

RELEASE IN FULL

MEMORANDUM

To: S
FROM: ANNE-MARIE
RE: TOP TEN LIST FOR IMPLEMENTING THE QDDR
DATE: JAN. 4, 2010

MUST DOs TO GET QDDR IMPLEMENTED

This is certainly not a comprehensive list of all the things that we need to do. For that I would suggest drawing up a matrix just as we have done for Iraq and for the S&ED so that we can track progress on specific recommendations. Many of those changes are already underway in the excellent work that USAID is doing and that D(L) and now D(N) is doing with regard to overhauling the way we do planning and budgeting. The list below is rather my own personal list of how to signal most quickly that we mean business in implementing the QDDR; how best to align individual and institutional incentives in favor of the changes we want to make; and which specific changes are likely to have a larger cascade effect in terms of how we do business.

Locking It In

1) **Ask Congress to legislate the QDDR** so that it must be done again in four years and thus there will be pressure actually to implement the recommendations in this one. Very few people are likely to take on such a review voluntarily.

4)

2) **Appoint a senior Foreign Service officer** who is respected in the building but who also recognizes the need for real change to serve as the point person in D(N) for QDDR Implementation. Ensure that one of his/her support staff is well versed in M issues. ~~Tom Nides' office (PERHAPS WITH A WORKING LEVEL STAFF PERSON).~~ Appoint a QDDR implementation PoC in each bureau and focus on those employees, including many women, who have long wanted change.

3) This is critical to getting the reforms in the diplomacy and conflict prevention chapters made.

5)3) **Do the actual reorganization as quickly as possible** and get Bob and Maria going on resolving issues – they have an incentive to get it done and make it work.

- Change titles of the two Under Secretaries U/S
- Change bureau reporting lines

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- Appoint the Assistant Secretaries for Energy Resources and Conflict and Crisis Operations and ensure that they are strong, experienced hires
 - a. The new head of CCO should have an incentive immediately to reach out to DoD, USAID, and the UN and regional organizations to develop our new capability based on what others already have and how we can work together most effectively
- Appoint Chief Economist and ensure that s/he immediately plugs into network of Chief Economists at other agencies (USAID, Labor, Agriculture, etc.) as a way of learning much more about what other agencies are doing in areas where we can collaborate
- Task Bob and Maria immediately with identifying areas that can be streamlined and consolidated within their new jurisdictions – e.g., consolidating things that INL and PRM and S/CRS all do or that both EEB and OES have been doing.

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4) Prioritize the changes to incentive structures – promotion, recruitment, and training. The only way to make many of the changes that we recommend real is to build them into job descriptions, promotion precepts, and recruitment and training. That requires digging deep into personnel reforms, but unless we ensure that the messages we are sending are received at the micro level, the bureaucracy will simply wait us out. We should also make several visible DCM and ambassadorial appointments based on track records of successful collaboration with the interagency, innovation in public-private partnerships, etc. And at every turn, senior leadership has to emphasize that we are not rewarding defense of turf; we're rewarding getting things done. Don Steinberg is doing an excellent job of communicating this message to folks in USAID.

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Saving Money

5) Start negotiating inter-agency agreements re contracting immediately. All agencies are in a tight budget environment; many want and need to be more active internationally. Now is the time to negotiate agreements that bring inter-agency contracting costs down in ways that are visible to Congress and that reap clear whole-of-government benefits. This should also broaden the constituencies for State/USAID funds.

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6) Move more budget authority from the bureaus to COMs. In briefing all of our COMs and DCMs on the concept of COMs as CEOs of multi-agency missions, the constant refrain was that our COMs cannot be CEOs without more control over their budgets. Giving them greater authority and autonomy will make it easier to hold them accountable for meeting their performance

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measures, many of which will be directly related QDDR goals, and allocate funds accordingly. It will be easier to do this as a de facto corollary of the QDDR emphasis on COMs as CEOs than it would have been to tee up as an issue for the QDDR.

7) Implement regional circuit riders and beef up regional hubs. We should be able to reduce staffing at individual embassies by basing more FSOs at regional hubs and giving them travel funds to circulate around the region. Many younger FSOs are very excited about this idea, which offers the promise of specializing in issues like the elevation of women, public-private partnerships, conflict prevention, etc. that they care about while working in the field. To make this happen, it will be necessary to overcome a lot of resistance to the idea that any one embassy is more central than others and to sort out turf issues regarding whether these circuit riders will report to the ambassador at the regional hub (and thus to the regional bureau) or directly back to the relevant functional bureau.

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8) Ask POTUS to insist that DoD, State, and USAID regional demarcations be the same. We cannot really have joint planning and budgeting, and the savings that should result, if we are planning and budgeting for different regions. It is less important where the lines are drawn than that they are the same across agencies. Making this change is one of the single fastest ways to tell the government and Congress that we are serious about a new way of doing business. The relevant agencies are not going to do it voluntarily, but it surely falls with the President's authority.

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Changing Culture

Start issuing policy directives/strategic guidance immediately on specific subjects to accustom the building to taking more direction from the top in terms of S's priorities.

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9)

10) Make clear we are serious about wanting a more operational culture by:

- Reducing reporting requirements as much as possible, building on the initiative Jack launched last year. It's also a good way to engage Congress on how we can work more efficiently.
- Appointing the task force to report back on how to change the risk management posture within six months.

