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HARD AID

Foreign Aid in the Pursuit of Short-Term
Security and Political Goals

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Carnegie Endowment for International Peace
Publications Department
1779 Massachusetts Avenue, NW
Washington, DC 20036
P: +1 202 483 7600
F: +1 202 483 1840
CarnegieEndowment.org

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About the Author

Nathaniel Myers is a visiting scholar with Carnegie's Democracy and Rule of Law Program, and an international affairs fellow at the Council on Foreign Relations. His research focuses on the intersection of foreign aid and foreign policy. Between 2011 and 2014, he worked for the Office of Transition Initiatives at the U.S. Agency for International Development, supporting programs in the Middle East and elsewhere. Between 2005 and 2009, he consulted for the World Bank on governance and corruption programs, and worked for local and international nongovernmental organizations in Southeast Asia and East Africa. He holds degrees from Harvard University and Princeton University.

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Summary

Facing serious crises in the Middle East and beyond, Washington is again turning to foreign aid to help advance urgent short-term security and political priorities. This so-called hard aid entails goals and challenges that are distinct from traditional development and humanitarian aid programs, but Washington is relying on existing aid systems and structures to pursue such work in crisis countries like Syria and Yemen. While this ad hoc approach is administratively and politically convenient, it reduces strategic effectiveness and undercuts long-term development efforts. Both legislative and executive action should be taken to redress these failings.

Ramifications of the Current Approach

Conflation of hard aid with developmental aid reduces short-term strategic impact.

- Staff must rely on ill-suited conventional programming tools and systems.
- Scarce resources and uncertain roles fuel bureaucratic infighting and inefficiencies.
- Programming is hampered by low risk tolerance and cumbersome requirements.

Key strategic questions go unanswered.

- Are there clear, attainable strategic objectives—or is this just aid as symbolism?
- Are there sufficient resources to achieve these clearly delineated strategic goals?

The long-term development effort is undermined.

- The prioritization of immediate needs changes funding allocations and staff priorities.
- A focus on short-term U.S. interests changes how American aid is perceived abroad and justified by legislators.

Principles to Guide Reform

The line between hard aid and traditional developmental programs is blurry and complex, but the differences between the two are real and consequential. Systems, strategies, and expectations should reflect this.

Clarified institutional roles and responsibilities will improve impact, beginning with the designation of a lead office for hard aid program implementation. At present, the most effective tool in these environments is the U.S. Agency for International Development's Office of Transition Initiatives.

Hard aid is a tactical tool. It is not a substitute for military action or diplomatic engagement, and should be just one component of an effective overarching strategy.

Strategic plans and goals must take funding realities into account. Policymakers must identify clear goals, and ensure that they are realistic given available resources.

Achieving short-term goals in chaotic environments requires maximum flexibility and creativity. There must be greater appetite and reward for sensible risk taking. Administrative hurdles intended for traditional assistance should be modified as appropriate.

The pursuit of short-term goals must not come at the expense of long-term development. Explicit high-level affirmation of the strategic importance of long-term development programs—even in crisis countries like Yemen—would begin to even the balance between short-term and long-term priorities.

Introduction

In late February 2015, U.S. Secretary of State John Kerry went before the U.S. Congress to support the White House's new budget request. In his prepared testimony for the House Foreign Affairs Committee, Kerry reviewed some of his department's priorities for the 2016 fiscal year. At the top of the list was \$3.5 billion to “counter the terrorist network known as [the Islamic State], address the crisis in Syria, bolster regional security, and respond to the humanitarian catastrophe brought on by the crises in Syria and Iraq.”¹

The size of the request reflected both the scope of the Syrian challenge and its importance to U.S. interests, and it encompassed everything from humanitarian assistance to diplomatic operational costs. It also included \$160 million for “ongoing efforts to support the moderate opposition” in Syria.² This would come in addition to the \$400 million already committed to these ends since the war's 2011 outbreak that had been spent on short, quick-impact activities like equipment delivery, training sessions, and other assistance to bolster opposition bodies as local alternatives to the self-proclaimed Islamic State and the regime of Syrian President Bashar al-Assad.³

Even at this current funding level, Washington's efforts in Syria constitute its most ambitious and costly ongoing attempt to use foreign aid to achieve short-term security and political goals. It is not, however, the only one. It is part of a growing resurgence in what might be termed “hard aid”: the use of foreign assistance to quickly address urgent security or political goals, which are derived from perceived American interests. This mission is distinct from the traditional goals of civilian aid (typically considered an instrument of American “soft power”), which center on alleviating urgent humanitarian needs following disasters or emergencies and on pursuing long-term developmental goals like economic growth or improved healthcare.

Using aid for such purposes is hardly new; it was only a few years ago that the U.S. Agency for International Development (USAID) was engaged in massive programs in Afghanistan and Iraq in support of both long-term development and short-term security needs. It was precisely with those recent experiences in mind that the administration of U.S. President Barack Obama came to office determined to return foreign aid to its traditional developmental focus and to transform USAID into the “world's premier development agency.”⁴

While steps have indeed been made in that direction, the hope that foreign aid could refocus on development has been complicated by the proliferation of crises abroad, particularly in the Middle East. As the White House has sought nonmilitary tools with which to respond to and shape these crises, it has

increasingly turned to foreign aid as one such instrument—with the intention not that it will alleviate the undergirding development failings fueling these crises, but that it will instead address immediate political and security priorities identified by Washington. Although most prevalent in the Middle East, such aid programs are under way elsewhere as well; the recent budget request, for instance, also sought \$154 million in new aid to help Ukraine “counter Russian pressure and aggressive action.”⁵

Yet despite the resurgence in such programming, and contrary to the hard-earned lessons of Afghanistan and Iraq, senior officials have yet to acknowledge and act on the consequential differences between aid programs focused on such immediate political and security objectives and those designed for traditional long-term development. These differences include very disparate operational requirements, administrative arrangements, and likely challenges.

Instead, scrambling to respond to the latest in a seemingly unending cascade of crises, policymakers have treated these new aid programs as essentially interchangeable from traditional development aid, routing funds through the same agencies and systems. This has left working-level staff—the personnel in Washington and abroad tasked with translating these dollars into impact—in the unenviable position of adapting and improvising, attempting to pursue these distinct and difficult goals with tools and systems designed for a different purpose.

The present approach is administratively (and politically) convenient, but it imperils both short- and long-term American interests. The conflation of hard aid with traditional foreign assistance reduces the impact of hard aid on these urgent security and political goals, while simultaneously undermining the traditional developmental mission increasingly recognized as central to future American security. This should alarm not just development experts pursuing greater aid effectiveness but also foreign policy and national security practitioners concerned with Washington’s most vexing foreign policy crises.

As instability spreads and threats proliferate, the need for calibrated, effective engagement tools will only grow. If foreign aid is to be employed to serve such strategically important ends, then it needs to be applied with far more focus and intentionality, and with a more thoughtful appraisal of what results are realistic and what tools and resources will be required. Put simply, if it is to be done, it must be done smarter. With a new administrator poised to take the helm at USAID, and indeed, a new presidential administration due in 2017, now is the time to have this clear-eyed conversation.

Policymakers have treated these new aid programs as essentially interchangeable from traditional development aid, routing funds through the same agencies and systems.

Background and Context

U.S. foreign aid has always been grounded in the pursuit of American national interests. Proposing the establishment of USAID in 1961, then president John F. Kennedy argued that the aid agenda should be driven not only by moral, economic, and political considerations but also by the recognition that “our own security would be endangered and our prosperity imperiled” by continued widespread poverty and instability.⁶

This argument framed aid’s relationship with U.S. national security as principally long-term: by gradually advancing global social and economic development, foreign aid would counter the Soviet Union’s influence and eventually make the United States safer and more prosperous. This long-term, indirect relationship between aid and the national interest would be reiterated by Kennedy’s successors in the Oval Office, including, most recently, in the national security strategies of both the George W. Bush and Obama administrations. This conception of foreign aid as apolitical and technocratic has long been prevalent among aid professionals, who largely prefer to focus on the humanitarian or developmental mission at hand; whatever strategic benefits the United States will accrue will come indirectly and over the long run.

But at the same time, Washington has also long sought to employ aid for more immediate and directly self-interested ends. Most bluntly, aid has been employed as a foreign policy cudgel, with assistance packages offered or withheld to induce desired behaviors from foreign governments; the (civilian and military) aid still provided to Israel and Egypt today to reward compliance with the 1978 Camp David accords is one prominent example.

