

ROAD MAP FOR NATIONAL SECURITY

ADDENDUM ON
STRUCTURE AND
PROCESS ANALYSES



Volume V - Department
of State

**United States Commission
on
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PREFACE

DEPARTMENT OF STATE

The chapters in this volume provide information concerning organizations in the Department of State, including the Office of the Secretary of State, the Under Secretary for Political Affairs, the Under Secretary for Economic, Business, and Agricultural Affairs, the Under Secretary for Arms Control and International Security, the Under Secretary for Global Affairs, the Director of Policy Planning, the U.S. Agency for International Development, the Bureau of European Affairs, the Bureau of Near Eastern Affairs, and the Bureau of East Asian and Pacific Affairs.

Each chapter is designed to serve as a stand-alone reference for a specific organization and its role in national security processes. Chapters are presented in standard format to permit comparisons and facilitate research. That format is:

- An executive summary that provides an organizational overview and observations.
- Section 1 identifies the legal basis for the organization and significant organization and interagency directives.
- Section 2 notes the major responsibilities of the organization, identifies subordinate organizations, and delineates the organization's major products.
- Sections 3 and 4 deal with the vision, strategy, values, culture, leadership, staff attributes, and structure of the organization.
- Section 5 discusses the organization's formal role seven key processes.
- Section 6 provides information on the organization's roles in informal processes.
- Section 7 outlines the responsible Congressional committees, the budget, and the personnel strength of the organization.
- Section 8 provides observations on ways in which the organization contributes to national security.

Descriptions of organizations deemed most significant in terms of the current national security apparatus include matrices that relate products and roles to processes. Process maps have been added as appendices for these organizations. Where it may be helpful for readers to consult other chapters to gain a more complete understanding of particular concepts or issues, the appropriate references are included in the text or in footnotes. An acronym glossary is included at the end of Volume VII.

The entire series consists of seven volumes:

- Volume I contains descriptions of the overarching interagency and inter branch processes as well as key observations on organizations and processes;
- Volume II contains chapters on the Executive Office of the President.
- Volume III contains chapters on key Congressional Committees.
- Volume IV provides descriptions of key Department of State Organizations.
- Volume V discusses Department of Defense organizations.
- Volume VI covers intelligence community organizations and activities.
- Volumes VIIa and VIIb describe Executive Branch organizations not covered elsewhere.

These volumes are based on comprehensive searches of available literature, laws, and directives and extensive interviews with current and former practitioners. Research included both formal and informal processes. There is sufficient information on each organization to fill several volumes, thus the synthesis of this information focuses on national security processes as defined by the U.S. Commission on National Security/21st Century.

Volume V – Department of State

- Chapter 1** Office of the Secretary of State (S)
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ORGANIZATIONAL DESCRIPTION
OFFICE OF THE SECRETARY OF STATE (S)



Prepared for the U.S. Commission on National Security/21st Century

EXECUTIVE SUMMARY

Office of the Secretary of State (S)

Overview

The Constitution invests in the President foreign policy making powers by granting that office the authority to negotiate treaties and appoint ambassadors. To assist the President in discharging his foreign affairs duties, Congress established the position of Secretary of State in 1789. The Secretary of State (S) is the President's principal foreign policy advisor, and coordinates all international affairs activities of the U.S. Government, including the preparation of the portions of the President's Budget that deal with international affairs activities—collectively known as Function 150. S is a statutory member of the National Security Council (NSC) and participates in the deliberations of the NSC Principals Committee (NSC/PC).

In addition to advising the President and coordinating the international activities of the U.S. Government, S is responsible for the conduct of U.S. diplomacy; international negotiations, including treaty formulation and representation of U.S. interests abroad; granting and issuing passports to U.S. citizens and ensuring their safety overseas; supervising the administration of U.S. immigration laws abroad; and promoting the economic well-being of the United States abroad. S oversees the Foreign Service of the United States and the Department of State and ensures that they carry out their mission. The current Secretary characterizes diplomacy as “America's first line of defense.”

S is supported in her role by an Office of the Secretary of State, whose functions were formalized by Presidential directive in 1993. The primary responsibility of this office is to manage the decision making process of the Secretary and her top advisors, including the Under Secretaries of State and the Assistant Secretaries of State. The Office of the Secretary of State also manages the State Department's Operations Center, which coordinates the State Department's operational responses to crisis situations around the world, by alerting and briefing key State Department officials, distributing sensitive information, managing interagency communication, and arranging for any immediate personnel movement necessitated by the crisis.

The core competencies of the Secretary of State are diplomacy, providing foreign policy advice to the President, and understanding the international environment and applying influence, persuasion, and negotiation to protect and advance U.S. interests abroad. The core competencies of the Office of the Secretary of State are management of decision-making processes, and crisis management.

Organization

The Office of the Secretary of State is composed of S, the Deputy Secretary of State (D), the Chief of Staff, and the Executive Secretariat. The latter includes an Executive Office, the Operations Center, the Secretariat Staff, and the Record Management Office.

In addition to this immediate staff, S and D directly supervise the six Under Secretaries of State: Political Affairs (P), Economic, Business, and Agricultural Affairs (E), Arms Control and International Security (T), Management (M), Global Affairs (G), and Public Diplomacy (R).

The Clinton Administration has designated the Under Secretaries as the Department of State's Corporate Board, charging them with providing management advice to S.

The Under Secretaries oversee the work of 26 regional and functional Bureaus, each headed by an Assistant Secretary of State. In the current Administration, however, the Bureaus are empowered to report directly to D and S on the policy issues for which they are responsible.

Nine additional Bureaus and Offices, each headed by an official at the Assistant Secretary level, report directly to D and S: the Ambassador at Large and Special Adviser to the Secretary of State for the Newly Independent States (S/NIS), the Director of Resources, Plans and Policy (S/RPP), the Inspector General, the Director and Staff of Policy Planning (S/P), the Legal Adviser (L), the Assistant Secretary for Legislative Affairs and staff (H), the Assistant Secretary for Intelligence and Research (INR), the Chief of Protocol (S/CPR) and the Coordinator for Counter Terrorism (S/CT).

