

**OPENING STATEMENT TO
THE COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE**

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Mr. Chairman, Senator Cardin, and Member of the Committee, thank you for the opportunity to be here today.

“Security assistance is a vital, integral component of our national security strategy... Security assistance programs are a most cost-effective means of enhancing the security of the United States.”

President Ronald Reagan

These words, from President Reagan’s 1982 National Security Strategy, are as true today as they were then, although the statutes and processes through which American security assistance is programmed and managed have changed significantly since that time. Since 2001 in particular, we have seen a re-orientation of security assistance, greatly driven by the emergence of the global threat from terrorism, towards the purpose of achieving military ends. Yet at its core -- as directed by the Foreign Assistance Act of 1961¹, the Arms Export Control Act and, indeed, by the annual State and Foreign Operations appropriations acts, including the most recent FY 2017 Consolidated Appropriations Act² -- foreign assistance, including security

¹ 22 U.S.C. 2382(c): Under the direction of the President, the Secretary of State shall be responsible for the continuous supervision and general direction of economic assistance, military assistance, and military education and training programs, including but not limited to determining whether there shall be a military assistance (including civic action) or a military education and training program for a country and the value thereof, to the end that such programs are effectively integrated both at home and abroad and the foreign policy of the United States is best served thereby. For Foreign Military Financing, loans and cooperative programs, there is also a similar provision at 22 USC 2752.

² PL115-31, FY17 Consolidated Appropriations Act, Section 7056(a): Under the direction of the President, the Secretary of State shall be responsible for the continuous supervision and general direction of economic assistance, law enforcement and justice sector assistance, military assistance, and military education and training programs, including but not limited to determining whether there shall be a military assistance (including civic action) or a military education and training program for a country and the value thereof, to the end that such programs are effectively integrated both at home and abroad and the foreign policy of the United States is best served thereby.

assistance, is a tool of foreign policy that may be very effectively used in the context of the consideration of the long term interests of the United States, among them relationship building, regional power balancing, interoperability, and the promotion of professionalism in the armed forces of partner nations. Given the relationship between security assistance and foreign policy, the Department of State must play a crucial role in the provision, direction, supervision and coordination of this assistance and all similar assistance across the U.S. government.

Security assistance is a powerful tool that the United States can use to strengthen our alliances and partnerships around the world and mitigate threats that require a collective response: terrorism, organized crime, restraints on the freedom of navigation, and other challenges to our national security. U.S. security assistance supports regional stability in the face of terrorist threats, in particular the threat posed by ISIS and other organizations such as Al-Qaeda, Boko Haram, and al-Shabaab. Our assistance reassures allies and partners and provides the means for them to counter destabilizing and malign activities of violent extremist groups in a regional context. It also strengthens security relationships in a manner that bolsters regional and global security, increases U.S. influence, secures access and legal protections to facilitate deployment of U.S. forces, improves interoperability between U.S. and coalition partners, advantageously shapes partners' capabilities to support strategic priorities, and promotes the U.S. defense industrial base as the first and best option for states that are procuring defense articles. Our security assistance helps build security sector institutional capacity to ensure the long-term sustainability, effectiveness, professionalism, and resilience of partner and ally nations, and it promotes post-conflict stability to enhance partners' internal security and reduce threats to U.S. and partner interests.

But security assistance is also a tool that inherently implicates every aspect of our foreign policy – whether because of the sensitivity of the partner, questions of regional balance, or the type of assistance, as well as the program’s overall impact on bilateral and regional goals and relationships. It is, therefore, a tool that we must use in conjunction with the other key pillar of foreign policy: diplomacy.

State works diligently to ensure that all security sector assistance – whether it be the provision of major munitions in Iraq or Lebanon, border security programs in Eastern Europe, maritime capacity building in Vietnam, or military justice programs in Mexico – strategically targets and advances our foreign policy objectives in the country at issue and accounts for the broader regional and global context. It is our job to ensure that our security assistance aligns with and advances U.S. goals in light of the broader diplomatic and defense relationship, and that everything the many and varied entities of the U.S. government are doing in foreign security sectors advances a single, coherent strategy.