In other circumstances, Washington has sought to pursue similarly short-term political and security goals through a more complex approach: the funding of aid programs intended to directly shape conditions and events on the ground. Unlike with traditional development aid, whose ultimate goals can require decades to accomplish, such initiatives are intended to address urgent local security and political goals, which are drawn from perceived American interests in the situation. USAID famously found itself engaged in an enormous such undertaking less than a decade after its creation, during the Vietnam War, when thousands of USAID staff worked alongside military counterparts as part of the integrated Civil Operations and Revolutionary Development Support (CORDS) program at the heart of the “other war” for pacification.⁷

These hard aid initiatives share much in common with their traditional developmental analogues, having been often managed by the same agencies using the same modalities. In Vietnam, for instance, USAID was engaged not just in the immediate-impact programming of CORDS but also in the pursuit of more traditional development efforts. What distinguishes these hard aid programs is thus not the offices involved or even the outward appearance of the programs, but the focus on rapid results and the prioritization of immediate political and security goals. These goals may be shared by the local population

or government (and indeed, they often are), but this is not a prerequisite; what ultimately drives the goals is not any technocratic assessment of developmental concerns but an assessment of American interests in the environment.

Whatever aid's relevance to American interests, its necessity was questioned following the end of the Cold War. No longer viewed as an essential counterbalance to long-term Soviet influence in the developing world, USAID was attacked by congressional critics as unaffordable charity. The agency managed to survive, but budget cuts forced the closure of 26 field missions and the shedding of more than one-quarter of its staff between 1995

and 2001.⁸ By the time George W. Bush was elected to the presidency, USAID's cadre of foreign service officers had shrunk from its peak of over 10,000 during the Vietnam War⁹ to just under 1,000.¹⁰

The Bush administration saw foreign aid as central to American efforts in Afghanistan and Iraq.

The consequences of this retrenchment were soon felt. In the aftermath of the terrorist attacks on September 11, 2001, as aid efforts in Afghanistan ramped up and foreign

crises suddenly assumed newly consequential overtones, the Bush administration found itself pushing hard for the agency's revival and expansion. Foreign aid once again seemed essential to both short-term strategy and long-term interests; where once the threat had been Communism, now it was terrorism. The White House's 2002 national security strategy emphasized the strategic importance of long-term economic development and pledged support for free trade, free markets, and democratic growth.¹¹ But more immediately—and, during a time of war, more importantly—the Bush administration saw foreign aid as central to American efforts in Afghanistan and Iraq.

It was a deeply challenging period for USAID, whose performance in both countries continues to be criticized. In Afghanistan, the agency struggled to responsibly spend the enormous sums it was being allocated and to simultaneously address the country's overwhelming underdevelopment—a challenge that would take decades to fix—while also delivering the quick-impact projects seen as an integral component of the U.S. military's "clear, hold, and build" strategy. The agency was appropriated new funds to recruit more staff, but it struggled to train and deploy this influx of young professionals; for many USAID personnel, living in a war zone and focusing on short-term projects was not the job they had signed up and trained to do. Nor were USAID's administrative systems prepared for the scale, nature, and urgency of the task. As John Norris, a respected former USAID official, later wrote, "USAID suddenly had more money than it knew how to get out the door effectively, and the agency, which was practiced at moving huge grants and contracts that took years to plan and implement, often struggled to implement small projects in real time that could demonstrate the dividends of peace to war-weary populaces."¹²

At the same time, USAID's staff and leadership worried increasingly about losing resources and operational control to the Pentagon and the State Department, both of which expressed frustration with USAID's slow pace

and evident discomfort with unabashed politically or security-driven work. By 2005, the share of foreign aid being directed through the Pentagon had nearly quadrupled. Articulating a widespread concern in the broader development community at the time, Stewart Patrick and Kaysie Brown, both then at the Center for Global Development, wrote in 2007 that these financial shifts had

“stimulated concerns that U.S. foreign and development policies may become subordinated to a narrow, short term security agenda—at the expense of broader, longer-term diplomatic goals and institution building in the developing world—and that U.S. soldiers may increasingly assume responsibility for activities more appropriately conducted by civilians skilled in development challenges.”¹³

Meanwhile, then secretary of state Condoleezza Rice moved to consolidate budgeting and planning authorities for foreign assistance within her department, a bureaucratic shift that brought USAID “under more direct control of the State Department,” as one account described.¹⁴ The establishment of other, new offices like that of the coordinator of reconstruction and stabilization further fueled suspicions within USAID that the State Department sought more direct control of assistance efforts.

The 2008 election of Barack Obama, who promised to not only extract America from these overseas commitments but also to double the foreign assistance budget, reinvigorate USAID, and prioritize “the critical investments needed to fight global poverty,” consequently came as a great relief to many at USAID and in the broader development community.¹⁵ Once in office, Obama followed up on these promises by nominating a USAID administrator with strong developmental credentials and issuing an unprecedented presidential policy directive that declared “development is vital to U.S. national security and is a strategic, economic, and moral imperative for the United States.”¹⁶

USAID was still a challenged agency urgently in need of reforms, but at last it looked like that need might get real attention. Administrator Rajiv Shah successfully reclaimed some of the budgetary and planning authorities that had been shifted to the State Department, and he introduced new modernization initiatives. In line with broader U.S. policy, the USAID commitments in Iraq and Afghanistan began to shrink. These moves, along with the administration’s emphasis on the national security importance of long-term development, fueled optimism among USAID staff that their agency was shifting its focus away from stabilization and security and back to traditional development.

Needs in Washington

As the young Obama administration began working to reinvigorate USAID’s development mission, however, global events were conspiring to challenge that focus. In the introduction to his administration’s first national security strategy, President Obama described an era of “sweeping change,” warning that

the United States faced “multiple threats—from nations, nonstate actors, and failed states.”¹⁷

Such threats only deepened as the early optimism of the Arab Spring in 2011 gave way to growing instability and insecurity. The White House increasingly found itself facing crises that directly threatened not only regional order but also American security, and the standing threat of al-Qaeda and its offshoots

As administration officials have scrambled to formulate responses, they have turned increasingly to foreign aid.

was suddenly joined by that posed by the Islamic State. These challenges to American interests have not remained confined to the Middle East; Russia’s role in Ukraine turned what might have been a domestic political dispute into one weighted with geostrategic consequence.

As administration officials have scrambled to formulate responses, they have turned increasingly to foreign aid.

They have done so for several understandable reasons, even

beyond the White House’s aversion to additional military commitments. To begin with, there is widespread recognition that these crises are often fueled or facilitated by fundamental development failings, particularly in the illegitimacy or inadequacy of governments. Having increasingly come to recognize the importance of long-term development as a means of addressing the roots of these crises in the long run, policymakers are understandably hopeful, when faced with the immediate manifestations of these underlying failings, that aid can be employed to more direct effect. The years that the State Department and USAID have now spent working in and around civil conflict are seen as further relevant experience.

Beyond that, the foreign aid system also represents an attractive option simply by dint of its administrative capacity and overseas presence: aid personnel are often already stationed in (or at least working on) these countries in question, with the administrative systems and operational expertise necessary to expend funds in these environments. Most notably, USAID has a specialized Office of Transition Initiatives (OTI) that, though originally created in the 1990s to support political transitions to democracy, has become increasingly focused on stabilization and crisis mitigation.

Finally, there is an additional reason that Washington decisionmakers might turn to aid in these situations. Facing intense domestic pressure to demonstrate decisiveness or determination, or overseas pressure from allies or rivals to prove its commitment or engagement, America’s well-publicized promise of aid can serve as a relatively low-cost signal of commitment or concern. When provided for this reason, the actual impact of the aid may be virtually an afterthought; what matters is the signal sent by its provision.

How Widespread Has Hard Aid Become?

The political transition program in Syria is by far the largest, ongoing hard aid effort today. There are, however, other hard aid initiatives in place elsewhere.

Most, though not all, are in the Middle East, where they are driven principally by the threat of violent extremism. In Yemen, Washington had by mid-2015 spent more than \$40 million to support the political transition that began in late 2011 and millions more to strengthen the transitional government that was forced into exile in 2015 by Houthi rebels.¹⁸ In Libya, where USAID has had no permanent staff for several years and the embassy has been shuttered since July 2014—hardly optimal development circumstances—the agency maintains limited programs that were initiated after the fall of Muammar Qaddafi to support the democratic transition.