Organizational Products

The major products of the Office of the Secretary of State are foreign policy advice for the President and guidance to the international affairs community within the U.S. Government. That guidance takes a number of forms:

- The Secretary of State reviews and approves the State Department's input to the *National Security Strategy*.
- The Office of the Secretary drafts the *International Affairs Strategic Plan* (IASP), which provides a broad policy framework for the international affairs activities of all U.S. Government Agencies, and the State Department's *Strategic Plan*, which guides the program planning process within the Department.
- The Secretary provides policy guidance to U.S. Missions abroad by approving and signing guidance cables.
- The Secretary and Deputy Secretary bring foreign policy considerations to bear in the interagency process for national security through their membership respectively on the NSC/PC and the NSC Deputies Committee (NSC/DC).
- The Secretary explains and at times establishes foreign policy priorities through speeches, interviews, and congressional testimony.

The Office of the Secretary of State also oversees the preparation of the Function 150 Budget and maintains diplomatic readiness by supervising State Department and Foreign Service personnel and training policy, and ensuring a capable infrastructure. Finally the Secretary undertakes diplomatic missions on behalf of the U.S. Government.

Role in Formal and Informal Processes

The matrix below summarizes S's involvement in the key national security processes:

		Strategy Development	Policy, Guidance, and Regulations	Planning	Mission Execution	Observation, and Oversight	Preparation	Resourcing
Products	Comments on NSS	✓						
	IASP	✓	✓	✓		✓		
	State Department Strategic Plan	✓		✓		✓		
	8th Floor Dinners	✓						
	Guidance cables		✓					
	BPP review		✓	✓		✓		
	ABC Breakfast/Lunches					✓		
	Foreign Policy Breakfasts					✓		
	Speeches and interviews		✓					
	Weekly core talking points		✓					
	Diplomatic missions				✓			
	Function 150 Budget					✓		✓
	Diplomatic readiness						✓	
Roles	Advisor to the President	✓	✓					
	NSC/PC	✓	✓	✓		✓		

Notes: NSS = *National Security Strategy*; IASP = *International Affairs Strategic Plan*; BPP = *Bureau Performance Plans*; ABC = Albright, Berger, Cohen; NSC/PC = National Security Council Principals Committee.

Strategy Development. S reviews and approves the State Department's input to the NSS. The Office of the Secretary and S also prepare and release the IASP and the State Department *Strategic Plan*. S chairs informal, off-the-record dinner discussions with U.S. Government officials and independent experts to examine emerging policy issues and explore alternative strategies for addressing them.

Policy, Guidance, Regulation. S provides policy guidance to the Department and all U.S. Government Agencies involved in international activities through the IASP and State Department *Strategic Plan*. S also signs guidance cables and approves weekly core talking points, prepared by the Office of Policy Planning, on key policy issues for U.S. Missions abroad and State Department officials. S sets and explains U.S. foreign policy through speeches, interviews, and testimony. S also guides the foreign policy process by reviewing *Bureau Performance Plans* (BPPs), which describe the program priorities of State Department regional and functional Bureaus, and by supervising the formulation of the Function 150 Budget. Finally, S contributes to policy formulation in her role as an advisor to the President and as a member of the NSC/PC.

Planning. S contributes to planning activities within the Department and throughout the interagency by establishing planning objectives in the IASP and State Department *Strategic Plan* and reviewing BPPs. S participates in planning as a member of the NSC/PC.

Mission Execution. S executes diplomatic missions on behalf of the President.

Observation, Orientation, Oversight. S orients the international affairs activities and programs of the U.S. Government by producing the IASP and Department of State *Strategic Plan*. S coordinates agendas and policy issues with the Secretary of Defense, the National Security Advisor, the Chairman of the Joint Chiefs of Staff (CJCS), the Director of Central Intelligence (DCI) and the U.S. Representative to the United Nations through weekly lunch and breakfast meetings and at meetings of the NSC/PC. S exercises oversight over the activities of all U.S. Government Agencies involved in international affairs by coordinating the Function 150 Budget.

Preparation. S is responsible for ensuring U.S. diplomatic security and diplomatic readiness, including Foreign Service personnel levels and training, maintenance of the State Department and U.S. Missions buildings and information technology.

Resourcing. S coordinates the preparation of the Function 150 Budget.

Observations

Limited Control over Other Agencies' International Affairs Activities. Despite the authority invested in the office to coordinate the international affairs activities of the U.S. Government, the Secretary's actual control over other Agencies is limited. While S is responsible for assembling the Function 150 Budget request, it does not control the international affairs resources managed by other Agencies.

Importance of *Mission Performance Plan (MPP)* for Interagency Program Coordination. As additional U.S. Government Agencies have assumed international responsibilities and have increased their representation at U.S. Missions abroad, the MPP becomes an important tool to coordinate their activities. A 1997 General Accounting Office study found that improved communication links between U.S. Missions abroad and Washington occasionally cut the State Department out of decision making in areas where other Departments had program responsibility. In this context, the MPP plays a crucial role as an integrator of the efforts of all the Agencies represented at the Mission. As the efforts of the U.S. Government in national security expand to non-traditional areas, such as the environment and legal issues, the State Department should continue to strengthen its planning process based on the MPP.

ORGANIZATIONAL DESCRIPTION

Office Of The Secretary Of State (S)

“Diplomacy is America’s first line of defense.”¹

1. Legal Specifications, Authorizations and Responsibilities

A. General: The Constitution gives the President foreign policy making powers by investing in that office the power to make treaties and appoint ambassadors and other officials with the advice and consent of the Senate. To assist the President in the conduct of foreign relations, Congress established the position of Secretary of State in 1789 (1 Stat. 28.)² The Secretary of State, appointed by the President, functions as the President’s principal foreign affairs advisor and as such coordinates all U.S. Government international affairs activities. The National Security Act of 1947, which established the National Security Council, establishes the Secretary of State as a statutory member of the National Security Council, together with the President, the Vice President, and the Secretary of Defense.