The Department must work to ensure that any investments we make in foreign security forces advance both political and security purposes; that they account for the political balance between civil and military institutions in the recipient country; that they are based on mutual, enduring interests between our countries; and that they do not cause long-term unintended effects in the country or region.

This is an important role, and one we take very seriously. This is the case whether we are talking about our own Title 22 assistance authorities such as Foreign Military Financing (FMF), Peacekeeping Operations (PKO), Nonproliferation, Antiterrorism, Demining and Related programs (NADR), International Military Education and Training (IMET), or International Narcotics and Law Enforcement (INCLE) accounts and authorities. It is equally the case as we

fulfill the Department's Congressionally-mandated role of concurrence, and joint planning and development, as well as coordination, with Department of Defense (Title 10) authorities, such as the new section 333 mandated by the FY17 NDAA, or the Ukraine Security Assistance Initiative, the Maritime Security Initiative, the Counter-ISIS Train and Equip authority, and others.

Over recent years, the United States has provided more than \$15 billion in security sector assistance per year. The amount of security sector assistance has nearly tripled since 2001, driven in large part by expanded authorities and appropriations for DoD to build the capacity of foreign security forces in support of ongoing counterterrorism and Coalition operations.

Whereas State managed more than 80 percent of the U.S. government's security sector assistance before 2001, we now manage roughly 50 percent. This has made it all the more important that we work closely with our partners at DoD to ensure a unified approach.

Promoting an Integrated State-DoD Approach

Secretary Tillerson and Secretary Mattis have committed our departments to work more closely together to optimize the full range of security sector assistance resources, in order to achieve the best possible outcomes for U.S. national security and the American taxpayer. We have established a new State-DoD Security Sector Assistance (SSA) Steering Committee to oversee more enhanced joint planning.

Congress has aided this effort by ensuring that DoD's new section 333 authority is structured in a way that promotes State and DoD's collaboration. Specifically, section 333 stipulates that assistance programs should be jointly formulated by the two departments and provided with the concurrence of the Secretary of State. Working with DoD, we are establishing the appropriate structures and processes to meet these requirements efficiently and effectively.

In the past, State has sought a division of labor between State and DoD programming whereby DoD largely limits its activities to assistance in support of ongoing operations and efforts related to U.S. force readiness, and State takes responsibility for all other capacity building efforts as part of its broader foreign assistance responsibilities. The new section 333 authority – and its focus on longer-term capacity building – indicates that Congress supports a broader direction. With this in mind, we are working with DoD to determine how we can best marshal our respective resources to achieve our common national goals.

The legislated “concurrence” role of State in Chapter 16 of Title 10 (DoD) authorities, is the most robust statutory device for ensuring input into DoD programs (while other means of input, such as a “coordination” or “consultation” role, being less robust in this context).

- Concurrence: Where an authority requires the “concurrence of the Secretary of State,” State’s practice is to have the Secretary or other designated senior official approve the relevant activities prior to their being undertaken. In recent practice, this entails a signed memorandum or letter to DoD stating the principal’s concurrence on each activity or set of activities.
- Joint Formulation – Now Joint Planning and Development: Section 333, DoD’s new, comprehensive train and equip authority, replaced its longstanding successor authorities, section 1206 (later section 2282), but similarly requires that a much broader range of capacity building programs be “jointly planned and developed” with State, in addition to State’s concurrence. This is similar to the longstanding requirement since 2006, in section 1206, the predecessor authority, which provided that programs under that authority be jointly formulated, and concurred in. State concurrence is an essential safeguard and could be exercised at various stages of program development to ensure that the departments are

collaborating appropriately at the working level. Joint formulation – now joint planning and development -- is often what actually produces an effective whole-of-government approach. By working together through a combination of formal and informal processes throughout the entire life-cycle of a program, we can direct our collective resources strategically, leveraging each other's strengths and expertise, and align our activities abroad to support a coherent strategy.