Outside of the Middle East, hard aid programs continue in Afghanistan and Pakistan; in the latter, USAID simultaneously maintains an expansive long-term development portfolio and an Office of Transition Initiatives program designed to “support [U.S. government] foreign policy priorities” by connecting local government and communities vulnerable to extremism.¹⁹ In Ukraine, aid is part of Washington’s strategy to support the Kiev government against Russian machinations. Meanwhile, in October 2014, the White House announced new aid as part of its “ramped up efforts to address instability and prevent the spread of violent extremism” in northern Nigeria following Boko Haram’s high-profile kidnapping of an estimated 300 schoolgirls.²⁰

As of mid-2015, Washington was thus seeking to use aid to meet urgent political and security goals in not only the Middle East and North Africa, but also Eastern Europe and sub-Saharan Africa. The roster of individual hard aid programs is fluid and at times debatable; programs are regularly being initiated, shuttered, or modified. Complicating things further is the blurry line that distinguishes hard aid from traditional developmental programs, a line made even more difficult to draw when these different programs are being run by the same agencies and offices.

Ultimately, the distinguishing characteristics of hard aid programs lie in their purpose: the achievement of urgent, immediate security and political goals, which have been derived from perceived U.S. strategic interests. A hard aid program may thus externally resemble a development program, but the difference is felt internally by its staff, who are tasked with achieving short-term impact rather than long-term developmental outcomes.

If recognizing these hard aid efforts can sometimes be difficult, calculating the total sums being spent is virtually impossible. For one thing, funding is drawn from a wide range of sources. Some are dedicated budget accounts, like USAID’s Complex Crisis Fund, or OTI’s Transition Initiatives account. But resources are also often regularly drawn from broader-purpose accounts, including those normally used to fund traditional developmental programs. The extent to which these funds are commingled is evident in OTI’s budget for fiscal year 2014, when it committed not only the \$57.5 million it received from Congress but also an additional \$178 million received from other funding accounts.²¹

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Not all of this was for hard aid programs—some of the money was for more traditional political transitions, like those in Myanmar or Côte d’Ivoire—but the most strategically important programs attracted the bulk of these additional funds. Further complicating any calculation is the practice of introducing new short-term goals to ongoing traditional development programs in order to address newly urgent strategic priorities.

There is nonetheless one budget line that merits a closer look and helps illustrate the widening role of hard aid. As Secretary Kerry explained it, the Overseas Contingency Operations (OCO) account is intended to support “extraordinary action that may be critical to our immediate national security objectives without having to short-change longer-term efforts to address global challenges.”²² The fund was a successor to the Global War on Terror account established by the Bush administration; President Obama renamed it and vowed to wind it down.

Instead, in the White House’s latest budget request, it sought an increase in the amount of OCO funding provided for foreign assistance, to \$5.2 billion;²³ at that level, it would be slightly above what was appropriated in 2014.²⁴ To be sure, this partly reflects the budgetary shenanigans of contemporary Washington: the OCO is not counted against sequestration-imposed spending caps, and so it offers a rare workaround for congressional appropriators seeking a way to provide funds above those limits. Nonetheless, its survival and growth implicitly affirm the expectation that aid is useful for addressing these “immediate national security objectives.” Even more, the White House is effectively arguing that the number of countries requiring aid to meet “immediate national security objectives” is growing: in the 2012 fiscal year, OCO funding was sought for Afghanistan, Iraq, and Pakistan; in contrast, the request for the 2016 fiscal year includes those three as well as additional countries in the Middle East and Eastern Europe.²⁵

Why Has This Growth Not Been Acknowledged?

While policymakers have looked increasingly to aid as a strategic tool in these priority crises, this has occurred without acknowledgement of its significance or implications, or discussion of whether this use of aid is effective or appropriate. At the working level and in certain corners of the administration and the aid community, there is widespread recognition and frustration about the challenges this creates. There nonetheless remains scant dialogue at the senior levels, where structural or policy changes could be considered or implemented. This silence is due to at least three factors.

The first is that this reemergence of hard aid represents an uncomfortable or unwelcome reality for many of the policymakers involved. It muddles a core administration narrative about extricating the United States from foreign misadventures and is at odds with the Obama administration’s earlier, sincere efforts to return USAID’s focus to long-term development. The trend is no

more welcome to most aid workers, who had been relieved by USAID's return to long-term development and may be reluctant to acknowledge the resurgence of a nondevelopmental mission. This resistance is not limited to the working levels; there are also those in USAID's leadership who see this type of programming as inappropriately politically or security-driven.

The second is that the sums being committed to these hard aid goals remain relatively modest when compared to the rest of the USAID budget, or to the heights reached during the Iraq and Afghanistan efforts. The latest budget request for \$160 million for political programming in Syria is hardly insignificant, for instance, but it is a relative drop in the bucket of the \$33.7 billion total sought for foreign assistance.²⁶ It is, for instance, roughly comparable to the bilateral aid budget for Rwanda, and less than half of the request for health programs in Zambia.²⁷ The numbers of USAID and contractor personnel involved are consequently relatively few (in part because many of these countries are so dangerous to operate in); it is a far cry from when USAID staff were being dispatched to forward operating bases or when the tenders for massive Afghanistan contracts were dominating the aid contractor world.

The third is the simple fact that this type of aid programming is not always easily distinguished from traditional development. At its clearest, hard aid takes the form of a specialized program with dedicated funding and explicitly politically or security-driven goals—as in Syria. But it is not always so simple; more often, different funding accounts are involved, different offices or agencies are engaged, and priorities may be shifting. The inherently complex nature of this type of aid programming, and the fact that its defining characteristic is its purpose, not its form, makes it all the easier to overlook, intentionally or not.

Challenges in the Field

While it might be possible to overlook the distinctive nature and challenges of hard aid programs from Washington, the same is not true in the field. These programs differ from each other in important ways—shaped by a country's context, goals, public actors, and existing programs, and a myriad of other factors—but their common focus and their forced reliance on existing aid modalities has produced recurring challenges.

Two programs in particular help illustrate the most important challenges. The Syrian program is the most significant hard aid program of the Obama era: it is the most expensively resourced, involves multiple offices across different agencies, and operates independently of traditional developmental programs, which are largely nonexistent in Syria today. It is grappling with many of the challenges that bedevil contemporary hard aid efforts, including inadequate programmatic tools, bureaucratic confusion and

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competition, strategic uncertainty, and inappropriate administrative restrictions. A second program, in Yemen, is a useful illustration of more typical hard aid efforts, wherein a country with a standing aid program falls into some form of crisis, and the lines between aid programs begin to blur as pressure mounts to more directly address short-term security and political needs deemed important to American interests.

Syria

With its combination of extremist groups, unconventional weapons, and cross-border implications, the Syrian conflagration has challenged the White House since erupting in 2011. Washington has expended enormous energy and resources on its response, including \$3.68 billion in humanitarian assistance through spring 2015.²⁸

It has also committed nearly \$400 million to date for civilian assistance to the political transition and the White House has requested an additional \$160 million for the 2016 fiscal year in order to continue “ongoing efforts to support the moderate opposition, including national and local-level opposition groups as they strive to achieve a negotiated political solution to this conflict; provide goods and services to their communities; and jumpstart local economies.”²⁹

The goal of this aid is not to advance long-term developmental goals in Syria, but instead to advance the broader U.S. strategy of strengthening a moderate opposition movement that counters both the Assad regime and the Islamic State. While other parts of the U.S. government provide training and support to the armed factions affiliated with this movement, the civilian aid side works to bolster the credibility and reach of the unarmed counterparts in their communities. This is of course more easily promised in Washington than effected on the ground in Syria, and turning those aid dollars into the desired impact in the midst of an ongoing conflict is the great challenge for aid practitioners.

A lack of sufficient strategic clarity can raise questions about everything from day-to-day priorities to overall strategic purpose.

This task is complicated further in Syria, as elsewhere, by an assortment of avoidable operational and strategic hurdles. Though some are specific to this situation, they reflect the types of challenges that inevitably arise from the improvised application of systems and approaches designed for other purposes and needs. To begin with, the Syrian aid effort is routed through a strikingly inefficient bureaucratic arrangement involving at least five different State Department and USAID offices, each with its own approach, interests, and assigned areas of responsibility. These offices must worry about not only how to run effective programs inside Syria but also coordinating with one another and ensuring activities are mutually supportive and not redundant. Perhaps inevitably, the situation has spurred tensions among offices in Washington, along with jockeying for credit and future sources of funding.