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1) Prioritize the changes to incentive structures — changing promotion precepts to value inter-agency experience and collaborative leadership. Make several

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visible DCM and ambassadorial appointments on these grounds (that also has the advantage of elevating people who get it). It is all too easy to wait these changes out and then never make them. But for anyone to take the central ideas of the QDDR seriously, the message has to be received at a very micro level that we are not rewarding defense of turf, we're rewarding *getting things done*. Don Steinberg is doing an excellent job of communicating this message to folks in USAID. **COULD BE PARTICULARLY IMPT TO LINK INTERAGENCY IDEA TO MORE PROMOTION OF CAREER FOLKS - THAT WOULD MOTIVATE THE BUILDING. ALSO EXPLORE IDEA OF INTERAGENCY CAREER TRACK.**

2) **Make clear that you are willing to contemplate** real budgeting changes — shifting funds from the bureaus to the field — if it will help implement QDDR changes. Many people in the field have a major incentive to make these things happen, but they need more discretionary funds to do it. **I WOULD FRAME THIS AS PART OF A REAL COMMITMENT TO A PLANNING AND BUDGETING PROCESS THAT LINKS PRIORITIES TO RESOURCES. THIS COULD BE LINKED WITH 9 BELOW ON HIGH LEVEL GUIDANCE — POLICY DIRECTIVES, S/P HIGH LEVEL GUIDANCE (WE SHOULD ISSUE THE FIRST OF THOSE NEXT MONTH) THAT GUIDE THE MSRP, ETC (HAS TO BE OUT BY MID JAN PER JEANNE);** Start issuing policy directives immediately on specific subjects to accustom the building to taking more *direction* from the top. **PRAISE JEANNE HERE RE GETTING THIS OUT FAST — USING THE OPPORTUNITY TO MAKE CLEAR THAT WE ARE SERIOUS.**

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3) —
4) — Appoint a small task force to flesh out precisely what it means to have ambassadors as CEO — not just re the interagency but within this building. Three issues in particular must be resolved:

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o — Those from a functional bureau do not feel under the same authority of the COM and more specifically the regional A/S as they will often just report back to their home bureau. This leads to the need for greater definition and clarity of leadership reporting, including regional A/S' authority back in DC.

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• — **CANT BE A CEO W/O SOME BUDGET AUTHORITY. Kigali:** Ambassadors as CEOs will involve finagling in DC as many functional bureaus have separate funds and make it clear they use it how they wish. Often feel that we are not CEOs so message will need to be made clear in DC and beyond.

o — Training in leadership and management — vision of what it means to be CEO and tools to carry it out. In regards to the concept of Ambassadors as CEOs, many Ambassadors AND their family members come in to the role completely unprepared (Detroit Beat Cop). There needs to be more of an emphasis on training

for both ambassadors and their family in order for them to be thought of in the CEO capacity.

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5) Many you [redacted] SOs are very excited about the regional circuit rider idea, which offers the promise of specializing in issues like the elevation of women or the promotion of public private partnerships that they care about and doing so in the field. But to make this happen, it will be necessary to allocate travel expenses to the regional hubs and above all to sort out turf issues of whether these circuit riders report to the ambassador at the regional hub (and thus to the regional bureau) or directly back to the relevant functional bureau. Both the regional and the functional bureaus immediately grasped this issue when I briefed the QDDR. It is but one of a number of divisions between the regional and functional bureaus that ideally should be taken up in the next QDDR.

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6) Ask for a volunteer or appoint someone in every bureau to be the POC for QDDR implementation for his/her bureau. If we are appointing people, choose many of the women who are anxious to make change.

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7) Begin negotiating inter agency agreements re contracting immediately and have Tom Nides oversee it to make sure progress is being made. Why are you recommending going to the interagency vs. contractors? The IA is often not as qualified or cost effective. Turning to the interagency is often more expensive, i.e. pensions, etc. — was that discussed in the process?

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6) ~~DECIDE ON A KEY ASK LIST — SEE FROM COURTENEY THING — AND MOBILIZE OUTSIDE GROUPS.~~

o ~~MAKE IT POSSIBLE TO GET INTO THE FIELD. GET THE STREAMLINING OF REPORTING REQUIREMENTS GOING (THAT WILL FREE UP TIME FOR OUR DIPLOMATS IN THE FIELD TO DO ALL THE THINGS THE QDDR SAYS THEY SHOULD; MAKE SURE THE RISK MANAGEMENT CHANGES HAPPEN. AGAIN CRITICAL TO WHAT WE WANT OUR PEOPLE IN THE FIELD TO DO AND HIGH DANGER THAT IT JUST DIES OTHERWISE.~~

o ~~ALL THE NEW TRAININGS THAT ARE PROPOSED. AGAIN IT WILL DRIVE MANY OF THE OUTCOMES WE WANT~~

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1. Many foreign assistance programs in the field, like one on citizen security, will ask for expertise from other agencies but have often found that the other

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agencies do not have the people/staffing to provide, in this budget restricted climate how will this be resolved?

From Courtney assessment: We recommend that: 1) Chiefs of Mission have meaningful budgetary planning influence over the activities of all agencies at post, and 2) Better interagency planning, starting with State and USAID, should accompany the field headquarters consultative process as a way to unify foreign policy and ensure that all agencies operating overseas are executing a single foreign policy. (See also recommendations under Principle VIII.)

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2. We recommend that: 1) More flexible hiring authority be obtained to use retirees and limited temporary hires to fill State and USAID mid-level experience gaps, better use ought to be made abroad of Civil Service employees, and more surge and specialized temporary transfers of employees be made between agencies, 2) An assignment with substantial interagency content be required for promotion to the Senior Foreign Service, 3) Consideration be given to establishment of an interagency career track, 4) More career officers be considered for senior policy level positions, and 5) The Civilian Response Corps' Stand-by component be enhanced.

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3. We recommend that: 1) State lead an interagency effort to develop a common strategy to more effectively protect sensitive information, including by restricting unnecessary access (need to know) while ensuring proper sharing to counter threats, and 2) State engage all agencies having a presence at overseas posts on the mission and security implications of revising risk management postures.

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