Done properly, joint planning and development requires collaborative processes throughout the planning, budgeting, implementation, and monitoring and evaluation processes. It must involve relevant stakeholders in the field and at headquarters, as only headquarters can provide the appropriate regional, global, and technical perspectives. These processes must also be tailored to each program or authority to most efficiently and expediently achieve the appropriate level of State oversight. The Department of State is committed to getting these processes right. We greatly appreciate your attention to these details. With your support, State will maintain a legislated role promoting complementarity and unity of effort in all U.S. foreign assistance, including that managed by other agencies.

Conducting the necessary review and providing concurrence on DoD's security sector assistance is no small task. Since March 2017, my Bureau, Political-Military Affairs (PM), has coordinated State concurrence for nearly 350 projects in 9 separate review actions under DoD's section 333 authority, with other regional and functional State bureaus to include INL and CT, as appropriate. The requests for section 333 concurrence have mostly been comprised of counter-narcotics activities and counterterrorism activities, both of which were previously executed under DoD's predecessor authorities, some of which lacked the State concurrence requirement. These however represent only a fraction of the full breadth of programs that DoD will be implementing

under the section 333 authority. Additionally, State reviewed and provided policy and prioritization feedback on initial FY 2018 proposal concepts during a series of DoD regional strategy reviews in July 2018.

In addition, in June 2017 alone, PM coordinated State concurrence on over 1,100 regional center activities expected to be undertaken with non-military counterparts, non-governmental organizations, and international organizations.

Until these processes are more fully fleshed out, the Department's coordination efforts include:

- Reviewing projects to identify items of concern for State stakeholders, e.g., political, policy and/or programmatic concerns;
- Determining whether any State legal restrictions prohibit or limit the assistance;
- Verifying that the host nation has an appropriate mechanism to provide relevant assurances, such as through an end-use assurance agreement for assistance being provided under section 333 and/or other DoD authorities; and if not, and facilitating the establishment of such mechanism, if necessary;
- Gathering financial data from PM, INL, CT, ISN, and appropriate regional bureaus for DoD's Congressional notifications, which must report certain foreign assistance provided to the host country during the three previous fiscal years; and,
- Addressing questions and/or areas of concern posed by State functional and regional bureaus with DoD.

As State and DoD take steps to establish a more comprehensive joint planning and development process, we hope this will include a collaborative approach to issuing strategic guidance, developing priorities, and conducting rigorous reviews of each program proposal to

properly assess program viability, risks, and chances for success; potential third order effects for the country and region; expected political impact; and the extent of synchronization with other U.S. Government and third country efforts. We appreciate DoD's intent to develop a process that permits this.

To this end, as previously indicated, Secretaries Tillerson and Mattis have directed the establishment of a State-DoD SSA Steering Committee. This Committee is overseeing ongoing discussions that I co-chair with the Assistant Secretary of Defense for Strategy, Plans, and Capabilities.

As an immediate priority, the Committee is working to develop an immediate process for Fiscal Year 2018 security sector assistance planning that will permit State and DoD to validate security assistance requirements for countries that directly support this Administration's top priorities, optimize section 333 military assistance and FMF resources to effectively advance national security objectives, leverage each Department's expertise and authorities, and reinforce our respective requests to Congress. In the longer term, the intent is to strategically integrate State and DoD planning and resourcing processes for a wider range of SSA resources, including by synchronizing budget requests and rationalizing and refining the use of SSA authorities.