But out in the field, these staff must work together, as the State Department describes it, to design programs that “help the moderate opposition meet daily needs, provide essential services, and support a transition.”³⁰ The breadth of this description is not the result of discretion or bureaucratic obfuscation—instead, it reflects the necessarily wide range of programming being undertaken and the inevitability that this programming will continue to evolve in response to changing circumstances. To date, these programs have concentrated principally on helping moderate actors, like the local opposition councils and civil society groups, by enabling them to organize and better provide services to their communities—thereby gaining legitimacy and strength as they seek to serve as an alternative to both the regime and more radical opposition groups. As a State Department official told a reporter recently, “We help them keep basic services going—from policing, garbage collection, water and energy provision, the running of clinics and schools—the basics expected from local councils, from local government.”³¹

Managing such responsive, quick-impact programs is no easy task. Not only is the operating environment so dangerous that most staff are unable to visit but the programming teams are also subject to a wide range of onerous administrative and bureaucratic hurdles. Originally designed for traditional development programs, such requirements and restrictions include everything from environmental assessments to the paperwork that must be completed by local partners, and they tend to apply unforgivingly to hard aid programs as well. Beyond those, there are special administrative obstacles unique to Syria, including compliance with still-standing U.S. sanctions (which preclude importing U.S.-made products into Syria, even to opposition-held areas) and frequent consultations with legal counsel to ensure that there are no violations of the prohibition on material support to designated terrorist organizations (which is easier said than done in an environment where battle lines and alliances can change by the day).

While grappling with those administrative and operational hurdles, program staff must also worry about their future funding prospects. Although the budget request for the 2016 fiscal year includes a considerable amount for Syria, commensurate levels were not provided in previous years, and budgets are inconsistent and unpredictable across offices and programs. As often proves the case with hard aid programs, the working-level staff must devote an unfortunate amount of their time to fund-raising in Washington—seeking to find and secure some of the rare funds that are not already inviolably committed to other purposes. This limits the impact of the program and tightly restricts its ability to react to changes on the ground; it simply does not have the money in the bank to take advantage of new opportunities.

Finally, there remains uncertainty in the field as to how these efforts are expected to support and advance the broader American strategy for Syria. A lack of sufficient strategic clarity can raise questions about everything from day-to-day priorities to overall strategic purpose: should the aid effort concentrate

resources on this province or that one, on these actors or those? Without clear guidance from Washington (in the absence of a local embassy in this case), program staff must make such decisions based on their judgment and whatever limited information they have—further illustrating how insufficient attention by policymakers leaves working-level staff to improvise and adapt using the tools and information they have at hand.

Yemen

The hard aid in Syria is unique in scale and scope, and it operates largely in the absence of broader parallel development efforts. The case of Yemen illustrates a more common scenario, in which hard aid initiatives run parallel to and at times intermix with traditional development initiatives, and strategic priorities influence the broader aid portfolio.

USAID was already working in Yemen when Arab Spring–inspired protests erupted in 2011. Indeed, it was already focused on “increasing Yemen’s stability,” a direct response to the threat posed to the United States by al-Qaeda in the Arabian Peninsula (AQAP) and the perceived weakness of the Yemeni state.³² USAID pursued what its strategy document described at the time as “a localized strategy with development programming tailored to address the drivers of instability in specific areas of the country and to respond directly to the articulated needs and frustrations of communities in the neediest areas.”³³ It did so in part through an Office of Transition Initiatives program, and also in part through a pair of large developmental programs, which, though reliant on traditional contractual mechanisms, sought to address both short- and long-term needs.

After a summer of protests inspired by the Arab Spring, longtime Yemeni president Ali Abdullah Saleh resigned in November 2011, and a fragile transition began. American policy focused on two interlinked goals in Yemen: to continue counterterrorism operations against al-Qaeda in partnership with the Yemeni military, and to support the transitional political process and the interim government, which would lead, it was theorized, to a stable, legitimate democratic administration able and willing to continue the counterterrorism fight.

Aid dollars flowed in. Much of this new support focused on the transition; in August 2014, just before the Houthi takeover of Sanaa, the State Department reported that Washington had spent \$40 million to support the national dialogue and broader political transition, as well as \$22 million to help the national government improve its service delivery to the long-marginalized southern provinces.³⁴

Although much of this programming was undertaken by OTI, USAID also sought to adapt its traditional programming portfolio to the new conditions and to, at times, better address urgent new objectives. After the transition began, for instance, and although the laborious contracting processes slowed modifications, the geographic targeting for at least one such program

was shifted to urban areas, where the revolution had begun and where discontent still simmered.³⁵ Later, following a successful Yemeni military operation against AQAP in the south of the country, an existing program was provided with new funds and directed to rebuild schools destroyed in the fighting, part of a broader U.S. government-supported effort to quickly restore services and a sense of normalcy in these vulnerable communities. A press release from the U.S. embassy in Yemen quoted the local USAID mission director, who explained that “safe, clean, and well-equipped schools are a stabilizing factor for a community traumatized by fighting.”³⁶

In this respect, the aid effort in Yemen stands as an example of how aid is employed to address short-term strategic goals and the primacy they can impose over the longer-term effort. There is often pressure on staff—from the interagency process in Washington, the embassy, or other sources—to make traditional programs more relevant to immediate strategic goals, and this can entail a reallocation of resources, staff, or emphasis. Yet doing so is rarely easy: these programs lack contractual flexibility, and the formal modifications consequently required are administratively tedious. This was certainly the case in Yemen, where an inspector general’s report found that USAID had in fact inappropriately directed one of its standing projects to shift its focus without the necessary formal contract modification; the report also found other weaknesses reflecting the enormous operational challenges inherent in an environment like Yemen, including inadequate monitoring systems and inconsistent quality in the goods the project delivered.³⁷

The Yemen experience illustrates another common challenge that arises because there is no formal recognition of the different goals and strategies of hard aid efforts. U.S. law requires most USAID programs to be “branded,” so that beneficiaries will recognize and presumably appreciate the generosity of the American taxpayer. This might serve the American interest in a traditional development context: say, a sign on a health clinic in Ethiopia. But in Yemen and elsewhere, this requirement has provoked fierce disputes, as staff on hard aid programs must fight colleagues or the bureaucracy to secure waivers from the requirement, which, if implemented in these contexts, would not only undercut the very purpose of the work (which is often to enable a local partner to claim credit) but also potentially endanger the lives of staff and partners involved.

Finally, the aid program in Yemen highlights Washington’s determination to pursue hard aid programs even in the face of considerable physical risk. Up until the embassy was evacuated in February 2015, USAID staff continued to work in Sanaa and were kept behind thick blast walls with few opportunities to meet with partner staff, much less visit ongoing activities. This has increasingly become the norm for hard aid programs, but it represents a significant operational and cultural shift from traditional development work, where regular

The aid effort in Yemen stands as an example of how aid is employed to address short-term strategic goals and the primacy they can impose over the longer-term effort.

interaction with beneficiaries, local communities, government counterparts, and other stakeholders is seen as critical to ensuring effectiveness. But increasingly, as in Yemen, USAID is learning how to operate from behind blast walls and even from outside the country in question—an implicit acknowledgement of just how vital this work is perceived to be. USAID has established a new Middle East Regional Platform in Frankfurt, Germany, to support programming in the broader region—underscoring the agency’s expectation that it will continue to work across the region, even when it must remain thousands of miles away.

To What End?

The programs in Syria and Yemen illustrate the types of significant, costly aid efforts being undertaken in these strategically important, deeply challenging environments. But they also highlight the considerable obstacles involved, and—with the crises in both Syria and Yemen persisting in the face of these hard aid programs—raise important questions about just what this aid can realistically achieve.

Expectations

At a hearing on Libya before the House Subcommittee on the Middle East and North Africa in June 2014, the subcommittee chairwoman, Representative Ileana Ros-Lehtinen, pressed officials from the State and Defense Departments about how the administration would accomplish all that it needed to in Libya:

“So what must the United States do to help Libya avert a possible civil war, bring the political factions together to help resolve their differences, stabilize the security situation in the country, fight back the influx of extremists and shore up its borders and secure U.S. national security interests? . . . We must prevent Libya from turning into another Iraq and we must avoid this from becoming yet another tragic strategic defeat in the Middle East and North Africa for U.S. foreign policy.”³⁸

The agenda Ros-Lehtinen described was breathtakingly ambitious, but not atypical by the standards of Washington, where politicians and policymakers are loathe to acknowledge possible limits to American power. The Obama administration’s strategic goals for these countries in crisis typically reflect this audacity of hope: build a new Yemeni democracy while fending off the dual armed threats of al-Qaeda and the Houthis; defeat the Islamic State, force the exit of Assad, and build a new, stable democratic Syria while averting sectarian bloodletting. Despite even the most recent experiences elsewhere, Washington politicians and policymakers continue to demand transformative change in the most imperiled of environments.

