

RELEASE IN PART B5,B3
INA

From: Mills, Cheryl D <MillsCD@state.gov>
Sent: Friday, April 23, 2010 11:43 AM
To: H
Subject: FW: 4/23/10 Senior Staff Meeting

From: Smith, Daniel B
Sent: Friday, April 23, 2010 10:41 AM
To: Mills, Cheryl D; Abedin, Huma; Sullivan, Jacob J
Subject: 4/23/10 Senior Staff Meeting

SENSITIVE BUT UNCLASSIFIED

B5

SOMALIA

- [Redacted]

MEXICO

- [Redacted]

QDDR AND PSD ON DEVELOPMENT

- [Redacted]
[Redacted] He added that in his hearing on food security, Menendez pushed hard on when they will hear details on the QDDR. Jack emphasized the need to brief the Hill as soon as the slides are done. The subsequent discussion was whether or not we should brief QDDR and PSD together.

MANAGEMENT ISSUES

- Eric expressed concern about deteriorating security environment in Bangkok.
- [Redacted]

B3 INA

CONGRESSIONAL ISSUES

- Senate Budget Resolution voted out of committee yesterday. Rich is working on a joint Jack Lew/Admiral Mullen letter to argue against the cut to the State 150 account. For the most part, however, Senator Conrad seems increasingly isolated on the issue. Rich noted that he hoped the Secretary could meet with the Blue Dog Democrats the first week in May.

- Yesterday's briefing on Af/Pak metrics was a "train wreck." [redacted] but the senior House/Senate staff (both authorizers and appropriators) were insulted by the lack of detail and level of generalities. We will need to fix this quickly or run the risk of new legislative requirements.
- H is working on the Karzai Hill visit, but we can only suggest things to them – we should not be escorting them.
- Still need to resolve the issue of Leahy vetting on Pakistan FMF.
- Continue to work through holds on FY2010 Spend Plan for Af/Pak from Lugar's staff. Rich stressed the need, once this is over, to change the system – no basis in law for the holds and we need a higher threshold in areas where we have boots on the ground.
- On Iran Sanctions Legislation, there was a meeting last night to review where things stand. There are still some big problems with the draft legislation, including provisions that, if implemented, [redacted]
[redacted]
- On START, the Secretary will host a breakfast for Senate Foreign Relations Committee next week, and there is a proposal for a hearing on May 18 with the Secretary, Gates and Mullen.

LEGAL ISSUES

- Harold gave an update on several pending legal cases, [redacted]
[redacted]

PUBLIC AFFAIRS

- PJ raised today's *Washington Post* story on alleged dispute between civilian and military leaders over electricity for Kandahar. Jack said the article was misleading and falsely suggested an either/or approach, which does not fit with the reality. We need both an immediate fix and longer term solution, and there is largely agreement on this.
- The [redacted] had access to the hikers in Iran yesterday, two of whom may be about to embark on hunger strikes. PJ suggested we need to lean into this more and up the pressure on Iran.

NSS

- [redacted]

Obama's development reviews still at odds after high level meeting

Posted: 22 Apr 2010 09:56 AM PDT

Following the highest-level meeting yet on **Barack Obama's** as-yet-unsettled development policy, there is still no resolution of some key differences between the State Department and the National Security Council, multiple sources told *The Cable*.

The meeting came as some in the development community expressed a mix of encouragement at the high-level attention and frustration at the administration's failure thus far to express a clear vision laying out the overarching goals of U.S. development policy.

The Tuesday Deputies Committee meeting was supposed to resolve differences between State's overall policy review, the Quadrennial Defense and Diplomacy Review (QDDR), led by Deputy Secretary **Jack Lew** and USAID Administrator **Rajiv Shah**, with heavy input from Policy Planning chief **Anne-Marie Slaughter**, and the NSC's Presidential Study Directive on Global Development Policy (PSD-7), led by top NSC aides **Gayle Smith**, **Michael Froman**, and **Jeremy Weinstein**. Following the meeting, there is still no firm schedule for releasing the QDDR interim report, which had been expected.

