

**PREPARED STATEMENT**

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**For the**

**Senate Foreign Relations Committee**

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## **Introduction**

Mr. Chairman and members of the committee, I appreciate the opportunity to testify today to share with you our progress and to support the President's FY 2006 budget request for the Department of State and to discuss with you the elements related to stabilization and reconstruction. I am particularly pleased to be here so I can thank you, Chairman Lugar and Senator Biden, for your leadership on this issue. I'd also like to recognize the support from Chairman Dreier and Congressman Farr who have supported the development of this office.

Over the past 15 years, the United States has been involved in 17 significant stabilization and reconstruction operations. Since the Cold War there have been 41 stabilization and reconstruction programs that have been carried out internationally. This isn't just an engagement like Iraq or Afghanistan. It's also an issue of Haiti, and Mozambique, and Somalia, and Bosnia, and Kosovo, and Cote D'Ivoire, and Liberia, and Sierra Leone, and East Timor, and Nicaragua, and the list goes on.

The task of dealing with and managing conflict, as well as addressing post-conflict responses, has become a mainstream part of our foreign policy challenges today. The question before us now is whether we should improve the way we organize ourselves to address foreign policy challenges head on, or continue the ad hoc approach that has characterized our efforts in the past. The Administration, and many others agree that a more coherent approach would allow us to achieve the kinds of results that support our national interests, that help save lives and that are consistent with American values.

If we do not do not address this challenge, the costs are also clear. Failed or failing states become voids that will be filled with terrorism, with trade in narcotics, trafficking in people, and with other illegal activities that in the end inevitably become a threat to our national interests. The countries where Al Qaeda had established its base were Somalia, Sudan, Afghanistan; it is not a coincidence that they were failed states, where there was a void, where those with some money who could influence leaders could establish a base of illegal operations. What we face today is a question of how we stand up to this national security challenge.

## **Creation of S/CRS**

It was in that context that Administration created the Office of the Coordinator for Reconstruction and Stabilization (S/CRS), specifically with the mandate to lead,

coordinate and institutionalize U.S. Government civilian capacity to prevent or prepare for post-conflict situations, and to help stabilize and reconstruct societies in transition from conflict or civil strife, so they can reach a sustainable path toward peace, democracy and a market economy. This mission statement has several key elements.

First, we are focusing on prevention of conflict where we can because the costs of prevention are always less than intervention.

Second, we stress the word ‘institutionalize’ in the development of US Government capacity, so we can learn from prior experiences and not respond in an ad hoc way to each new crisis.

Third, if we must respond to conflict, we need to have the goal of putting that country on a path towards being a sustainable, and peaceful democracy and market-oriented state. We must place such a goal at the forefront of our planning and engagement. It is much more difficult to get onto the correct vector six months or a year and a half down the road than it is at the beginning. So those choices that we make at the outset are absolutely crucial.

Before I describe the plans for our Office in greater detail, let me first outline a few important assumptions. We are working on the basis that we need to have the capacity to concurrently manage two to three stabilization and reconstruction operations at the same time. As I mentioned earlier, history and experience since the end of the Cold War have taught us this is the case.

Further, for stabilization and reconstruction operations to succeed, they generally require a longer term involvement, usually on the order of five to ten years. It requires effective long-term management through regular institutional mechanisms, but as part of a cohesive USG strategy. The S/CRS coordination role will cease as normal state and civilian operations take hold. Therefore if an agency is going to be working on a program in year seven, they must be involved in the design from the beginning to ensure program continuity and accountability.

Post-conflict reconstruction and stabilization cannot be the effort of just one office. Our government cannot undertake a responsibility which is so broad and so deep, that covers so many different potential countries over so many years, without recognizing there must be a centralized office that leads, coordinates, and is a center point for joint operations.

However, this central point cannot be a substitute for those other successful capabilities that already exist throughout the government. Therefore, one of the goals for our office is to make recommendations within the policy and budget development processes as appropriate to support the capabilities required across the USG - to meet reconstruction and stabilization challenges. Another requirement is to engage with the military, international partners, and non-governmental organizations and the private sector to develop their capacities and to coordinate with them in planning operations.