The fact that such audacious goals have not yet been accomplished—instead, the Houthis have taken over Yemen, Libya has fallen deeper into chaos, and

Syria remains in flames—does not represent evidence that aid failed, but it does serve as a reminder of its limitations. As the U.S. experience in Afghanistan and Iraq demonstrated with painful clarity, even the commitment of hundreds of thousands of troops, unprecedented sums of money, and unparalleled government attention cannot guarantee the achievement of American sociopolitical and security goals. Nor, as repeatedly demonstrated in traditional development, do decades of concerted efforts and millions of dollars necessarily translate into improved state capacity—even in environments free of suicide bombers and targeted assassinations. Outsiders cannot simply purchase stability in Yemen or a political transition in Libya: the social, economic, political, and security-sector changes required are just too complex and contingent on too many other variables.

From the outset then, expectations for what aid can accomplish in these enormously complex environments need to be tempered to reflect hard realities: the intrinsic limitations of foreigners attempting to shape local political forces, the specific circumstances of a given situation, and certainly also Washington's resource and political constraints. Greater realism is needed from not only policymakers and legislators but also aid implementers, who must be careful in what they promise; they need to be both judicious and intellectually honest about what can realistically be accomplished, even as they seek to sell the relevance of their programs.

Impact

If aid cannot single-handedly produce the desired political or security end-states in these countries, what can it do? Recent experience shows aid can have a strategically relevant impact at the tactical level; it turns out it is possible to effectively spend money in profoundly inhospitable environments, with meaningful results. What matters then is whether these results are incorporated productively into an overarching whole-of-government strategy that itself is sufficient to accomplish American goals.

At the tactical level, external and internal evaluations, intensive monitoring efforts, and other assessments have produced ample evidence that these aid efforts can advance key local objectives.³⁹ In Syria, for instance, USAID and the Department of State have provided lifelines to moderate actors that stand as an alternative to extremists and the regime, sustaining and strengthening individuals and organizations that offer the best surviving hope for a future Syria. Depending on how the military and political situation unfolds, these individuals, organizations, and movements could play a critical role. Similar results—discreet, limited, but important—can be found in Yemen, Libya, and beyond.

The programs in Syria and Yemen illustrate the types of significant, costly aid efforts being undertaken in these strategically important, deeply challenging environments.

Done well, hard aid is an effective tactical tool, a potentially instrumental piece in a comprehensive whole-of-government strategy.

Such achievements are hardly the seismic shifts in the political or security landscape that Washington might wish for, like those Ros-Lehtinen sought for Libya. But such dramatic transformations are unrealistic from the outset, even when the effort is as intensive as in Afghanistan or Iraq—which, of course, it very rarely is. Experience has shown that aid’s impact is likely to be much more limited—but it can nonetheless have an important effect on American goals by providing support for transitional governments, by enhancing the credibility of transitions processes, and by deepening public engagement efforts. Done well, hard aid is an effective tactical tool, a potentially instrumental piece in a comprehensive whole-of-government strategy.

But while recent experience demonstrates aid’s potential for tactical impact, it has also underscored just how difficult this can be. The special inspectors for the Afghanistan and Iraq reconstruction efforts have produced extensive documentation of failed aid projects in these countries, describing initiatives that were ill-conceived, ill-designed, and often rife with corruption or incompetence. The permanent USAID inspector general has also issued reports criticizing the agency’s performance in key countries, while the counterpart at the State Department has harshly judged the efforts undertaken by the department’s Bureau of Conflict and Stabilization Operations (CSO).⁴⁰

These failings are instructive. They underscore just how difficult it is to work effectively in these environments, even when the task is a relatively standard development initiative; indeed, they offer reams of evidence for why traditional development approaches are so often inappropriate or ill-suited to these environments. Collectively, they also caution against committing enormous sums of aid in the expectation of transforming a country overnight.

These reports also highlight the pitfalls of approaching hard aid as business as usual, underscoring the persistent struggles of existing aid mechanisms to achieve results (to say nothing of strategic impact) in these deeply difficult operational environments. For hard aid to have a meaningful impact then, it requires both appropriate tools and approaches—distinct from those used for traditional development—as well as the identification of clear and realistic goals. Such goals in turn are contingent on propagating an overarching U.S. strategy that carefully considers what role aid can and should play. This, unfortunately, has often been absent—and that absence goes too easily unnoticed because of the widespread failure to recognize hard aid as a discrete strategic tool. But this is hardly the only avoidable shortcoming produced by the continued conflation of hard and traditional aid.

Aid Hoc: The Shortcomings of the Current Approach

Rather than recognizing the unique purpose and challenges of hard aid and developing a tailored operational approach that serves those needs, policymakers have left it to working-level USAID and State Department staff to improvise and adapt as best they can on the fly. This approach has not precluded these aid programs from delivering results, but it has ensured that their cumulative impact is less than it would have been through a more deliberately designed approach.

There are three significant shortcomings to this business-as-usual approach. First, it limits the strategic impact of hard aid by necessitating reliance on existing approaches and systems intended for conventional development programming. Next, conflating hard aid programs with traditional development programs has allowed policymakers to avoid addressing key strategic questions. Lastly, this approach undermines the United States' long-term development efforts.

1. Conflation With Developmental Aid Reduces Short-Term Strategic Impact

The types of crises drawing hard aid programs threaten core American interests, and they require very different work than that of traditional aid programming—but the U.S. government's current approach relies on the ad hoc adaptation of the systems originally intended for that long-term development work. This has undermined the impact of hard aid programs in three significant and avoidable ways. First, programming staff have had to rely on ill-suited conventional tools and systems. Second, the government's approach has fueled competition for resources and control within USAID and between the agency and the State Department. Third, these aid programs have been shaped by the deeply risk-averse culture and policies of USAID and the State Department, which impede and discourage the type of creative, adaptive, flexible programming most likely to succeed in these fluid environments.

Staff Must Rely on Ill-Suited Conventional Programming Tools and Systems

The need to overhaul and modernize USAID and the rest of the foreign aid system has been widely recognized for years; a veritable library of internal and external reports have documented its shortcomings, ranging from insufficient staffing to overly rigid contractual systems to unpredictable and restrictive budgeting.⁴¹

These weaknesses complicate and hamper traditional development programs—but they are even more debilitating when it comes to hard aid, with its need for greater flexibility, oversight, and adaptability. The standard approaches, policies, and systems that are used by USAID or the State Department to implement conventional aid programs are often ill-suited to the quick-impact,

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fast-changing initiatives required for hard aid; reflecting on five years of studies, the U.S. Government Accountability Office concluded in 2014 that “[the] State [Department] and USAID have experienced systemic challenges that have hindered their ability to manage and oversee contracts in contingency environments.”⁴² The unique operational needs of these environments are no secret. The USAID inspector general recommended as early as 2006 that a separate chapter be written in USAID’s administrative guidance to recognize the unique needs of such environments;⁴³ in early 2015, USAID reported that one was forthcoming.⁴⁴

It was also in recognition of the distinct operational needs of such environments that the Office of Transition Initiatives was created in 1994 and endowed with specialized budgetary, hiring, and operational mechanisms. The office has become increasingly practiced in these hard aid programs, reflecting its unique operational and programmatic capabilities.

But despite OTI’s presence in the field, USAID’s regional bureaus and other technical offices have nonetheless sought to pursue new short-term and politically focused initiatives—whether of their own volition or under pressure from ambassadors or other senior officials—despite the complications and challenges that inevitably arise. These can be late-arriving and unpredictable budget allocations, inflexible contracting arrangements, slow-moving human resource processes, or any of the myriad of other challenges that bedevil traditional development programs—and which are all the more debilitating in the midst of a rapidly evolving crisis environment. In Yemen, for instance, the USAID inspector general found that the USAID mission had violated contractual regulations in its efforts to redirect an existing development program to respond to the transition.⁴⁵ Yet despite these challenges, the creation of the Middle East Response Platform signals USAID’s intent to continue engaging in these crises, even if it cannot be physically present in country.