In 1993, the Clinton Administration established by directive the Office of the Secretary of State as a specific entity charged with providing “a framework for high-level decision making and [enabling] the Secretary and the Deputy to establish an operational agenda for Under Secretaries, Assistant Secretaries, and other senior officials.”³ The directive also placed a number of new and existing Bureaus under direct authority of the Office of the Secretary of State to assist it in discharging its duties.

B. Authorizing Statutes: Title 22, Chapter 38 of the U.S. Code governs the conduct of foreign relations. Section 2656 of Chapter 38 assigns the Secretary of State responsibility for the management of foreign affairs as directed by the President while Section 2651(a) authorizes the Secretary of State to administer and direct the Department and the Foreign Service by promulgating “such rules and regulations as may be necessary.”⁴

C. Department Directives: Section 1 FAM 021 of the Foreign Affairs Manual outlines the responsibilities and authorities of the Secretary of State (detailed below). As noted above, the first Clinton Administration issued a directive establishing the Office of the Secretary of State as an organizational entity with specific responsibilities and oversight over 12 additional offices and Bureaus.⁵

D. Interagency Directives: Presidential Decision Directive (PDD) 2, the Clinton Administration’s directive establishing the composition and organization of the National Security Council, prescribes that the Secretary of State will be a member of the Principals Committee of the National Security Council (NSC/PC). The NSC/PC is charged with reviewing, coordinating,

¹ U.S. Secretary of State Madeleine Albright, quoted in Steven Mufson, “State Department Faces Further Cutbacks,” Washington Post, September 30, 1999, pg. A21.

² United States Department of State website, http://www.state.gov/www/about_state/history/officers/secstate.html#creation.

³ Secretary of State Warren Christopher, “Department of State Reorganization: Message to State Department Employees and Implementation Directive on Reorganization.” U.S. Department of State: Washington, DC, February 5, 1993.

⁴ The United States Code. Title 22, Chapter 38.

⁵ Secretary of State Warren Christopher, “Department of State Reorganization.”

and monitoring national security policy making and implementation. Additional information regarding PDD 2 is included in the “Overarching Process” section of this report.

2. Mission/Functions/ Purposes

A. Major Responsibilities: The duties and responsibilities of the Secretary of State include:⁶

(1) Serving as the President’s principal adviser on U.S. foreign policy [Key Process Relation: Strategy Development; Policy, Guidance and Regulation; Planning; Mission Execution; Observation, Orientation, and Oversight; Preparation; Resourcing];

(2) Conducting negotiations relating to U.S. foreign affairs [Key Process Relation: Mission Execution];

(3) Granting and issuing passports to American citizens and exequaturs to foreign consuls in the United States [Key Process Relation: Mission Execution];

(4) Advising the President on the appointment of U.S. ambassadors, ministers, consuls, and other diplomatic representatives [Key Process Relation: Policy, Guidance and Regulation; Planning; Mission Execution];

(5) Advising the President regarding the acceptance, recall and dismissal of the representatives of foreign governments [Key Process Relation: Policy, Guidance and Regulation; Planning; Mission Execution];

(6) Personally participating in or directing American representatives to international conferences, organizations, and Agencies [Key Process Relation: Mission Execution];

(7) Negotiating, interpreting, and terminating treaties and agreements [Key Process Relation: Policy, Guidance and Regulation; Planning; Mission Execution];

(8) Assuring the protection of the U.S. Government to American citizens, property, and interests in foreign states [Key Process Relation: Policy, Guidance and Regulation; Planning; Mission Execution];

(9) Supervising the administration of U.S. immigration laws abroad [Key Process Relation: Mission Execution];

(10) Providing information to American citizens regarding the political, economic, social, cultural, and humanitarian conditions in foreign countries [Key Process Relation: Mission Execution];

(11) Informing the Congress and the American citizenry on the conduct of U.S. foreign relations [Key Process Relation: Mission Execution];

⁶ “Duties of the Secretary of State,” Fact Sheet released by the Bureau of Public Affairs, October 1997, U.S. Department of State.

(12) Promoting beneficial economic intercourse between the United States and other countries [Key Process Relation: Policy, Guidance and Regulation; Planning; Mission Execution];

(13) Administering the Department of State [Key Process Relation: Policy, Guidance and Regulation; Planning; Observation, Orientation, and Oversight; Preparation; Resourcing];

(14) Supervising the Foreign Service of the United States [Key Process Relation: Policy, Guidance and Regulation; Planning; Observation, Orientation, and Oversight; Preparation; Resourcing].

B. Subordinate Agencies and Activities: The Foreign Affairs Reform and Restructuring Act of 1998 (PL 105-277) placed three Agencies that until then had been separate under the control of the Secretary of State. The Arms Control and Disarmament Agency (ACDA) and the U.S. Information Agency (USIA) were abolished as independent Agencies. ACDA's functions were merged into State and placed under the redesignated Under Secretary for Arms Control and International Security (for information on the Under Secretary for Arms Control and International Security, see Chapter 4 in this volume.) USIA's functions were transferred to two Bureaus under a newly established Under Secretary for Public Diplomacy and Public Affairs. The U.S. Agency for International Development (USAID) remains an independent Agency with a separate appropriation, but its Administrator now reports directly to the Secretary of State and receives guidance from her.⁷ (For additional information on USAID, see Chapter 7 in this volume.)

The Foreign Assistance Act of 1961, the Peace Corps Act, and the Foreign Military Sales Act grant the Secretary of State supervisory and coordinating authority over the overseas activities of other Agencies of the U.S. Government. Thus, the Secretary of State oversees Peace Corps activities, economic assistance, military assistance, military education, training programs, and military sales.