Within the State Department, multiple offices have significant roles to play in the planning, development, execution, and oversight of security sector assistance. These include:

- Bureau of Political-Military Affairs (PM): PM directs FMF, IMET, and PKO – meaning that it develops policy parameters for project proposals developed by DoD personnel at U.S. embassies abroad; works with DoD stakeholders to develop capability requirements; establishes priorities; determines budget trade-offs; and oversees DoD execution of the programs. It also manages State's role in DoD security cooperation, including by

managing the joint planning and development process and exercising the Secretary's delegated authority to concur on a number of DoD programs. The FY 2017 NDAA requires State to identify a lead program coordinator for section 333, and the Secretary has designated the PM Assistant Secretary to assume that role.

- Director of U.S. Foreign Assistance Resources (F): F oversees security sector assistance implementation and policy coordination for the Department of State and leads related interagency processes. F is also responsible for technical support and oversight of all SSA-related budget formulation, coordination on strategic planning, assessment, program design, partner selection procedures, performance management, monitoring and evaluation. F also exercises State's authority to concur on 333 programs, based on recommendations from PM.
- Bureau of International Narcotics and Law Enforcement (INL): INL manages State's INCLE funding and provides policy oversight and input and ultimately foreign policy direction on DoD counter-narcotics activities, counter-transnational organized crime, and assistance to civilian security sector entities such as law enforcement and criminal justice sector institutions.
- Bureau of International Security and Nonproliferation (ISN): ISN manages some NADR programs such as the Export Control and Related Border Security (EXBS) program and provides input on DoD-led Countering Weapons of Mass Destruction (CWMD) programs.
- Bureau of Counterterrorism (CT): CT manages some NADR programs, notably the Department's share of the Counterterrorism Partnerships Fund, and provides input on DoD programs, including CWMD programs.

- Bureau of Diplomatic Security (DS): DS implements some NADR programs including Anti-Terrorism Assistance (ATA), and provides input on DoD counterterrorism programs. Through ATA's NADR and Special Program for Embassy Augmentation and Response (SPEAR) programs, DS coordinates State-DoD collaboration on bilateral/multilateral training and exercises. ATA law enforcement integration into the U.S. Special Operations Command Africa Flintlock exercise is a proven example of how to successfully promote interoperability between civilian and military security forces.
- State Department Regional Bureaus: Regional Bureaus provide input on programs and priorities across the spectrum of State and DoD security assistance programs in which State has a role in formulation or concurrence.
- Bureau of Democracy, Human Rights, and Labor (DRL): As with the Regional Bureaus, DRL provides input by identifying the risks of human rights abuses and violations by partner forces in programs and priorities across the spectrum of State assistance and DoD assistance for which State has a concurring role. DRL leads the human rights vetting process ("Leahy vetting").
- Office of the Legal Adviser (L): In addition to its role as relates to State Department (Title 22) assistance, L also reviews all DoD section 333, 331, and other Title 10 proposals in which State has a concurrence or coordination role, including to help identify, where applicable, any relevant foreign assistance restrictions.
- Office of Legislative Affairs (H). With other bureaus, H monitors and preliminarily assesses new legislative developments in the SSA realm, on a real time basis, to stay on top of that process and to mitigate adverse impact undermining institutional equities of

the Secretary in order to help preserve the Secretary's lead responsibility for the supervision and direction of such assistance.

With this structure laid out, let me walk you through how our security assistance is programmed, comparing the Department's role in a Title 22 assistance authority, that of Foreign Military Financing, with our role in a Title 10 authority like section 333:

Both section 333 and FMF programming begin with strategic guidance to the field; Security Cooperation Offices (SCOs) and Combatant Commands (COCOMS) then develop proposals in accordance with that guidance. It is State's hope that in the future this strategic guidance will be joint, covering both programs.

