

# USAID: What You Don't Know

**by Vashaun Wrice**

**T**he interagency (IA) relationship between the United States Agency for International Development (USAID) and other government agencies is an important one. As such, the following article will examine a way of bridging the gap of IA coordination between such agencies, specifically that of USAID and the Department of Defense (DoD). This article serves as a response to comments taken from those with firsthand experience working with USAID. While some of this information may seem trivial, it remains unknown to many that work with USAID and who undoubtedly play a role in USAID's inter-relational dynamics with DoD and other IA partners. Additionally, this article hopes to uncover the context that helps to explain why USAID operates the way it does. In doing so, the ultimate goal is to provide a more broad-based approach to improving the working relationship between USAID and DoD by providing a better understanding of USAID.

## **Analysis and Discussion**

First, this is not an analysis of how to improve or enhance development-military cooperation as already described by Benjamin D. Kauffeld, a USAID Foreign Service officer, in his work "USAID & DOD: Analysis and Recommendations to Enhance Development-Military Cooperation."<sup>1</sup> Nor is this an attempt to recommend how USAID and DoD can integrate security and development in a particular country as discussed by G. William Anderson in his work "Bridging the Divide: How Can USAID and DoD Integrate Security and Development More Effectively in Africa."<sup>2</sup>

While some of the discussion points lend themselves to the culture of USAID, other points are merely information but nonetheless important. The intent is to provide a reference of ten takeaways to assist those who will work with USAID either as a liaison officer, military fellow, battlespace owner collocated with USAID programs, or person transitioning from the military looking to work with USAID as a U.S. government civilian or contractor.

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The importance of IA cooperation and coordination cannot be understated as evidenced through the DoD partnerships with multiple government agencies over the last 13 years during Operation Enduring Freedom and Operation Iraqi Freedom, as well as the Army's continued Senior Service College fellowships within the IA community and its recent establishment of the Command and General Staff College (CGSC) Interagency Fellowship. And though the U.S. government is drawing down in Afghanistan, IA cooperation will remain critically important, especially as the U.S. government engages in more decentralized operations such as those associated with the Army's regionally aligned forces (RAF) concept and the Marines and Special Operations Forces continued deployments to hot spots around the world.

Without question, a vital link in this IA cooperation and coordination is communication. In fact, communication is arguably the most important skill in life and is critically important when working outside one's parent organization. At the heart of communicating effectively is listening, as it allows for true understanding. The late, great author, Stephen Covey, said it best when he maintained that one of the most important habits of highly effective people is to seek first to understand, then to be understood.<sup>3</sup> Thus, in order to continue to improve the relationship between USAID and DoD, each must understand the other organization's roles and responsibilities, what it does and does not represent, and the culture that drives it. Ultimately, failing to understand any of these will undoubtedly affect the fluidity of the relationship.

Being aware of each takeaway is equally important to truly understanding the USAID organization when seeking to minimize any potential conflict due to misunderstandings and striving to continue to work on the relationship given the ever-increasing need

for IA coordination. Generally speaking, these takeaways are not exhaustive, but serve as an adequate start.

### ***1. USAID is not a non-governmental organization (NGO).***

Contrary to public opinion, USAID is not an NGO. While it does provide foreign assistance similar to many NGOs operating throughout the world, USAID is, indeed, a government agency. It was formed on November 3, 1961, by President Kennedy when he signed the Foreign Assistance Act into law. Though he penned the act into law, its seminal workings date back to the Marshall Plan when the U.S. gave Europe \$13 billion to assist in building its economies following World War II<sup>4</sup> and through President Truman's Four Point Program of 1949, which provided \$25 million in 1950 and 1951 for international technical assistance to developing countries.<sup>5</sup> In short, USAID is not an NGO, but an independent U.S. government agency that currently provides foreign assistance to over 100 countries.

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then to be understood.**

### ***2. USAID is not the same as the Department of State (State).***

Seemingly trivial to some, the distinction is nonetheless important if you find yourself working with or for USAID. The mission of State is to "shape and sustain a peaceful, prosperous, just, and democratic world and foster conditions for stability and progress for the benefit of the American people and people everywhere."<sup>6</sup> On the other hand, USAID's mission is to "partner to end extreme poverty and promote resilient, democratic societies while advancing our security and prosperity."<sup>7</sup> Thus, it is easy to see that each is its own agency, and to call USAID the same as State is akin to considering the Marines and the Navy one and

the same.