C. Major Products: S's major products are foreign affairs advice to the President, international negotiations, and foreign policy guidance to all U.S. Government Agencies with international programs and objectives.

3. Vision and Core Competencies

A. Vision: In recent pronouncements, Secretary of State Albright has characterized the State Department's vision as such: "Diplomacy is America's first line of defense."⁸

B. Core Competencies: The State Department *Strategic Plan* identifies four core competencies of the Department:

⁷ Reorganization Plan and Report Submitted by President Clinton to the Congress on December 30, 1998, Pursuant to Section 1601 of the Foreign Affairs Reform and Restructuring Act of 1998, as Contained in Public Law 105-277.

⁸ U.S. Department of State, *Strategic Plan*, September 1997, pg. 18, and U.S. Secretary of State Madeleine Albright, as quoted in Steven Mufson, "State Department Faces Further Cutbacks," *Washington Post*, September 30, 1999, pg. A21, and at a presentation to the U.S. Commission for National Security/21st Century, October 4, 1999.

(1) Coordinating the international affairs activities of the U.S. Government.⁹

(2) The conduct of diplomacy.¹⁰

(3) Providing advice to the President on foreign policy.¹¹

(4) Understanding the international environment and applying influence, persuasion, and negotiation.¹²

The core competencies of the Secretary of State appear to be advising the President in foreign policy matters, representing and explaining U.S. foreign policy domestically and abroad, and high-level negotiations. The core competencies of the Office of the Secretary of State are management of decision making processes and crisis management.

4. Organizational Culture

A. Values: The Department of State *Strategic Plan* articulates seven key values or “guiding principles,” for all State employees:¹³

(1) **Impact**—defined as advancing the interests of American people domestically and overseas.

(2) **Expertise**—in foreign language and culture, in regional and technical issues, and management ability and international experience.

(3) **Discipline**—defined as the commitment to execute U.S. policy setting aside personal views.

(4) **Dissent**—defined as the ability to express divergent views constructively.

(5) **Diversity**—defined as interest in achieving a “merit-based” workforce “reflective of the American people.”

(6) **Partnership**—defined as commitment to integrate the different skills contributed by the Civil Service, Foreign Service, and foreign national workforce.

(7) **Commitment**—to preserving U.S. leadership and to the effective conduct of international relations.

⁹ The *Strategic Plan* states: “Coordinating the international programs and activities of the U.S. Government overseas is a core mission of the State Department.” U.S. Department of State, *Strategic Plan*, September 1997, pg. 10.

¹⁰ The Department of State’s Mission Statement states: “The Department of State is the lead institution for the conduct of American diplomacy, a mission based on the role of the Secretary of State as the President’s principal foreign policy advisor.” (U.S. Department of State *Strategic Plan*, September 1997, pg. 21.)

¹¹ U.S. Department of State, *Strategic Plan*, September 1997.

¹² The *Strategic Plan* states: “Successful diplomacy requires deep understanding of the international environment and careful application of influence, persuasion, and negotiation. These are the particular strengths of the Department of State.” (U.S. Department of State, *Strategic Plan*, September 1997, pg. 22.)

¹³ U.S. Department of State, *Strategic Plan*, September 1997.

B. Leadership Traditions: The Secretary of State, a Presidential appointee, is a senior Cabinet member and a member of the NSC, and as such has a great deal of responsibility over national security policy formulation. Traditionally, however, the personal influence of the Secretary over the President relative to the National Security Advisor's has proven instrumental in determining the locus of action for foreign policy formulation. During the Nixon Administration, for example, National Security Advisor Henry Kissinger was considered more influential in decision making on foreign policy and national security issues than the Secretary of State.

Different Secretaries have relied to a different extent on the State Department bureaucracy. Sources observed that Secretary James Baker, who served in the Bush Administration, appeared to rely proportionately more than other Secretaries on a small circle of advisers comprised of political appointees, while other Secretaries have engaged the bureaucracy more fully in the management of foreign policy.¹⁴ The current Secretary also relies on a number of close advisors whom she has appointed to her immediate office. According to interviews, however, the current Secretary has increased her office's reliance on the State Department bureaucracy, by instituting a direct reporting relationship for State's Bureaus to S on issues for which they are responsible.¹⁵

C. Staff Attributes: The State Department is staffed by career Foreign Service Officers, Civil Service employees, and a number of political appointees. S staff includes staff from all three categories, although specific breakdowns were not available. Staff assigned to S work particularly long hours and service on S staff is generally considered career-enhancing.¹⁶

D. Strategy: The Department of State has produced an *International Affairs Strategic Plan* (IASP) that defines seven U.S. national interests in the realm of international affairs: national security, economic prosperity, protection of American citizens and U.S. borders, law enforcement, democracy, humanitarian assistance, and global issues (environment, population, and health). The IASP further establishes strategic goals for each of these interests to be pursued by all the U.S. Government Agencies with a role in international affairs within a timeframe of five years or more. The Department of State *Strategic Plan* describes the role of the State Department in the pursuit of these strategic goals and identifies other relevant U.S. Government Agencies. Thus, the strategy of the Department of State appears to be to coordinate the engagement of all U.S. international affairs Agencies in the pursuit of the seven articulated national interests.

¹⁴ Interview with former State Department official, September 30, 1999.

¹⁵ Secretary Christopher had instituted a practice by which Bureaus reported to one of five Under Secretaries, who would clear information before it was forwarded to S. According to all the State Department officials interviewed, this practice created an additional level of clearance and slowed down the flow of paperwork to S. Secretary Albright changed this practice shortly after taking office.

¹⁶ Interviews with various State Department officials.

