draws from the forces within a combatant command. Such field leadership teams may include a mix of political, economic, development, communications and administrative specialists. These are the functional equivalent of field generals that plan for and lead a mission; they are not the foot soldiers. Presently, such teams are put together in crises by calling for volunteers from diplomatic posts around the world, forcing them to break current assignments. Deployments are slow, individuals may have little or no knowledge of local circumstances, rarely have expertise in stabilization and reconstruction issues, and teams have not prepared to deploy together. The U.S. military would never deploy under these conditions.

Provincial Reconstruction Teams (PRTs) are one way in which field leadership teams can be deployed. The concept behind PRTs is that they can embed and deploy with the military in insecure environments when a large civilian presence may not be possible. Their initial roles would be to advise the military on initial actions that can help normalize relations with communities and help those communities restore a sense of normalcy after conflict, and to inject field-based insights into stabilization and reconstruction plans coordinated out of Washington. They would also begin to look for potential partners to implement programs.

As security begins to normalize, civilians in the PRTs would begin to mobilize other assistance providers (for example, a civilian reserve, contractors, and NGOs) to undertake specific projects and support rebuilding local capacity. Over time, the balance between civilian and military personnel would shift in the PRTs. Civilians would take the lead in working with local officials to formulate provincial development strategies that reinforce national goals. But to even contemplate the prospect for such provincial-level engagement, State, USAID and perhaps other civilian agencies must have the capacity to deploy trained personnel in a timely fashion. In Afghanistan, close to five years after the first PRTs, civilian agencies still have not mobilized adequate personnel to shift PRTs from military to civilian leadership. In Iraq, the effectiveness of the PRTs will be constrained as long as civilian personnel cannot move freely, allowing for a wider and deeper range of technical specialists to be deployed. In short, the capacity of the USG to deploy capable and trained civilians in PRTs will determine whether, first, they can help strengthen the direction and utility of military-led stabilization efforts while conflict still persists and, second, whether, civilians can help direct short-term stabilization toward sustainable reconstruction efforts.

The other core functional requirement for stabilization and reconstruction is to mobilize and deploy specialists in key skill areas: police, police trainers, rule of law experts, humanitarian and relief efforts, job creation, infrastructure, political reconciliation and effective governance. Not all

communities will have the same needs, but the task of peace building can involve every aspect national security and political and economic life. If the United States has a stake in helping countries achieve sustainable peace, the United States also has a stake in investing directly and working with international partners to ensure that support in these areas – material and financial – can be delivered in a timely way and sustained.

A civilian reserve corps would fall into this later category of, in effect, mobilizing civilian foot soldiers. Given the resistance to any significant civilian stabilization and reconstruction funding, a civilian reserve could at best be modest – on the order of 3,000 specialists who would train together. If deployed, they would enter into active government service. Reservists would phase out to civilian contractors who could sustain efforts over a longer period and add far more significant resources. The skill focus should initially be police, police trainers and rule of law experts, as they generally are the critical missing link to establishing stability, allow peacekeepers to phase down, and to tapping other civilian contractual capabilities. But beyond a civilian reserve, contracting mechanisms need to be made faster, and personnel need to be better prepared.

About three and a half years after S/CRS was created, there is definitely a record of progress, but the administration's lack of political will to get fully behind the capacity it set out to create, and the Congress' consistent rejection of the Administration's meager requests have left the United States still sorely lacking in an effective stabilization and reconstruction capacity. That is not to say that there have not been accomplishments. S/CRS has led the interagency community to get consensus on a planning framework that creates a common approach and vocabulary between civilians and the military. The S/CRS *Essential Task Framework* is the best complied checklist in the field of lessons learned, yet is arguably not even well utilized within S/CRS. Organizational models have been developed for coordinating interagency and civilian military teams in the field, at Combatant Commands, and in Washington. Military and civilian personnel have jointly participated in and learned from simulations and exercise. Planning and interagency strategy development tools have been applied to Sudan and Haiti, and S/CRS has played at least a limited role in planning or short-term responses in Lebanon, Congo, Nepal, Bangladesh, Central African Republic, Chad, Zimbabwe and Afghanistan. A recent mission to Afghanistan focused on strengthening the role of PRTs is promising, although it is unclear where the civilian resources will come from to make the PRTs a vital force to reinforce Afghan provincial governance.