The track record at the Department of State is a story of similar ambition but with even more underwhelming results. The office most likely to lead this work, CSO, was the subject of a blistering report from the inspector general in 2014, and it has struggled to demonstrate results.⁴⁶ Meanwhile, other State offices have attempted to adapt traditional grant-making and contract-oversight systems, long overseen from Washington, to enable them to assume a more active role in these environments. In Syria, for instance, the State Department is not only coordinating the transition assistance program but has also dispatched staff from multiple offices to assume programming positions in the field. This is happening despite the widespread failings that have been documented in the department’s management and administration of grants and contracts. In April 2015, for example, the State Department’s own inspector general told Congress that “the Department faces continuing challenges

managing its contracts, grants, and cooperative agreements because of systemic weaknesses that have not been effectively addressed.²⁴⁷ Similar findings have been repeatedly evidenced in the inspector general’s audits and reports on its grant-management and financial-tracking systems;⁴⁸ the department simply lacks the systems and experienced pool of personnel to effectively administer such challenging, complex programs.

Scarce Resources and Uncertain Roles Fuel Bureaucratic Infighting and Inefficiencies

One key reason so many offices are getting involved in hard aid is a simple scarcity of resources. Foreign aid has for years struggled with declining budgets and withering attacks on its relevance and efficacy. The opportunity to help address these high-profile Washington priorities potentially opens the door to new funds and new relevance. And because there is not a single office designated as lead on these challenges, or an established system through which these hard aid programs are approached, there is sufficient bureaucratic space for different offices to seek a piece of the pie. The result has been jostling for turf and resources—both in USAID offices and between the agency and the State Department.

A second reason stems from the frequently political nature of these crises and resultant aid efforts. Many at the State Department see this as placing hard aid firmly within their bailiwick, a perspective for which the 2010 Quadrennial Diplomacy and Development Review (QDDR) provided some institutional support. The report assigned USAID lead responsibility for humanitarian crises and directed the Department of State to lead “operations responding to political and security crises.”⁴⁹ But the QDDR failed to specify just which offices would be responsible for carrying out such operations, and it laid the groundwork for considerable confusion and competition by simultaneously directing a significant expansion of USAID’s OTI while also growing the State Department’s CSO bureau. In short, while reaffirming the department’s ultimate authority over such programs—which it effectively already had, through the chief of mission’s authority over any aid program in a country—it avoided the more contentious task of assigning operational responsibilities and effectively encouraged the growth of dueling offices.

For USAID staff then, new hard aid programs have both opened the door to new funding and introduced new pressures or directives on the types of programs they should be running. Staff are loath to pass up new funds or to appear unresponsive to new priorities; they must also worry about future funding now being redirected to a new higher-profile, higher-priority program. This situation encourages staff, particularly in the field, to

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present their programs as capable of addressing the new hard aid priorities. Tellingly, OTI has increasingly struggled to win permission from its USAID counterparts to begin work in a country in crisis, in part because the office is seen as a competitor for resources rather than as a specialized tool with a unique mandate.

At the same time, these USAID offices also find themselves increasingly competing against their State Department counterparts. This was most evident for OTI in the elevation of CSO; the department has struggled to explain how CSO's programmatic activities are intended to complement and not compete with OTI's, and in several countries—including Myanmar and Syria—it has implemented programs alongside OTI. The State Department's inspector general reported that this “puts it in many of the same places as other actors within the U.S. government, which can create overlap and duplicate efforts, especially with USAID.”⁵⁰

Other parts of the department have also demonstrated a growing appetite for hard aid programs. Most notable is the Near East Asia bureau's rapid expansion in direct management of programs in Syria, including through the absorption of programs previously managed by CSO. Even when State Department offices are not directly managing their own programs, they have taken an increasingly active interest in those managed by USAID. A survey of USAID staff who worked in four countries transformed by the Arab Spring found that “the majority of respondents (87 percent) believed that since the Arab Spring the State Department has increased its influence over USAID.”⁵¹ This has not only bred resentment but also created considerable challenges when State Department officials—often unfamiliar with the administrative realities of these programs—have demanded programmatic actions that are not contractually possible. One USAID staffer told the inspector general “that State think[s] programs can be stopped and started at will and that we can intervene and direct partners in a manner that goes far beyond the substantial involvement we are allowed as project managers.”⁵²

For all of these reasons, there has been a marked growth in the number of USAID and State Department offices involved in hard aid programs, and a commensurate expansion of competition and deepening of tension. But even if roles were fully agreed upon and all programs were operating smoothly in parallel, the deployment of multiple offices each overseeing different contracts and grants addressing the same crisis would inevitably result in a duplication of effort and a multitude of inefficiencies. Scarce resources are divided up into small pieces, while redundancies arise because of multiple duplicative operational or contractual processes. Inordinate amounts of time are spent competing for resources or positioning offices for internal turf battles; time is also spent coordinating and sharing information among various agencies. All of this introduces new time burdens to overworked government staff and consumes scarce funding.

Programming Is Hampered by Low Risk Tolerance and Cumbersome Requirements

Finally, the potential impact of hard aid programs is undercut by a deep institutional aversion to physical and programmatic risk, and by a myriad of ill-suited requirements and policies originally intended for traditional development.

This new generation of hard aid programs has been concentrated in exceedingly dangerous environments, where embassies have adopted very cautious approaches to risk—particularly after the 2012 attack on the U.S. diplomatic compound in Benghazi. There is growing recognition that greater balance must be struck between minimizing physical risk and affording embassy and aid staff the flexibility they need to do their jobs; this need was explicitly studied in the second QDDR, released in April 2015. Hard aid programs, dynamic and fast moving, particularly require this flexibility to travel to visit staff, partners, government counterparts, and projects. A recent review by the USAID inspector general noted that more than three-quarters of USAID staff surveyed about their work in Arab Spring countries reported that “security and travel restrictions made monitoring projects more difficult.”⁵³

A more calibrated balancing of risk is needed not only when it comes to physical danger but also to programmatic risks. Foreign aid has become intensely risk averse, with staff fearful that funds might be diverted, that a program might fail or go astray, or that it might somehow land on the front page of the *Washington Post*, castigated by politicians as evidence of incompetence or wasteful spending. A series of Associated Press stories in 2014 on an old USAID program in Cuba, in which individual grants were pulled out of context and described as failures without heed to their actual goals, led to precisely the type of Capitol Hill pillorying that development practitioners have come to fear.⁵⁴ There is a strong institutional preference for safe, cautious, well-worn programs—what one USAID official described as a culture of “no risk and have [programs that fit] in the matrix.”⁵⁵ This is precisely the opposite of the programming most likely to produce real impact in a hard aid environment.

Hard aid programs are pushed to be more conventional not only by this institutional culture but also by the rigid rules and requirements that have accumulated over the years. Though largely well-intentioned, these obligations are not always appropriate for hard aid programs, and at times can be a great hindrance to effectiveness. The case of branding is a particularly common challenge, but it is not the only restrictive requirement applied to hard aid programs without heed to circumstances; the maze of rules and regulations that governs long-term development also largely applies to them. Exceptions and waivers can sometimes be secured, but doing so can entail considerable delays or changes.

A more calibrated balancing of risk is needed not only when it comes to physical danger but also to programmatic risks.

Aid programs should of course always operate with appropriate oversight; they should certainly not have the unchecked ability that their adversaries might have to dole out cash wantonly. But aid implementers, in coordination with the local embassy or Washington officials as appropriate, do need greater flexibility to make more careful, context-driven judgments in the field about whether certain risks may be worth taking. Without greater recognition in Washington of the differences between hard aid and traditional development programs, however, staff pursuing hard aid goals will continue to struggle with these constraints.

2. Key Strategic Questions Go Unanswered

The failure to acknowledge the distinctive nature and role of these hard aid programs has meant that senior policymakers have been able to avoid answering two difficult and essential questions pertaining to strategy. Instead, they have left it to lower-level staff to deal with them piecemeal as best they can, or allowed them to be sidestepped or overlooked.

Are There Clear, Attainable Strategic Objectives—or Is This Just Aid as Symbolism?

The present practice of conflating hard aid with traditional aid has meant that policymakers do not necessarily need to articulate the specific goals of this hard aid or explain how those goals fit into the broader strategy. Instead, Washington provides broad directives like “support the moderate opposition” or “support the political transition” and leaves it to working-level staff—on the ground and in interagency planning meetings—to develop strategic priorities and identify programmatic goals in the field. This affords those staff welcome flexibility, which they use to ensure some kind of tactical impact—but it precludes a careful alignment with a broader American strategic plan. Unless the objectives of a hard aid program are articulated clearly and explicitly, and are understood throughout all relevant interagency levels, they cannot be fully incorporated into Washington’s whole-of-government strategy. That makes it more difficult to identify and rectify gaps between the diplomatic, military, and assistance components.