E. Organizational Structure: Figure 1 describes the State Department's organization.

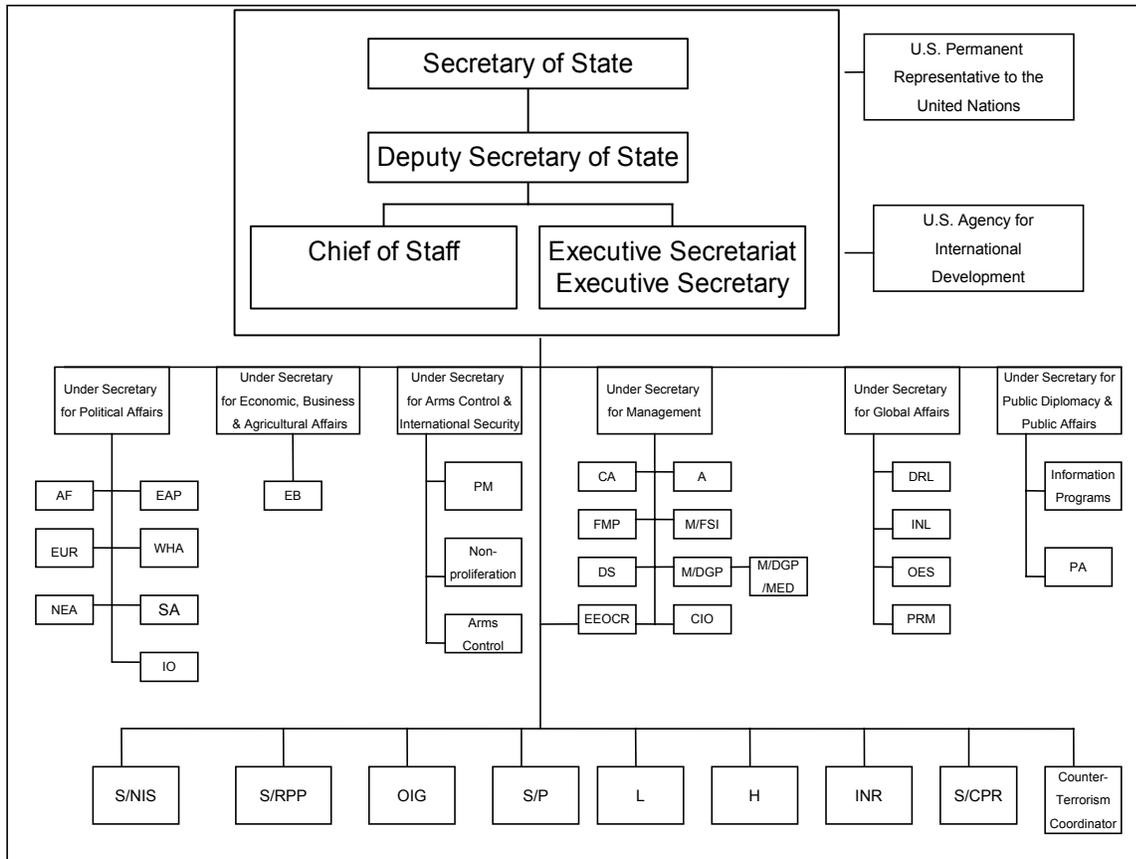


Figure 1: Office of the Secretary of State¹⁷

Notes: AF = Bureau of African Affairs; EAP = Bureau of East Asian and Pacific Affairs; EUR = Bureau of European and Canadian Affairs; WHA = Bureau of Western-Hemisphere Affairs; NEA = Bureau of Near East Affairs; SA = Bureau of South Asian Affairs; IO = Bureau of International Organization Affairs; EB = Bureau of Economic and Business Affairs; PM = Bureau of Political Military Affairs; CA = Bureau of Consular Affairs; A = Bureau of Administration; FMP = Bureau of Finance and Management Policy; M/FSI = Foreign Service Institute; DS = Bureau of Diplomatic Security; M/DGP = Director General of Foreign Service and Director of Personnel; M/DGP/MED = Medical Services Director; EEOCR = Equal Employment Opportunity and Civil Rights Office; CIO = Chief Information Officer; DRL = Bureau of Democracy, Human Rights, and Labor; INL = Bureau for International Narcotics and Law Enforcement Administration; OES = Bureau of Oceans and International Environmental and Scientific Affairs; PRM = Bureau of Population, Refugees, and Migration; PA = Bureau of Public Affairs; S/NIS = Office of the Ambassador at Large and Special Adviser to the Secretary of State for the New Independent States; S/RPP = Office of Resources and Plans; OIG = Office of the Inspector General; S/P = Office of Policy Planning; L = Office of the Legal Advisor; H = Bureau of Legislative Affairs; INR = Bureau of Intelligence and Research; S/CPR = Office of the Chief of Protocol.

¹⁷ An updated version of the State Department organizational chart is not available. Information in this chart is drawn from: U.S. Department of State, Accountability Report for Fiscal Year 1997, and Reorganization Plan and Report Submitted by President Clinton to Congress on December 30, 1998, Pursuant to Section 1601.

The immediate office of the Secretary of State is composed of the Deputy Secretary of State, the Chief of Staff, and the Executive Secretariat. Within the Executive Secretariat, four offices provide support for S and other principal State officers:¹⁸

(1) The Executive Office (S/S-EX) is the centralized center for administrative support to the Secretary, the Bureau of Public Affairs, and the Bureau of Legislative Affairs.

(2) The Operations Center (S/S-O) coordinates the operational aspects of crisis management, including alerting and briefing State officials, distributing sensitive information, and providing communications support for principals around the clock.

(3) The Secretariat Staff (S/S-S) coordinates travel arrangements for the Secretary controls information flow to the Secretary and other principals, and manages interagency communication.

(4) Record Management (S/S-RMD) maintains and archives official documents and correspondence.

In addition to this immediate staff, six Under Secretaries report directly to S: Political Affairs, Economic, Business and Agricultural Affairs, Arms Control and International Security, Management, Global Affairs, and Public Diplomacy and Public Affairs. They have line authority over Bureaus and Offices. In the Clinton Administration, the regional and functional Bureaus of the State Department have been empowered to communicate directly with S on regional and functional matters of competence.¹⁹

The State Department Counselor (not shown on this chart) also reports directly to the Secretary.²⁰ The U.S. Representative to the United Nations and the USAID Director also report directly to S.