While it's not clear what all the differences are right now between the QDDR and the PSD-7 --and the two reviews serve different functions -- one issue in dispute is whether or not there should be an independent body to oversee and evaluate all development programs and policies established outside the State Department. Sources said President Obama has shown personal interest in the reviews and has had meetings to talk about foreign assistance reform, but it's not clear at what level of detail.

Senate Foreign Relations Committee chairman **John Kerry**, D-MA, and ranking member **Richard Lugar**, R-IN, called for the creation of the new independent group, which would be known as the Council on Research and Evaluation of Foreign Assistance (CORE), in their foreign aid legislation.

"We need a better way to evaluate which development programs work, which have minimal impact, and what factors determine success or failure. Our current system is unable to provide this analysis," a committee fact sheet on the bill explains. "This evaluation group would be based in the executive branch, but it would operate independently under the auspices of an interagency board."

Congressional sources said that they aren't expecting the interim report soon because they were told they would be briefed before the release and no briefing has yet been scheduled.

"State was looking to brief us very soon and now because of the fact that there wasn't a resolution [at the deputies meeting], the schedule is being re-evaluated," one congressional aide said.

Patrick Cronin, a former USAID official now with the Center for a New American Security, said that although the meeting didn't resolve all tensions between the QDDR and PSD, that doesn't mean the process isn't a healthy one.

"It seemed to be a positive meeting on both sides in many ways. But bureaucratically there are some tough fights," he said. "If you make the strong case for development, you are already in tension with a State Department that wants to put all development within the umbrella of State Department policy."

Sources tell *The Cable* that State is adamant about retaining oversight of development policy and that Secretary of State **Hillary Clinton** may become personally involved in advocating for that position -- motivated in part by a desire to amass as many budget resources under Foggy Bottom's umbrella as possible. Ultimately, President Obama will have to decide whether to side with State or the NSC, according to these sources, who are not directly involved in the process.

Meanwhile, the question of how the State Department wants to implement its stated goal to "integrate" the diplomacy and development missions is crucial, as many observers worry that development could become subsumed by the State Department's overall foreign-policy agenda.

Paul O'Brian, vice president for policy at Oxfam America, said it was important that both the QDDR and the PSD-7 avoid subordinating long-term development goals like access to education and clean water to U.S. security needs.

"People are going to look very hard at both documents and ask: Is the State Department serious about elevating development or is it politicizing it?"

"You have to be serious about development for development's sake."

USAID is already reconstituting the policy planning staff that it lost years ago and Administrator Rajiv Shah is expected to announce that formally in the coming weeks. But the question of whether or not USAID will get control of its budget, now under the purview of Deputy Secretary Jack Lew, remains unanswered.

The QDDR interim report, which covers "Phase 1" of the process, is not expected to address that issue directly.

"Phase 1 of the process was a strategic thinking exercise involving State, USAID, other U.S. Government agencies, and external stakeholders," reads a new State Department **fact sheet** on the QDDR. Phase 2 is focusing on the operational and institutional changes required to develop recommendations and put them into practice."

State says the final QDDR report will be out in September.

The need to reform USAID and the overall U.S. approach to development and foreign aid is the one thing that all sides can agree on.

"Many describe U.S. aid programs as fragmented, cumbersome, and not finely tuned to address the existing needs and U.S. national security interests," the Congressional Research Service wrote in an **April 12 report**.

"Criticisms include a lack of focus and coherence overall, too many agencies involved in delivering aid with inadequate coordination or leadership, lack of flexibility, responsiveness and transparency of aid programs, and a perceived lack of progress in some countries that have been aid recipients for decades."

NSC spokesman **Mike Hammer** declined to comment, citing the NSC's policy of not talking about internal meetings.