Hard aid done well can have important tactical results, but it cannot be expected to somehow transform these crises and conflicts.

This presumes, of course, that such an overarching strategy exists. One of the risks of hard aid is that it can be misconstrued as something more than it is; calls to “double aid” when crises are worsening illustrate how people confuse aid provision for a comprehensive overarching strategy in which targeted hard aid plays a part. The mere act of providing aid risks being mistaken as sufficient action—particularly in a crisis where few other options seem available. It thus can have the unfortunate impact of deflecting attention or distracting from the need to ensure that an actual, sufficient national strategy is

in place. Hard aid done well can have important tactical results, but it cannot be expected to somehow transform these crises and conflicts. It needs to be a component of a broader national strategy of engagement, involving all other applicable tools of government.

Are There Sufficient Resources to Achieve These Clearly Delineated Strategic Goals?

The explicit delineation of strategic goals would facilitate answering a second question that largely goes ignored today: Are sufficient resources being made available to achieve them? The budgetary process is such that programs are largely dictated by the amount of resources made available (and to which office they flow)—rather than the preferable inverse, in which program goals would be identified and then required resourcing levels would be determined and delivered.

The need to carefully prioritize resources is all the more important because funding in these environments, despite their importance and the scope of their challenges, tends to be shockingly scarce. The Obama administration's 2016 bilateral request for Libya, for instance, was just \$20 million—which itself was a significant increase from previous years, during which time program staff had struggled to secure funds for their Libya-focused programs. Strategic questions should be asked about what is realistically possible with such limited funds—and if Washington's strategic goals in a country are well beyond that, whether additional funds can and should be committed. Otherwise, as one USAID official commented, Washington might be better off not committing anything at all.⁵⁶

Such a deliberate, planned approach might also reduce the problem of funds being freed up only after a crisis has erupted or worsened—rather than in advance, when the same amount of money could have a much greater impact. Again, in Libya, USAID struggled for years to secure funds for its transition support, told that Libya, as an oil-producing country, should be able to fund its own needs. It was only when the transitional government began to disintegrate in 2014 that a senior administration official ordered interagency representatives to urgently draw up plans for how to expend hundreds of millions of dollars in assistance—money that had not been there earlier, and was surely less impactful then.⁵⁷

Finally, such a deliberate approach to resourcing might also take into greater account countervailing pressures. It is not, after all, only the United States that is bringing resources to bear in these environments. In Yemen, for instance, the United States allocated an impressive \$352 million in assistance in 2012 (including military training and humanitarian aid)—but that amount paled in comparison to the \$2 billion that Saudi Arabia announced it would simply transfer to the Yemeni government that fall,⁵⁸ or the untold millions being spent in the country by Iran to advance its own agenda. The sums being committed

by Washington are by no means insignificant, but the scale of the challenge and the reality of countervailing forces must be recognized.

A more direct, deliberate discussion of hard aid goals would not only clarify how aid fits into Washington's broader strategy for a given crisis but also better ensure that sufficient resources were being provided to achieve those goals, and that available resources were being effectively targeted to achieve maximum effect.

3. The Long-Term Development Effort Is Undermined

The importance of long-term development to U.S. security has been affirmed by the national security strategies of the Bush and Obama administrations. Although aid still has powerful critics on Capitol Hill, it nonetheless enjoys robust backing from senior Republican legislators, and invaluable support from the Pentagon. Given aid's importance and its newfound prominence, it is all the more unfortunate that the current approach to hard aid is undermining USAID's long-term development work, both directly and indirectly.

Directly

Foreign aid is a world of scarce resources and limited staff. Every dollar spent pursuing a short-term security goal is one that could have been spent on a longer-term development program. In theory, the Overseas Contingency Operations account is meant to address this by adding supplemental funds for precisely these priority crises, but in practice it is rarely this neat. Funds that might otherwise have been appropriated through traditional accounts are included as OCO to more easily secure congressional support (and to avoid spending caps); while out in the field, scarce unrestricted resources are likely to be directed to short-term priorities. Moreover, ongoing developmental programs in countries in crisis are occasionally reframed to target new goals, or adapted to prioritize new areas in line with strategic needs. Finally, funding is not the only scarcity. USAID staff are already badly overstretched, and these new priorities not only absorb scarce capacity but also mean staff energy and attention are wasted on navigating interagency competition or seeking additional funds within the bureaucracy.

But even beyond its global impact on USAID's long-term funding and staff focus, the current approach can have a particularly deleterious effect on the specific countries being targeted with hard aid. The problems bedeviling countries like Yemen are deep and complex and will take years to resolve (and outside assistance will be only a part of the solution). While hard aid can be effective at mitigating the immediate fallout and at advancing short-term tactical needs, the current approach too often means they come at the expense of the longer-term initiatives that are necessary for lasting resolution. In Yemen, for instance, the prioritization of short-term needs has meant that new funds have gone to

hard aid efforts, while long-term efforts have at times been directed to address short-term priorities.

The current approach effectively prioritizes short-term security over long-term security. The preferable alternative of course would be to recognize that successfully advancing American interests entails addressing short-term and long-term goals, and provide funding sufficient to enable both. Such a holistic approach would focus on meeting immediate needs and mitigating the crisis, while simultaneously addressing the underlying challenges that will only be resolved over the long run. But as it stands, with limited funds, aid providers must make choices—and with pressure on them to work on the most immediate, visible needs, the short term tends to trump the long term, even if any gains made will be ephemeral without a commensurate long-term commitment.

Every dollar spent pursuing a short-term security goal is one that could have been spent on a longer-term development program.

Indirectly

The failure to openly acknowledge and address the differences between traditional aid and hard aid also indirectly imperils the long-term development mission, by changing public perceptions of the intentions and goals of American aid. This has important repercussions abroad, among local governments and citizenry, and domestically, among legislators and taxpayers.

Overseas, USAID already struggles to refute accusations that it is a front for nefarious American plots, and its work to build civil society and support political party building has often pitted it against autocrats. This is not a wholly new challenge, but it has acquired renewed salience in recent years, as USAID worked closely with the American military in Afghanistan and Iraq and as democratic growth has stagnated globally. Since 2012, USAID has been expelled from Russia and Bolivia and effectively forced out of Ecuador.

To some extent, such tensions may be inevitable (and perhaps even perverse evidence of effective programming)—but the quiet integration of hard aid objectives alongside traditional development work threatens to unnecessarily exacerbate them. Whatever remains of USAID’s credibility as a professional development agency, with programs guided by impartial technocratic expertise rather than political motivations, is badly undermined when the agency also runs initiatives—even if in a limited number of countries—focused on highly political, transparently self-interested goals. The risk is not only in how foreign governments see USAID but also how their constituents view the agency and its work. If such views become widespread, USAID will find it even more difficult to operate effectively, particularly in challenging or unstable political environments; whatever scraps of neutrality USAID might still possess will be lost. Perhaps this risk is worthwhile—but no such discussion is being had, and

therefore no heed is being paid to these potential consequences, nor are efforts being made to mitigate the risk.

At the same time, the current approach risks altering the ways in which legislators and taxpayers understand the strategic rationale for foreign aid. The continued conflation of traditional aid and short-term assistance also blends together their distinct strategic goals—making it more difficult to ensure adequate resourcing for both, and deepening the risk that long-term assistance will become increasingly undervalued. If hard aid programs continue to struggle, then growing disappointment and frustration could spill over into a broader indictment of aid’s efficacy and relevance. Conversely, if the need for hard aid were to one day diminish, then so too might congressional support for broader aid programming—just as it did in the 1990s—because there is less widespread recognition of the connection between aid and long-term interests. The reliance on the OCO as a means of sidestepping the statutory budget caps has already raised concerns among aid advocates, who rightly worry that large chunks of the aid budget are now deemed “contingent” on these crises.

Allowing the continued conflation of developmental aid and hard aid thus unnecessarily imperils future funding and political support for the long-term mission. Having only recently attained greater recognition of the strategic importance of this work, it would serve USAID’s future viability well to clearly explain why that mission is distinct (but no less important) from the work being presently undertaken in places like Syria and Yemen.