## **Status of Office**

S/CRS was mandated by a decision taken by National Security Council Principals in April 2004. The office was established in July 2004. Eight positions and \$536,000 were reprogrammed in FY04 with Congressional support. The FY05 supplemental request included funding for S/CRS to continue building this capability in advance of the FY 2006 budget request. With the support of this committee, especially Chairman Lugar and Senator Biden, as well as the support of many members including, Chairman Cochran, Chairman McConnell, Senator Leahy, Chairman Wolf, and Congressman Farr, we received \$7.7 million in the enacted FY05 Supplemental. This funding will allow us to provide reconstruction and stabilization management support for Sudan including coordinating the U.S. efforts underway to implement the Sudan peace agreement and assistance to Darfur. This funding however, will not be sufficient to solidify the office's staffing or provide for a civilian rapid response capacity.

Using non-reimbursable details, we have 35 staff in what is an interagency office in the State Department. We have staff from the State Department, USAID, the Office of the Secretary of Defense, the Joint Chiefs, Joint Forces Command, the Corps of Engineers, Department of the Treasury, and the Intelligence Community. This has been essential to create a capability that not only provides a range of skills, but gives us the capacity to reach back to individual agencies for support.

We have established a Policy Coordinating Committee on stabilization and reconstruction. We have eight interagency working groups that have been created to address: transitional security; rule of law; democracy and governance; infrastructure; economic and social well-being; humanitarian issues; management; and monitoring and resources.

We have established extremely strong connections with our colleagues in the military, especially with Regional Commanders. There has been no greater

supporter of the concept of developing a strong civilian stabilization and reconstruction capability than our uniformed military. What we have heard at every single Combatant Command is that soldiers have been increasingly pushed to take up responsibilities that they were not trained to do. The military wants to work with us so that civilians can deploy with them to undertake civilian activities, allowing our armed forces to concentrate on those activities for which they should be responsible. We need to have a partnership – a partnership in planning that begins at the outset and is interlinked all the way through training, exercises, and finally the process of stabilization and reconstruction.

From this modest base, the task that we face is to institutionalize an even broader and stronger capability in our Government, so that we really address conflict management and conflict responses as a national security priority. This will require dedicated management resources and new models of operations that must be built and supported. This is what our budget request supports.

## **Functions of S/CRS**

S/CRS will pursue five core functions:

- ▶ Monitor and Plan: Identify states and regions of greatest risk and importance, and lead U.S. planning focused on these priorities to avert crises, when possible, to prepare for them as necessary. Integrate planning and exercises with the military.
- ▶ Prepare Skills and Resources: Establish and manage an interagency capability to deploy personnel and resources in an immediate surge response and the capacity to sustain assistance until traditional support mechanisms can operate effectively. Civilian response corps and standby civilian capabilities will be developed.
- ▶ Mobilize and Deploy: Coordinate the deployment of U.S. resources and implementation of programs in cooperation with international and local partners to accelerate transitions from conflict to peace.
- ▶ Leverage International Resources: Work with international organizations, international financial institutions, individual states and NGOs to harmonize approaches, coordinate planning, accelerate deployment of assets, and increase the interoperability of personnel and equipment in multilateral operations.
- ▶ Learn from Experience: Incorporate best practices and lessons learned into functional changes in training, planning, exercises, and operational capabilities that support improved performance.

In undertaking these functions, S/CRS will not duplicate missions of USAID or other implementing agencies. However, resources are required to fill critical management gaps; necessary functions that are not currently being performed.

## **Budget Request**

The President is seeking funding in the FY06 Budget Request to establish the Office and begin to prepare the capacities we need to respond to conflict in a comprehensive, integrated, and effective way. The FY06 Budget includes \$24.1 million in State Operations funds for S/CRS operations and to support the creation of an Active Response Corps in the Department of State. The FY06 Request also includes \$100 million in a Conflict Response Fund that will allow the State Department to rapidly initiate programs in failed or failing states when the window of opportunity is open widest and while longer-term funding sources are identified.

This first phase request focuses on building core leadership, coordination and response capabilities in the Department of State and providing baseline funding to support rapid field responses essential to creating positive dynamics for successful R&S operations.

As we learn lessons from this phase on operational requirements and resource needs, we will factor these lessons into redefining our operational models and future requests to make them effective. We will consult with the Congress throughout this process.