However, the confusion is understandable given that USAID does take its foreign policy guidance from State, works closely with State on strategic and program planning, and has its budget vetted and recommended for approval to the President and Congress by the State Department. Interestingly, the Navy and Marines relationship parallels that of State and USAID, as each has its own leadership structure and carries out its own day-to-day operations, but the policy directives and budget for the Marines and USAID are determined by the Navy and State respectively. And, just as the Marines will undoubtedly correct anyone who charges they are the Navy, USAID is not part of State.

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**3. USAID's budget is less than 1 percent of the federal budget.<sup>8</sup>**

That is, funds appropriated to USAID and any other government agencies funded for foreign aid comprise slightly more than 1 percent of the federal budget. This is in stark contrast to the common belief that the U.S. government spends more than 25 percent of its budget on foreign assistance.<sup>9</sup> To think USAID implements programs that focus on poverty reduction; broad-based sustainable growth; strong, stable, and just institutions through programs focused on agriculture and food security; human rights and governance; economic growth and trade, education, environment, and global climate change; gender equality, global health, science, and technology; water and sanitation; and crises and conflict on less than 1 percent of the federal budget is rather impressive. So, despite the general perception, USAID's (and the federal government's) spending on foreign aid is not out of balance. In fact, to put it in perspective,

USAID spent \$17.2 billion in fiscal year 2013,<sup>10</sup> which, surprisingly, is less than three times what the nation spends each year on Halloween-related purchases (\$6.9 billion).<sup>11</sup>

**4. USAID does more than humanitarian assistance and disaster relief.**

For some, this is not new, especially those who worked with USAID in either Iraq or Afghanistan. Prior to Iraq and Afghanistan, most of the DoD partnerships with USAID (less the Special Operations community) occurred in the wake of foreign disasters primarily through the Navy and Marine Corps, with some assistance from the Army and Air Force. However, as the operating environment continues to evolve, there will be more opportunities for DoD and USAID to partner outside the area of humanitarian assistance and work jointly in places like Afghanistan, Iraq, Africa, Latin America, or the Caribbean.

The notion that DoD will increasingly work with USAID in a more developmental or "detering" environment cannot be overstated, especially when the Secretary of Defense's strategy in the 2014 Quadrennial Defense Review directs DoD to build security globally along with protecting the homeland and projecting power and winning decisively.<sup>12</sup> So, as the Services continue to build security globally through concepts like the Army's RAF, it helps to understand where USAID and DoD might interact. For instance, in addition to working with USAID's Office of Foreign Disaster Assistance, the office responsible for the U.S. government's disaster assistance overseas, military leaders down to company level could find themselves working with USAID teams from the Office of Transition Initiatives (OTI), the Office of Conflict Management and Mitigation (CMM), or the Office of Civilian Military Cooperation (CMC).

OTI works to provide fast, flexible, short-term assistance that targets key political transition and stabilization needs in order to create and foster the political space that leads

to longer-term development in places like Afghanistan and other countries where similar conditions exist.<sup>13</sup> CMM dedicates itself to helping people in the developing world find lasting solutions to the problems of conflict, instability, and extremism.<sup>14</sup> As troops continue to deploy to places like Africa or Romania in order to deter further aggression, it helps to know that they may work with a CMM team as it analyzes the causes and consequences of violent conflict, or as it conducts a follow-up assessment in preparing for its annual Alert List of worldwide rankings for countries most vulnerable to fragility and at risk for instability.<sup>15</sup> Additionally, if assigned as a combatant command staff officer, it helps to know that CMC's senior development advisors work with DoD liaison officers in Washington, D.C., aligning development and defense to leverage the unique capabilities of USAID and DoD to achieve better development outcomes.<sup>16</sup>

### ***5. USAID is a planning organization.***

Though many think otherwise, USAID does plan. In fact, the nesting of DoD and USAID planning strategies and policies are very similar. Military policy and planning derive from the President's National Security Strategy by way of the Defense Secretary's National Defense Strategy, the Quadrennial Defense Review, and the Chairman's National Military Strategy.<sup>17</sup> Similarly, USAID planning and policy also derive from the National Security Strategy through Presidential Policy Directive 6 (PPD-6) by way of the Secretary of State's Quadrennial Diplomacy and Development Review (QDDR).<sup>18</sup> And, just as the Chief of Staff of the Army ties his vision and priorities to the National Security Strategy and National Defense Strategy through the five objectives of Waypoint 2,<sup>19</sup> the USAID administrator outlines his vision and strategic priorities for the agency through seven core development objectives in the USAID Policy Framework.<sup>20</sup> In short, USAID does plan, and it does so by nesting its priorities and objectives at the department and

national levels, just like that of the Army and the other Services.