The important lesson to draw is that the challenge of organizing for stabilization and reconstruction is not so much conceptual, but one of realizing the potential of the concepts, models and tools that have been developed. Certainly there will be a need to adapt and adjust the basic models based on experience. The emphasis within the administration, Congress and nongovernmental community at this stage, however, should not be to continue to indulge in architectural fantasy. There is a need to invest in, exercise, test and use the sound foundations already in place. The following section outlines priorities to act on the promise of what has been created.

10 Priorities for U.S. Action
Building a more effective U.S. stabilization and reconstruction capacity has three aims: to ensure that U.S. civilian capabilities are able to contribute as effectively as possible to helping states emerging from conflict become viable and sustainable so that they do not present a threat to their own people and the international community, to ensure that the civilian side of the government has skills that complement our military capacity, and to contribute to and leverage multilateral efforts that are inevitably needed to sustain a stabilization and reconstruction for the time needed and the

resources necessary to make a sustainable difference. Given the capabilities that have been developed to date, the following are 10 key actions needed to create more effective U.S. stabilization and reconstruction efforts.

1. **Civilian Leaders Must Use the Capacity They Create.** The President, the National Security Advisor and the Secretary of State must call on S/CRS to lead civilian stabilization and reconstruction efforts if the office is to be taken seriously. There will always be bureaucratic tensions across functional and regional parts of government. At present, the White House and State use S/CRS for relatively secondary functions when convenient. When tensions arise between regional bureaus and S/CRS, the bureaucratic answer has generally been to say that all offices are relevant and important. There is a relatively simple way to address these issues. A major stabilization and reconstruction mission will require one person to serve as its head. S/CRS must put in place a roster of senior, trained and experienced personnel who can lead the policy and planning exercises for stabilization and reconstruction missions. A person from this roster should be assigned to lead planning and policy processes in Washington. This individual should be supported by a secretariat drawn from the interagency community, including S/CRS and relevant regional bureaus. The Secretary of State must use this person as the lead senior advisor on the situation in question. If the demand does not come from the top, and if there is not a dedicated leader trained by S/CRS as the point person, the efforts to institutionalize capacity will flounder.

2. **Establish and Maintain a 25-50 Person Senior Roster to Lead Interagency Planning and Responses.** At any given time, there will be 3-4 major stabilization and reconstruction efforts concurrently underway. One could argue that we currently have Iraq, Afghanistan, Kosovo, Lebanon, and Congo, with Pakistan, Zimbabwe and Somalia waiting to explode. The Coordinator for Reconstruction and Stabilization cannot personally lead all these efforts. Rather, S/CRS must become the repository of skilled people who can lead such efforts, as well as retain the planning capacity and experience to guide each planning effort, while drawing on the best country-specific skills from the interagency community. Senior personnel, former high-level officials and country experts would be trained on S/CRS tools and capabilities and be on-call for emerging crises. If S/CRS is expected to lead each planning effort without such depth of capacity on which to draw, it will fail.

3. **Create a 250 Person Active Response Corps (ARC).** Part of this Corps should be at State and part in other civilian agencies. Its purpose is to have on active duty a team of people who have trained and worked together to set up and support stabilization and reconstruction mission. This corps would be the center point for the field leadership teams discussed above. After completing service in the ARC, personnel would remain in a standby corps for five years. Eventually, instead of having a few people prepared for rapid deployment, the USG would realistic have 600-750 people ready on an active or stand-by basis.