Finally nine offices at the Assistant Secretary level report directly to S: the Senior Coordinator for the Newly Independent States (S/NIS), the Director of Resources, Plans and Policy (S/RPP), the Inspector General, the Director and Staff of Policy Planning (S/P), the Legal Adviser (L), the Assistant Secretary for Legislative Affairs and staff (H), the Assistant Secretary for Intelligence and Research and staff (INR), the Chief of Protocol (S/CPR) and the Coordinator for Counter Terrorism (S/CT).

¹⁸ The following information is drawn from Reorganization Plan and Report Submitted by President Clinton to the Congress on December 30, 1998, Pursuant to Section 1601 of the Foreign Affairs Reform and Restructuring Act of 1998, as Contained in Public Law 105-277, Chapter VI, Section B.

¹⁹ Interviews with a former member of P staff, September 28, 1999, and a current P staffer, October 13, 1999.

²⁰ Reorganization Plan and Report Submitted by President Clinton to the Congress on December 30, 1998, Pursuant to Section 1601 of the Foreign Affairs Reform and Restructuring Act of 1998, as Contained in Public Law 105-277, Chapter VI, Section A.

5. Formal National Security Process Involvement. The matrix below illustrates S’s involvement in the national security process.

		Strategy Development	Policy, Guidance, and Regulations	Planning	Mission Execution	Observation, Orientation, and Oversight	Preparation	Resourcing
Products	Comments on NSS	✓						
	IASP	✓	✓	✓		✓		
	State Department Strategic Plan	✓		✓		✓		
	8th Floor Dinners	✓						
	Guidance cables		✓					
	BPP review		✓	✓		✓		
	ABC Breakfast/Lunches					✓		
	Foreign Policy Breakfasts					✓		
	Speeches and interviews		✓					
	Weekly core talking points		✓					
	Diplomatic missions				✓			
	Function 150 Budget					✓		✓
	Diplomatic readiness						✓	
	Roles	Advisor to the President	✓	✓				
NSC/PC		✓	✓	✓		✓		

A. Strategy Development:

(1) Activities: The Secretary of State reviews and approves the Department’s input to the *National Security Strategy* (NSS); approves the IASP and *Strategic Plan*, prepared by the Office of Resources, Plans and Policy (S/RPP); and participates in the development of strategy in the interagency as a member of the NSC and the NSC/PC. The Secretary also chairs informal, off-the-record, dinner meetings at the State Department to develop strategic approaches to emerging policy issues. This process is detailed in Paragraph 6 of this paper.

(a) NSS: S/P coordinates the State Department’s input to the *National Security Strategy*. S reviews and approves the Departmental input.²¹

(b) IASP: The IASP reflects the role of the Secretary of State as the President’s chief foreign affairs advisor and as coordinator of all the international activities of the U.S. Government. As such, it is a document that establishes strategies and goals to pursue U.S. national interests in the international realm, not just through the work of the State Department but of all U.S. Agencies engaged in activities overseas. The IASP is used to coordinate among all U.S. Agencies involved in international activities, establish priorities, determine resource needs, evaluate performance, and inform Congress and the U.S. public. It provides guidance for

²¹ Interview with S/P staff, October 21, 1999.

formulating *Mission Performance Plans* (MPPs) and developing the Department of State's *Strategic Plan*.

The IASP is prepared by S/RPP based on guidance provided in the NSS. S approves the IASP and it is sent to Missions abroad as guidance for assembling MPPs.²² S/RPP also uses the IASP to produce the Department of State's *Strategic Plan*, fulfilling a legislative requirement.²³

(2) Major Stakeholders: All U.S. Government Agencies involved in international activities, including USAID, the Departments of Commerce, Defense, Treasury, Agriculture, Justice, and Congress.

(3) Key S Processes: None.

(4) Associated Higher-Level Processes: President's budget formulation, NSS preparation.

(5) Associated Lower-Level Processes: MPP, BPP formulation, Function 150 budget development.

B. Policy, Guidance, and Regulation

(1) Major Activities: S is involved in policy-making and in providing policy guidance in the interagency context as a participant in the deliberations of the NSC/PC and in her role as principal foreign policy advisor to the President. Within the Department, S releases the IASP, approves and signs requested guidance to Missions worldwide, approves weekly core talking points, and provides feedback to Bureaus during their yearly BPP presentations. The Secretary also influences policy development within the Department and in the interagency through speeches and press interviews.

(a) NSC/PC: The NSC/PC is "the senior interagency forum for consideration of policy issues affecting national security."²⁴ The NSC/PC is tasked with reviewing, coordinating, and monitoring the development and implementation of national security policy. Additional information regarding the NSC/PC is found in the Overarching Process section of this report.

(b) IASP: See Paragraph A.(1)(b).

(c) Guidance Cables: The guidance cable process is illustrated in Appendix 1. The Department communicates policy to Missions abroad by releasing guidance in cable format. Typically, guidance cables are prompted by a request from the Mission staff,

²² The integration of the IASP and MPPs is a development of the last MPP cycle. According to sources, in previous years the State Department sent Missions different guidance for formulating the MPPs each year, causing the Missions' staff to recreate their MPP submissions every year. S/RPP sources indicated that relating MPP preparation to the IASP has standardized the process so that Missions need only update their previous year's submissions each following year. (Interview with S/RPP staff, October 21, 1999.)

²³ The Strategic Plan is produced in fulfillment of the requirements of Government Performance and Results Act (GPRA) of 1993. (Interview with S/RPP staff, October 21, 1999.)