## **Personnel Resources Requirements**

We have learned the importance of having an effective capacity to mobilize and deploy in both Washington and overseas and have the people that are necessary to be able to do that. It takes training, planning, exercises, and effective mechanisms for deployment. In the model that we propose, we have analyzed the capabilities that we need inside of the government, the capabilities that we need in our external partners, and the resources that are necessary to make this all work and operate together. While we will utilize the skills and resources of existing programs and personnel to plan and respond, there are additional resources needed to make those work effectively and to speed response efforts.

- ◆ *Washington Management: S/CRS staff:* To lead and coordinate USG efforts requires a dedicated core staff. S/CRS will play this role and act as a force multiplier. S/CRS will facilitate the planning and the monitoring process;

coordinate the management in Washington and create a capacity for coordination in the field; take the leadership role in outreach to the international community; develop an institutional memory by extracting lessons learned and injecting that back into our operations.

This staff would have the following specific ongoing responsibilities:

- Build and maintain skills and capabilities necessary for rapid response
- Develop and manage a response corps
- Develop deployment capabilities and rosters
- Develop deployment mechanisms with the military
- Develop and lead the interagency processes for planning and response
- Develop templates for response efforts, processes, metrics, and reporting
- Lead the interagency process to monitoring instability – focus attention on risks of instability
- Manage planning, exercises, and relationships with the military
- Develop and oversee programs for training of specific skills
- Create and maintain a lessons-learned capacity – systematically institutionalize lessons in our operations
- Lead crisis prevention exercises
- Manage resources through tracking, reporting, and financial controls
- Serve as a focal point within the U.S. Government to engage other countries and international organizations on stabilization and reconstruction

During management of a conflict response S/CRS staff would:

- Establish an interagency management group with regional and functional skills to provide leadership and integration of effort
- Develop the strategic framework for response
- Synchronize and integrate interagency efforts
- Monitor and report
- Form the core of teams deployed to the field to help develop the overall strategy
- Deploy to bolster planning capacity at Regional Combatant Command
- Deploy with military
- Lead initial assessments in the field and support the Embassy, if one is in place
- Manage surge from State and other agencies and private sector

Our budget request supports 54 positions for S/CRS. To add additional needed capabilities we would continue to have detailees from other agencies with a goal of 80 people total. This is a fairly modest sized staff considering the requirements.

- ◆ *Active Response Corps (ARC)*: The Department needs the capability to quickly establish or increase a diplomatic presence on the ground.

The FY 2006 budget request proposes to develop a corps of 100 people within the State Department, both Foreign and Civil Service employees with a mix of skills - political, economic, diplomatic security, administrative, law enforcement - so we can increase the presence in an embassy that has been drawn down, or establish a diplomatic operation, by turning to a pre-trained group of people. This pre-identified group of people would first participate in a training and exercise program. They would then be placed in jobs in regional and functional bureaus but with the understanding that if a team for first-responders and deployments is required, the ARC would be the team that you could turn to. Graduates will form a cadre of standby capabilities within the Department.

Ongoing Responsibilities of ARC members:

- From Management Bureaus, to:
  - Develop and manage reserves
  - Develop new management platforms for interoperability and deployment support
  - Provide emergency field support
- From Regional Bureaus, to:
  - Identify and monitor countries at risk of instability
  - Engage in conflict prevention strategies
  - Provide crisis response surge capacity for backstopping
- From Functional Bureaus, to:
  - Engage in coordinating development of peace building capacity
  - Leverage international engagement
  - Facilitate civil-military coordination on broad issues

During an operation, members of the ARC would be:

- ▶ First responders:
  - deploying when the State Department must establish a transitional or post-conflict ground operation, such as an interim embassy or U.S. office.
- ▶ Diplomats:



- Tying assistance to overall foreign policy objectives
- Engaging with local leaders
- Assessing needs and making recommendations
- Coordinating with the international community on policy and strategy
- Managing the influx of technical personnel
- ▶ Surge Capacity to rapidly fills gaps, such as:
  - Staffing the Washington management team
  - Participating in the planning group at military command,
  - Deploying with the military into the field
  - Serving as the liaison with international organizations and NGOs on the ground
  - Advising on transitional economic policies

I encourage the Congress to fully support the requested personnel resources that will enable us to identify people from within the Department to start developing this cadre of employees.