### ***6. USAID operates bottom up, not top down.***

USAID is a bottom-up organization. This is in stark contrast to DoD, which is without question top-down. Granted, operations in Iraq and Afghanistan have forced DoD, especially the Army and the Marines, to grant more autonomy at lower levels, but both are still top-down run organizations. Coming from a top-down run organization, it is easy to see how some cognitive dissonance may surface when working with an organization that operates with a completely different paradigm. Such frustration was overwhelmingly obvious in those with experience in working with USAID, but if examined closer, the rationale for USAID's use of a bottom-up process becomes clearer. That reason being the same as the Army and

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the Marines giving company-level leaders more autonomy in Iraq and Afghanistan because the person on the ground knows better than anyone else what is required to be successful. Or, as General Colin Powell posits in *The Leadership Secrets of Colin Powell*, "the commander in the field is always right and the rear echelon is wrong, unless proved otherwise."<sup>21</sup>

That "commander" in USAID is the mission director, who with staff assistance, works with the host country and other U.S. government agencies and donors to develop a five-year, country-development cooperation strategy (CDCS) that aligns with PPD-6 and the QDDR and feeds into State's Integrated Country Strategy by setting achievable development results that shape the country's overall stability

and prosperity.<sup>22</sup> In short, the CDCS is the operational plan that measures the success of each USAID mission, and it all begins at the country level. So, without question, USAID is bottom-up, and while it will frustrate some DoD personnel, in order to be effective serving the interests of the host country, USAID has no choice.

### ***7. USAID does have a decision-making process.***

Many of the comments directed at USAID allude to the notion that it does not have a decision-making process. Though not as detailed and descriptive as the troop-leading procedures or the military decision-making process (MDMP), it does have a decision-making process with the following sequence: (a) agency policy and strategies, (b) country development cooperation

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strategy, (c) project design and implementation, and (d) evaluation and monitoring.<sup>23</sup> Receiving the development objectives in the USAID Policy Framework parallels step one in the MDMP. Although, there is no step 2 equivalent, the development of the CDCS and project design parallel steps 3–5 in the MDMP, while the final approval of the development strategy and project implementation mirrors MDMP steps 6 and 7. Lastly, the evaluation and monitoring step directly corresponds to step 8, supervise and refine. Unlike DoD, each USAID decision-making process seeks enduring and stable solutions. In fact, most USAID decisions regarding development are based on goals set for 3–5 years from now. So, once a country begins the decision-making process, it does so with the

intent that its results govern the next 3–5 years of development. Compare this to the military where the decision-making process is initiated for every major mission with no guarantee that today’s mission will be tomorrow’s. Therefore, it is not that USAID does not have a decision-making process, it does; it is just executed less frequently.

### ***8. USAID is consensus driven.***

Though this takeaway is akin to number 6, there is a slight difference. In takeaway 6, the focus is on how USAID operates at the macro level, while the focus here is more on the micro level. In other words, takeaway 6 describes USAID planning, while this takeaway describes how it operates day-to-day. To understand what drives an action, you must first understand the context. Recall that USAID operates in more than 100 countries, and that it currently implements thousands of programs in eight major development areas. What is often overlooked is that it does so with slightly more than 9,600 people, 30 percent of whom are based in Washington, D.C. That leaves approximately 6,700 people overseas to carry out and provide oversight of all its programs. So, in order to effectively accomplish its work, USAID cannot operate autonomously and relies heavily on its implementing partners and other donors. As such, one should understand why USAID uses a consensus-driven approach, given a fair share of its work is executed by highly competent people outside of its organization. Even Harvard Business Review leadership expert, Daniel Goleman, suggested in his article “Leadership That Gets Results” that a democratic style of participatory leadership is often the best type given this situation.<sup>24</sup> However, Goleman also warns that there will be times of seemingly endless meetings where ideas are mulled over, consensus remains elusive, and the only visible result is scheduling more meetings.<sup>25</sup> Unfortunately, USAID is no different. Military personnel working with USAID will occasionally experience the frustration of striving for the seemingly elusive

consensus to little avail. However, one must keep in mind that every leadership approach has its advantages and disadvantages, and the two cannot be separated. So, USAID partners must understand the drive for consensus is merely a negative consequence for the participatory style of leadership needed to effectively work with and through its implementing partners.