4. **Require the U.S. Military to Provide Security under Joint Deployments for Personnel in PRTs.** The first task with the PRTs is to have the personnel available through an ARC and stand-by corps to deploy the level of civilians to make such missions effective. The other key constraint to effectiveness is security. We have already seen the limitations of using contractors for this purpose. For the U.S. military, securing civilian personnel becomes a distraction when conflict erupts. Yet there is no way for civilian teams to lead and inform stabilization and

reconstruction efforts if they cannot get around. This is a minor addition to the demands on our military, yet without the PRTs, we will never get beyond short-term pacification.

5. ***Authorize and Fund the Creation of a Civilian Reserve.*** A 3,000 person-civilian reserve will cost about $55 million per year to maintain. A deployment would be in the hundreds of millions, but the cost of such deployments would have to be covered at some point in any case, and have been usually implemented through contractors. The creation of civilian reserve provides the capacity to get on the ground quickly, and to address key issues before they get out of control. Building an indigenous capacity to sustain the rule of law is the most critical function toward long-term sustainability. Yet in Afghanistan and Iraq, the United States still does not have a functioning strategy for civilian law and order. The investment is small in order to get skilled capacity on the ground quickly. Contractors will still be needed to take over the longer term operations, but with a Reserve the response time can be cut down to weeks rather than months or years and they would be pre-trained, ready to work with the USG civilians and military, and fully accountable as government employees. The FY2007 Defense Supplemental appropriated $50 million for a civilian reserve. That is a useful down payment. But the funds are frozen because Congress has not legislated the necessary authorities.

6. ***Expand and Refine Pre-Compete Contracts.*** The S/CRS *Essential Tasks Matrix* provides a fairly clear range of the kinds of skills that would need to be tapped in stabilization and reconstruction missions. These skill areas could not all be covered in a civilian reserve. Instead, pre-competed contracts need to be in place in critical areas. To some extent such contracts exits through USAID, State/INL and Treasury. The quality of the contracts and contractors is not uniform, and most do not have any seed capital to ensure that certain key personnel are always ready for deployment within given time constraints. A modest injection of $10-15 million could ensure that such contractual mechanisms are in place. A central database should be completed in S/CRS that allows all agencies to feed in contract information in a common format, with rights to reciprocal access.

7. ***Create a $200 million replenishable Conflict Response Fund (CRF).*** This is not a slush fund. The CRF would provide the resources needed to jumpstart deployments for 3-4 months in critical sectors that will fundamentally affect the success of a stabilization and reconstruction effort. At present, funds are provided either through a supplemental, reprogramming from other accounts, or both. Since the Foreign Affairs budget does not have the same cushion as the Defense budget, it is not possible to launch a deployment from within existing funding and then seek supplemental funding to pay back the loan. The CRF would surely not be large enough to cover all the costs of a mission. But it could trigger immediate action in areas that can alter the course of success. The fund should require submission of core plans and determination by the President. A consultative process between the administration and Congress before utilizing funds would be appropriate and desirable. This funding is not additive to the overall costs of any mission – it is a front loaded advance of funding that we end up spending anyway. The difference is that it allows a faster response to seize opportunities in the early days and may in fact save money in the long run.

8. ***Create the Authority to Manage Available Funding more Effectively.*** There are close to twenty accounts in the Foreign Affairs budget. These accounts are managed as fiefdoms by agencies, bureaus and offices. This practice destroys efforts at rational planning. The accounts drive the solutions rather than strategic requirements driving the strategy and budget. The U.S.

military could not function under such planning conditions. The Lugar-Biden Bill (S.613/H.R.1084) first proposed in 2004 has offered a practical solution through more flexible transfer authorities. The core requirement is to allow the creation of stabilization and reconstruction account for a country when the President determines that it is in the national security interest of the United States to help that country achieve a sustainable peace. In that case, funds could be transferred from other accounts in the Foreign Affairs budget into the new stabilization and reconstruction account. The funds could then be used for any function in the Foreign Affairs budget. This would allow the Secretary to put funding into whatever agency or program could best support the various objectives of the assistance. While this may seem an arcane issue, it is absolutely essential to achieve any rational planning process.