- ◆ *Technical Corps*: we will also need to in the future develop an additional cadre of technical specialists outside of the Dept. of State we could quickly tap and put in the field, specialists who could design an activity and be available to actually then oversee and supervise that activity over time.

### **Program Delivery Resources Required**

In addition to having the people that are necessary to manage and monitor and ensure that there is an effective response, there is a requirement to mobilize and deploy quickly. Our planning efforts will synchronize key programs through a range of government mechanisms and in partnership with international actors. However, we need to have both rapid mechanisms for initiating programs as well as rapidly deployable people to perform the technical assistance and other services on the ground. We need to have sufficient pre-positioned global funding mechanisms (such as indefinite quantity contracts) in a range of key areas such as transitional security, the rule-of-law, infrastructure, humanitarian transition, economics, governance and participation, so we do not have to start the contracting process and the competition during a crisis, delaying our response. In cases where it is particularly important to have a common doctrine and common training, we need to do that in advance.

In order to do that, we must have resources to make sure that those mechanisms are in place with firms, with individuals, with NGOs, with think-thanks, with

universities and resources to train individuals as necessary. We have also begun analysis of whether it would make sense to have something in the civilian world that is akin to the military reserve which could include different skills that might extend the base of constabulary police, judges, civil administrators, city planners, economists and other skills. We will assess whether it's more cost effective to obtain those skills through a reserve or through a contract or other roster mechanism.

To be able to mobilize such resources quickly, we have proposed a \$100 million Conflict Response Fund that will support initial program activities in a crisis situation to provide the Administration with an immediate source of funding to respond to a crisis and to provide the Administration and the Congress additional time to address longer-term requirements.

To use the fund, the Secretary of State would need to determine that a post-conflict response is in our national interest, consulting with the Congress and sending notifications when resources from the Fund are required. Such an account would fund programs that promote stability, advance the rule of law, facilitate transitional governance and political legitimacy, and address immediate social and economic needs. These programs funds would normally be spent in the course of a post-conflict response. The difference in making them available quickly is that they would:

- Influence the dynamic and viability of post-conflict operations
- Maximize impact of USG interagency instruments
- Leverage matching international responses
- Allows time to seek other funding mechanisms for long-term through regular budget processes

## **Legislation and Authorities**

We have first looked at what we can do now with existing authorities and mechanisms and then reviewed what additional authorities and mechanisms would not be helpful. The Administration's Foreign Relations Authorization Act request for fiscal years 2006 and 2007 contains authorities required to provide this flexibility and we hope the Congress acts favorably on our request. We look forward to working with the Congress toward enactment of legislation that meets the Administration's needs.

We need very much the personnel flexibilities requested by the Administration so that we have additional tools for hiring people under a variety of mechanisms for

temporary or quick response work as well as flexible authorities requested for the Conflict Response Fund contained within the FY 2006 budget request.

## **Conclusion**

We have incorporated lessons-learned from a range of post conflict operations into the development of our office. What we have learned is that there is a need for management resources and authority to lead a coordinated response. From the military we have taken the lesson of joint operations, planning, exercises, and a capacity to coordinate them all. By having key staff identified in advance, able to play these management roles, able to plan, to exercise, to train, to put in place the kind of advance mechanisms that I have discussed and, with some resources, actually get them into the field quickly, we can save lives, save money, and advance our international prestige.

To give you an example, consider the \$124 million dollars that is called for in the FY06 request: if we are able as a result of getting into the field more quickly, at a critical moment, and to affect the dynamics in the course of a stabilization operation, and as a result take just one Army division out of the field one month earlier, we would save the taxpayers \$1.2 billion, according to the Pentagon. If we can end an international peacekeeping operation six months earlier, net savings could amount to hundreds of millions, depending on the size and nature of that peacekeeping operation. Not only is investment in the S/CRS initiative a necessary thing to do from a policy perspective, it will, in the end, save us money and quite possibly lives.

Thank you for allowing me to explain this key initiative in the President's FY 2006 budget request for the Department of State. I welcome the opportunity to answer your questions.