### **9. USAID programming takes time.**

While this particular takeaway had more relevance when DoD still executed Commander's Emergency Response Program (CERP) fund projects, it could easily become relevant in the future if DoD operates in an area where USAID is soon to follow, such as in Iraq. Once USAID began programming in Iraq around 2005 and 2006, there was some friction as DoD continued to use CERP funds to work urgently needed reconstruction projects as USAID began its programming. This friction centered around one central issue, the immediacy of results. There was a push from higher echelons to see results in rebuilding schools and clinics within a three to four month span. Rightfully so, commanders at all levels wanted to see progress not only for the betterment of the Iraqi people but to also show the progress achieved once they began the transfer of authority to the incoming commander. Obviously, all involved wanted to see progress, but the issue stemmed from USAID's programming cycle. Generally speaking, it takes anywhere from 3 weeks to 6 months for a USAID project design to be approved and then another 2 to 4 months for the project to be awarded.<sup>26</sup> There are some exceptions to this, but most projects being implemented follow this timeline. While it seems nonsensical for programming to take this long given the immediate need to ameliorate current conditions, the extra time does allow for the conduct of proper analysis to ensure cross-cutting factors vice a single need are considered. It also allows for the proper solicitation of those bidding for the project, an evaluation of past work of those applying for the project in order to avoid rushing to failure, and the awarding and

actual completion of the project. However, no commander will wait ten months to implement a program if he or she sees an urgent need, so when possible, the commander should work with USAID to find a solution that seeks to solve the problem given the DoD expectation of immediate results, while also considering

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the USAID perspective given it will remain in the country long after DoD departs. If this not feasible, then at least there is an understanding of why there is a delay in USAID project implementation.

### **10. USAID needs military resources not leadership.**

First, consider that the context of this takeaway is one of humanitarian assistance. Oftentimes when DoD assistance is requested, the belief is that it is because the situation requires strong leadership. After all, leadership is the bedrock of the military. However, when DoD is requested for humanitarian assistance, it is primarily because of its organic assets and resources. This is reinforced by Secretary of Defense guidance stating the military is not to be used as an instrument of first resort for humanitarian response but supports civilian relief agencies.<sup>27</sup> Additionally, there are conditions that must be present before the military can get involved: (a) the military must provide a unique capability (i.e., vehicles and helicopters); (b) civilian response capacity is overwhelmed; and (c) civilian authorities request assistance.<sup>28</sup> Thus, when tasked to support USAID in a humanitarian assistance mission, DoD must understand that the request is more for its resources than its leadership and should be prepared to assume a support

role during the effort. These and other DoD expectations are aptly covered in the two-day Joint Humanitarian Operations Course taught by USAID's Office of Foreign Disaster and Assistance.

## Conclusions and Recommendations

In sum, interagency operation is the new norm and while the focus here was on the partnership between USAID and DoD, there is commonality that exists regardless of the interagency partnership. That being the case, each organization should have a broad understanding of and an appreciation for what the other organization does and brings to the table. Ideally, it would be nice to have a list of ten things you should know about the organization with which you are working, but unfortunately that will not be the case. Therefore, when engaging in interagency operations, understand there will be challenges, so seek to gain an appreciation for what your partner offers. Furthermore, be ever mindful that no one agency or department is more important than the next. All government agencies are key stakeholders in ensuring national security, and each has a critical role to play if it is to coordinate actions and communicate the information needed to accomplish the diplomacy, defense, and development of our National Security Strategy. And, while executing an effective National Security Strategy is an extremely daunting and imperfect task, it requires communication to gain the appreciation and understanding of the other agency in your partnership. Underestimated by many, communication across agencies will go a long way in fixing a number of the problems that exists within IA operations. As such, when engaging in IA partnerships, remember to seek first to understand, then to be understood. **IAJ**

## NOTES

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