²⁴ Presidential Decision Directive 2, "Organization of the National Security Council," The White House, Washington, January 20, 1993, pg. 1.

although they can also be initiated by the Department when a development requires action, negotiation, or other diplomatic engagement. Guidance is drafted by Desk Officers in the relevant Bureau. The Desk Officer is responsible for obtaining “clearance” from all offices within the Department with responsibility for the topic. The officer also coordinates clearance in the interagency depending on the topic. On national security issues, staff of the Under Secretary of Defense for Policy (USD(P)), the Joint Chiefs of Staff (JCS), and the NSC review, edit, and approve the guidance. The subject of the cable determines the level of clearance. Routine or administrative guidance cables are sent to the Missions directly by the Bureaus and may be signed by the Assistant Secretary in charge. Cables conveying policy guidance are cleared vertically within State through the Under Secretary for Political Affairs (P), the Deputy Secretary (D), and by S staff and are sent to the Mission under the Secretary’s signature.

(d) Weekly Core Talking Points: These talking points center on the issues of the week and provide uniform guidance for officials staffing U.S. Missions around the world. S/P staff select the issues to be covered in the talking points. S staff approve the talking points and S/P disseminates them via cable to Missions abroad and to State’s Bureaus via the intranet.

(e) BPP Presentations: This process is depicted in Appendix 2. BPPs are documents prepared by regional and functional State Department Bureaus that outline a Bureau’s program priorities in a particular region or functional area of competence and justify budget requests for the fiscal year ahead. BPPs and MPPs serve as the basis for assembling State’s program request for the Function 150 budget category and assist the Secretary in evaluating the disposition of assets and resources when a crisis or emergency requires a reallocation of funds.

Beginning in February, the Bureaus assemble BPPs using the MPPs produced by U.S. Missions abroad. When BPPs are completed, S/P and S/RPP review them and prepare issue papers for the Secretary to focus her attention on priority policy issues. During the summer, the Bureaus brief their BPPs to the Secretary of State in sessions that include the Deputy Secretary, the Under Secretaries, S/RPP, officials from the Office of Management and Budget (OMB), and other State Department Bureaus and U.S. Government Agencies with an interest in the region or programs presented in the BPP. The presentations serve to inform the S of the Bureau’s priorities and to give policy feedback to the Bureaus. The Bureaus revise their BPPs based on the feedback from these presentations and S/RPP works during the fall to prepare State’s program request for the Function 150 budget submission.²⁵

(2) Major Stakeholders: The Secretary of State, the National Security Advisor, the Secretary of Defense, the U.S. Representative to the United Nations, the Director of Central Intelligence, the Chairman of the Joint Chiefs of Staff, and the Assistant to the President for Economic Policy, S/RPP, S/P, Bureaus and Missions.

(3) Key S Processes: None.

(4) Associated Higher-level Processes: Development of President’s Budget.

²⁵ Interview with S/P staff and S/RPP staff, October 21, 1999.

(5) Associated Lower-level Processes: Development of MPPs and BPPs, NSC/DC meetings, Interagency Working Group (IWG) meetings.

C. Planning:

(1) Major Activities: The Secretary of State is involved in planning through her role as a member of the NSC/PC, release of the IASP and Department of State *Strategic Plan*, and review of BPPs during the budget cycle.

(a) NSC/PC: See Paragraph B.(1)(a).

(b) IASP: See Paragraph A.(1)(b).

(c) BPP Presentations: See Paragraph B.(1)(e).

(2) Major Stakeholders: The Secretary of State, the National Security Advisor, the Secretary of Defense, the U.S. Representative to the United Nations, the Director of Central Intelligence, the Chairman of the Joint Chiefs of Staff, and the Assistant to the President for Economic Policy, S/RPP, S/P, Bureaus and Missions.

(3) Key S Processes: None.

(4) Associated Higher-Level Processes: None.

(5) Associated Lower-Level Processes: MPP, BPP preparation, National Security Council Deputies Committee meetings, PDD 56 process (see the “Overarching Process” section of this report.)

D. Mission Execution:

(1) Major Activities: S carries out diplomatic missions on behalf of the President. S is supported by her immediate office in preparing for diplomatic missions, including the Secretariat Staff, which coordinates travel arrangements, the Executive Office, which coordinates press and congressional outreach, and the Operations Center which maintains communications between the Secretary and the Department around the clock. S is also supported by the Bureaus, which coordinate the policy aspects of the mission, and U.S. Missions abroad, which support S and her staff at negotiating venues.

(2) Major Stakeholders: S, NSC, Bureaus, U.S. Missions abroad, S/P, S/S, S/S-EX, S/S-O.

(3) Key S Processes: Travel planning, speechwriting.

(4) Associated Higher-level Processes: NSC/PC meetings.

(5) Associated Lower-Level Processes: Guidance cable preparation.

E. Observation, Orientation, and Oversight:

(1) Major Activities: S exercises oversight over the Department of State through clearing and signing policy guidance and weekly talking points. S approves the Department's *Strategic Plan* and the IASP, which provides guidance for all government Agencies involved in international affairs. S also reviews BPPs. S coordinates policy issues and agendas with her counterpart in the Department of Defense and the National Security Advisor at weekly lunch meetings, known as ABC lunches, and with the Secretary of Defense, the National Security Advisor, the Chairman of the Joint Chiefs of Staff, the U.S. Permanent Representative to the United Nations, and the Director of Central Intelligence at weekly breakfast meetings, known as "Foreign Policy Breakfasts." In her role as a member of the NSC/PC, S exercises oversight over U.S. national security policy formulation. S coordinates the Function 150 Budget submission.

(a) Guidance Cables: See Paragraph 5.B.(1)(c).

(b) Weekly Core Talking Points: See Paragraph 5.B.(1)(d).

(c) IASP: See Paragraph 5.B.(1)(b)

(d) BPP Presentations: See Paragraph 5.B.(1)(e).