Further, both section 333 and FMF rely on interagency forums to validate concepts and/or detailed proposals. For example, for FMF, following the submission of SCOs proposals, COCOMs recommended regional recommendations, and embassies' Mission Resource Requests, PM convenes annual security assistance roundtables to discuss country- and region-specific objectives, priorities, and associated capabilities and requirements. Participants include the regional bureaus, INL, CT, DRL, combatant commands, OSD, Joint Staff, and the Defense Security Cooperation Agency (DSCA). Based on these discussions, PM and the regional bureaus develop recommended programs and allocations to be included in the Congressional Budget Justification. It is State's desire that in the future these FMF roundtables will be combined, covering both State and DoD equities authorities and programs.

Once a proposal is approved, and in State's case, the money becomes available, FMF requires justification to Congress; also all section 333 programming requires congressional notification. Both FMF and section 333 programs rely on the Foreign Military Sales (FMS) program, which the DSCA manages. Once the notification is complete, section 333 implementation can begin immediately, as it does not require the affirmative buy-in of the recipient. SFMF, however, requires the host nation recipient to sign a Letter of Offer and Agreement (LOA) with the U.S. government, typically with DSCA, in which the recipient agrees to the purchase and numerous other provisions, including retransfer and end-use restrictions.

Aside from this question of host nation participation in the FMF process, subsequent execution of both funding streams is similar.

Improving Outcomes and Efficiency of our Security Assistance

As we work to enhance our collaboration with DoD, we are also looking at how we can most effectively utilize security assistance. In that vein, we are considering changes to the way we do business – for example, by building in more accountability and cost-sharing and other co-investment strategies.

The Fiscal Year 2018 budget request, for instance, proposes transitioning some of our FMF from grant assistance to loans. FMF loans will provide an opportunity for the U.S. government to both promote U.S. industry and build key partners' defense capabilities, while minimizing the burden on U.S. taxpayers. Department of State planning for a partial transition from FMF grants to loans is focused on fulfilling core foreign policy and national security needs, maximizing our budgetary outcomes, and working with foreign recipients to maintain key security partnerships. To the extent that past grant FMF recipients are willing and able to

continue expanding or sustaining their U.S.-origin defense capabilities through FMF loans instead of grants, the United States will be able to reduce the amount of foreign assistance needed for these purposes. Partners may have the opportunity to borrow more than they received in the past in grant assistance, allowing recipients to purchase more American-made defense equipment and services. The Department is in the process of conducting loan feasibility reviews on a country-by-country basis, considering each country's importance to U.S. national security, national budget, expected ability to fulfill the terms of a loan agreement, and likelihood of interest. The Department will keep the Committee informed of its progress in this effort.

We are also working to ensure that the assistance we do have is spent efficiently and with positive effect. Through Department-specific policy and evaluation requirements mandated by Congress, the Department of State has continued to prioritize and develop monitoring and evaluation (M&E) across sectors. State has been and remains a leader among U.S. Government agencies on developing and implementing M&E for the security assistance. M&E of these security assistance programs provides unique challenges in terms of the content of the programs, diversity of stakeholders, significant external factors, and highly challenging implementation environments.

Through the early evaluation work of the PKO-funded Global Peacekeeping Operations Initiative (GPOI) and followed by other State programs, the Department has developed a range of frameworks, tools, and best practices widely recognized as promoting effective programs, improving future plans, and, ultimately, informing our policy. While the programs cited cover a broad range of activities serving an array of foreign policy objectives, the Department continuously seeks to ensure consistency when possible. Ensuring that our efforts are

complementary with DoD's nascent assessment, monitoring, and evaluation effort is a central concern for our military assistance programs.

Conclusion

I appreciate the opportunity to testify before you today on the key topic of security assistance. In all of our assistance, I believe the Department of State has three critical partners: our colleagues in the Department of Defense, with whom we are working continuously to implement our role in assistance; our foreign partners, with whom we work every day to build capacity, increase interoperability, and develop relationships; and, you, the U.S. Congress. Security assistance is, in the end, a tool of foreign policy, and the Committee's oversight of that assistance is welcomed by the Department as an essential element of effective policy-making. Thank you, and I look forward to your questions.