9. ***Renew the Section 1207 Authorization for Defense Transfers to State for Stabilization and Reconstruction.*** Section 1207 allows the Departments of Defense and State to determine that it would be in the U.S. national interest for the Department of Defense to transfer up to $100 million to State to support stabilization and reconstruction missions. Senior defense officials have realized that they cannot fulfill their mission unless states emerging from conflict develop the capacity to enforce the rule of law and govern effectively, even if with outside technical help. Without such capacity, military and peacekeeping deployments will be longer and more costly, and more lives will be at risk. This transfer authority is not a windfall for State. It is an appropriate reflection of the fact that national security depends on civilian capacity as much as on the ability to project force. Nor is there any risk that $200 million for a Conflict Response Fund and a Section 1207 transfer authority would overwhelm the scale of the problem. As we have seen from Iraq, Afghanistan, Kosovo, Bosnia, Haiti and Lebanon, this would be just a down payment on the needed resources. And if more than one stabilization and reconstruction mission were to be needed at a given time, the $300 million window between the CRF and Section 1207 would at best be modest to launch initial responses.

10. ***Coordinate U.S. Efforts with Key Partners, Particularly the UN, and Invest in Multilateral Capacity.*** As argued earlier, most stabilization and reconstruction missions take at least 5-10 years. The costs and the skill levels exceed what any single nation can provide. The UN, for all its limitations, can bring legitimacy and mobilize support from countries such as India, Pakistan, Bangladesh and China. To most American audiences that may seem an odd rationale, but these countries have become the backbone of international peacekeeping capabilities. NATO has also tragically seen that the world's strongest military alliance is barely able to sustain a massive stabilization and reconstruction mission in Afghanistan. If Pakistan, Egypt and Nigeria were to explode from internal tensions, neither the U.S., NATO or the UN would collectively have the force levels, skills and capabilities to help these countries stabilize. A starting point for the UN would be to fund fully the assessed costs of UN peacekeeping, support the modest Peace Building Fund which serves a comparable role to a Conflict Response Fund, and contribute at a normal U.S. rate of assessed costs for the Peace Building Support Office, which is supposed to function like an NSC-type office at the UN to coordinate strategy for peace building missions.

Strategic and Affordable
The total cost of the U.S. capabilities outlined above – a stronger S/CRS, an Active Response Corps, a Civilian Reserve, improved contract mechanisms, and a Conflict Response Fund would be about $350 million annually. Even with a 20% margin of error, this is miniscule relative to the Defense budget. The costs to deploy these capabilities would be additional, and they can be massive

as we have seen in Iraq and Afghanistan. But if the United States is resolved that weak and failing states are truly a threat to security, then it will spend the funds anyway for work on stabilization and reconstruction. What this suggested approach offers is the means to deploy more quickly, strategically and effectively when timing is critical and the momentum of a peace building effort can be radically altered. Consider this: if a faster and more effective stabilization and reconstruction mission had been planned and deployed in Iraq in 2003, and if that deployment had allowed the return of just one division to complete its mission one month earlier, it would have saved $1.2 billion, and that is secondary to the Iraqi and American lives it might have saved.

In short, as a nation we need to understand that addressing conflict and helping nations build peace is a national security priority. It requires both civilian and military capacity. Yet we do not have a national security budget – we have a budget for defense and another for foreign affairs. A stabilization and reconstruction capacity that is essential for the success of defense missions will remain under funded if it is not seen as part of an investment in national security that cuts across accounts. In that spirit, it is commendable that this Committee is holding this hearing to understand the ties between civilian and military capacity. If it can mobilize reconsideration of budget resolutions across accounts, reflecting the need to building civilian capacity to achieve our national security objectives, then this Committee will have take a landmark step toward reconsidering how we budget and act on our national security priorities.

Thank you for this opportunity to present this testimony.