Looking Ahead

Continued instability in the Middle East and beyond, the persistent threat of extremist groups, and a reticence to use military force abroad: these factors driving the reemergence of hard aid will likely persist in the coming years. As it continues to confront rapidly evolving threats to American interests, the Obama administration—and its successor—will need every policy tool available, including aid. The question facing policymakers then is this: If they are going to employ hard aid in these situations, will they recognize the inadequacies of the current approach and take steps to make hard aid more effective?

Who Should Be Responsible for Hard Aid?

Before considering what some of those steps might look like, it is first worth considering whether the situation calls for action more drastic than mere reform. After all, many development practitioners have long been uncomfortable with these politically and security-focused programs, viewing such work as antithetical to the development mission and perhaps more appropriately managed elsewhere. There are strong contingents in the State Department who would happily concur, believing that these programs—given their political

focus—are best done from their offices. Alternatively, responsibility could conceivably be transferred to other parts of the U.S. government, such as the Pentagon or the intelligence community.

The present arrangement is clearly imperfect, but it nonetheless offers an institutional framework more appropriate than any of those potential alternatives. For both strategic and practical reasons, hard aid programs should be retained in the existing civilian aid sphere—and, indeed, despite the continued skepticism of some development professionals, responsibility for their implementation should be explicitly assigned to USAID.

Consider first the strategic benefits. Traditional development practitioners may be uncomfortable with hard aid work because of its narrow focus on short-term impact—but the clear linkage between short-term engagement and long-term developmental needs represents a compelling reason to house responsibility for both types of programs under one roof. The line between traditional development and hard aid is blurry precisely because the immediate and long-standing problems bedeviling these countries are complex and interlinked. If they are to ever be resolved, then short-term needs and long-term needs will need to be addressed. Most crises require short-term interventions to mitigate the most urgent political and security challenges, while longer-term programs operate in parallel in order to gradually address the deeper developmental failings of which these crises are often symptomatic. Concentrating hard aid programs in the same agency as traditional development offers the best hope for improved synchronization and coordination.

Such substantive, strategic benefits represent a sufficiently compelling case on their own—but there is a second, purely practical reason. The realities of Washington—political sclerosis, bureaucratic entrenchment, and the inevitable focus on the crisis-of-the-day—make it exceedingly improbable that some new dedicated agency or office will be established to pursue this work. Of the standing government agencies that might undertake hard aid programming, USAID represents the best-suited option, as the experiences of recent years and the State Department’s inspector general’s critical studies underscore. Indeed, the department’s attempt at a tailored office has struggled mightily, and the attempts by regional bureaus and other offices to expand their programming efforts have been ill-advised. Meanwhile, the Department of Defense has made it clear that it has no appetite for such work, and the Afghanistan and Iraq experiences highlight why. Although the goals of hard aid are driven by political or security considerations, this aid is civilian in nature and should be handled by a civilian agency—of which USAID, for all of its weaknesses and flaws, remains the most experienced and best suited.

Concentrating hard aid programs in the same agency as traditional development offers the best hope for improved synchronization and coordination.

Principles to Build On

It is both probable and appropriate to anticipate that hard aid will continue to be routed primarily through USAID and, at least for the foreseeable future, the Department of State. What could be done to increase the impact of hard aid while limiting its deleterious effects on development? Responsibility is shared by both policymakers and legislators. Each can institute valuable improvements—and, importantly, can do so independently of the other.

Certainly, congressional action would be enormously valuable. If Congress were to debate and adopt long-overdue reforms urged for the Foreign Assistance Act, the resulting modernization of USAID and the broader aid enterprise would benefit hard aid efforts. Equally critical, the provision of more predictable, less restricted (to say nothing of increased) funding would be a tremendous improvement to both traditional and hard aid programs.

But while legislative action would be immensely useful, it is unlikely in the present political climate. Fortunately, congressional gridlock need not prevent significant enhancements to how aid is employed in these crises; important steps could be taken directly by the executive branch. Sustained engagement and clear direction from the highest levels of the State Department, USAID, and the National Security Council could foster improved organization, more deliberate planning, reduced competition, and greater protection for the long-term development mission. The National Security Council has been working on a new, apparently more comprehensive approach for fragile states;⁵⁹ this could entail important changes for how the interagency planning process approaches at least some of these hard initiatives, but much more can be done to directly strengthen the impact of hard aid programs.

An executive-branch-led effort to improve hard aid should be grounded in the following principles:

- *The line between hard aid and traditional developmental programs might be blurry and complex, but the differences between the two are real and consequential.* Recognizing this distinction and its implications is the critical first step toward identifying necessary reforms and ensuring their widespread adoption. Similarly, recognizing that both types of aid, despite their distinctly different goals, ultimately serve American interests would help underscore their equal strategic importance.
- *Clarified roles and responsibilities will improve impact.* This would reduce interagency competition, underscore the difference between hard aid and traditional development programs, and enable the concentration of expertise and tools within one institutional home. The 2010 QDDR designated the State Department as the primary lead for politically driven crises and conflicts, but left unresolved the question of how these responses would be operationalized. At present, the best-suited tool in these environments is USAID's Office of Transition Initiatives, which also already possesses a designated funding account. Designating OTI as the lead programming

office for hard aid would not undercut the overarching lead role in crisis response assigned to the State Department by the QDDR (which appropriately reflects the inherently political nature of these programs), as the U.S. ambassador in the relevant country would retain supervisory authority over OTI programs.

- *Aid is not a substitute for strategy.* Hard aid is a tactical tool; it is not a substitute for military action or diplomatic engagement, nor can it make up for the absence of an effective overarching strategy. Policymakers will need to recognize and anticipate these natural limitations. National Security Council staff should ensure that their interagency teams discuss and explicitly identify realistic strategic goals for hard aid programs (with commensurate input from aid professionals) and craft corresponding resource requests. Aid staff should exercise greater care and consistency in articulating what their programs can and cannot achieve.
- *Funding realities must be recognized and incorporated into strategic planning.* However thorough the strategy, and however well-crafted the plans for the hard aid component, they will disappoint if sufficient funds are not provided. From the outset, the administration's expectations for a specific hard aid program's strategic impact should be clear and understood, and a frank appraisal of available resources should be undertaken to determine if these goals are attainable. If funds are insufficient, decisionmakers should consider whether it is still worth expending those resources, and if so, whether expectations should be recalibrated and goals adjusted. Over the long run, the current and subsequent administrations should continue to push for more predictable and more flexible funds. If OTI is designated the lead operational body for hard aid programs, then a significant increase in its dedicated transition initiatives budget should be sought.
- *Achieving short-term goals in chaotic environments requires maximum flexibility and creativity.* To reduce cultural inhibitions, senior leadership will need to encourage and reward sensible risk taking. To lower internal barriers, these leaders should direct legal counsel and program offices to review and begin addressing those restrictions and requirements that are inappropriate for hard aid efforts. USAID reports it is working to revise parts of its administrative manual to provide greater discretion in project design to staff working in these environments; completing this new guidance would be a valuable first step.⁶⁰
- *The pursuit of short-term goals must not come at the expense of long-term development.* Explicit recognition by the leaders of the State Department and the National Security Council of the strategic importance of long-term efforts in countries in crisis would begin to balance the present prioritization of immediate needs. The designation of a single lead hard aid office, particularly with designated resources, would further underscore that short-term

crisis response should not come at the expense of longer-term programs. Policymakers in Washington will need to be more careful about protecting the budgets of long-term programs, not just in their interagency discussions in Washington but also in the guidance they provide to ambassadors and others in the field. The reliance on OCO will need to be handled carefully, to both manage expectations and assumptions on Capitol Hill about the strategic value of aid, and to mitigate the potential cut to the broader aid budget should OCO fall out of favor with Congress.

Conclusion

Pursuing a more effective hard aid approach grounded in these principles depends, first and foremost, on the acknowledgement that such reform is necessary. Policymakers must recognize that advancing America's immediate interests in places like Syria or Yemen will not come by simply throwing more money into the existing aid apparatus and demanding different results.

The array of threats and challenges confronting Washington will only grow in the years ahead. Foreign aid, with its relevance to both immediate and long-term American interests, will remain a core instrument in the national security toolbox. The significance of its impact, however, depends not just on the performance of aid practitioners in Washington and in the field—but also on what their bosses and overseers in the executive branch and Congress choose to do, and on whether they are willing to provide the tailored tools and necessary guidance required to maximize impact. During these challenging times, the United States can afford nothing less.

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