(e) Function 150 Budget Coordination: This process is illustrated in Appendix 2. The international affairs budget includes funding for most international affairs programs administered by U.S. Government Agencies.²⁶ Function 150, for example, funds a number of offices in the Executive Office of the President, including the National Security Council staff, the National Security and International Affairs section of OMB, and the office of the U.S. Trade Representative.²⁷ According to the General Accounting Office, one-third of the international affairs budget submission for FY 1998 supported international security-related programs, including security assistance to allies Egypt and Israel and U.S. contribution to peacekeeping activities.²⁸ Some of these national security programs, such as foreign military financing, are administered by other Agencies. Others, such as antiterrorism programs, reside in State as well as other Agencies. The role of the Secretary of State, according to the Foreign Affairs Manual, is as "an ombudsman to the Function 150 account."²⁹ As such, she reviews the budget request of the entire international affairs community of the U.S. Government and prioritizes and makes trade-offs among requests.

S/RPP in the office of the Secretary of State and the Bureau of Finance and Management Policy (FMP) share responsibility for assembling the State Department's portion of the Function 150 budget.³⁰ S/RPP also coordinates "the resource requirements of the foreign affairs Agencies

²⁶ Other activities of an international nature, such as the Commerce Department's International Trade Administration and DoD's assistance programs for former Communist countries, are funded through separate accounts.

²⁷ GAO/T-NSIAD-98-18, Table I.1, pg. 36.

²⁸ U.S. General Accounting Office, International Affairs Budget: Framework for Assessing Relevance, Priority, and Efficiency, Testimony of Benjamin F. Nelson, Director, International Relations and Trade Issues, National Security and International Affairs Division. (Washington, DC: October 30, 1998), p. 5.

²⁹ United States Department of State, Foreign Affairs Handbook, 4 FAH-3, Financial Management Procedures, Section H-114.2-3, Function 150 Request, found at <http://foia.state.gov/fam/infor.pdf>.

³⁰ Interview with S/RPP staff, October 21, 1999.

to enable the Secretary to present integrated international affairs resource requests to the Office of Management and Budget.”³¹

The process of assembling the State Department’s Function 150 request begins when S/RPP releases the IASP, which informs Missions and Bureaus of the Department’s international affairs priorities. Missions begin assembling their MPPs in the fall and typically forward them to Bureaus in February. During the spring, Bureaus use the MPPs to write BPPs. In the summer, Bureaus present their BPPs to the Secretary of State, in sessions that include staff from OMB, as well as other Agencies with an interest in the programs included in the BPP. Bureaus revise their BPPs as necessary. FMP integrates the State Function 150 submission with the budgets of the other international affairs Agencies, USAID, the Export-Import Bank of the United States (EX-IM) and submissions from the Defense, Treasury, and Agriculture Departments.³² The Function 150 budget is then submitted to OMB in the early fall. OMB reviews it to ensure that it complies with the President’s priorities and with budget constraints and integrates it in the budget proposal for presentation to the President in December. The Administration presents the approved budget to Congress by the first Monday in February.³³

(2) Major Stakeholders: S, S/RPP, S/P, State Department Bureaus, U.S. Missions abroad, NSC Staff, DoD, OMB, other U.S. Agencies managing international programs.

(3) Key S Processes: BPP review.

(4) Associated Higher-Level Processes: President’s Budget preparation.

(5) Associated Lower-Level Processes: MPP and BPP preparation, NSC/DC meetings.

F. Preparation

(1) Major Activities: As the authority supervising the Foreign Service of the United States, S is responsible for ensuring U.S. diplomatic readiness, which includes ensuring appropriate personnel levels and training, and the necessary infrastructure, including buildings and technology, to carry out State’s day-to-day operations. These activities are managed by offices overseen by the Under Secretary of State for Management, including: the Assistant Secretary for Administration, the Director of the Foreign Service Institute, the Director General of the Foreign Service and Director of Personnel, the Office of Diplomatic Security, and the Chief Information Officer.³⁴

(2) Major Stakeholders: S, Foreign Service Officers, U.S. Missions abroad, other U.S. Agencies with international programs responsibility.

(3) Key S Processes: Information not available.³⁵

³¹ Foreign Affairs Manual, 1 FAM 024, “Office of Resources, Plans, and Policy (S/RPP).”

³² Foreign Affairs Manual, 4 FHA-3 H-114, “Budget Process.”

³³ Foreign Affairs Manual, 4 FHA-3 H-114, “Budget Process.”

³⁴ Department of State Strategic Plan, pp. 75-86.

³⁵ We were unable to obtain interviews with the appropriate S staff to confirm the specific involvement of the office in ensuring diplomatic readiness.

(4) Associated Higher-Level Processes: Function 150 budget preparation, President's Budget preparation.

(5) Associated Lower-Level Processes: MPP preparation.

G. Resourcing

(1) Major Activities: S coordinates and acts as ombudsman for all international affairs Agencies in the preparation of the Function 150 budget. For information on Function 150 Budget Coordination, see Paragraph 5.E.(1)(e).

(2) Major Stakeholders: S, S/RPP, S/P, State Department Bureaus, U.S. Missions abroad, OMB, other U.S. Agencies managing international programs.

(3) Key S Processes: BPP review.

(4) Associated Higher-Level Processes: President's Budget preparation.

(5) Associated Lower-Level Processes: MPP, BPP preparation.

6. Informal National Security Process Involvement.

A. The Albright-Berger-Cohen (ABC) Breakfasts/Lunches: This process is illustrated in Appendix 3. The Secretary of State participates in weekly meetings with the National Security Advisor and the Secretary of Defense to address emerging national security issues, resolve interagency matters, and coordinate with her counterparts. The NSC staff prepares and distributes the agenda for these meetings. Because only the principals can attend these meetings, the principals are responsible for relaying any information and taskings from the meetings to their staff.

B. Foreign Policy Breakfasts: This process is depicted in Appendix 4. The Breakfasts involve the Secretary of State, the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, the U.S. Representative to the United Nations, the Director of Central Intelligence. These meetings are more informal than the ABC meetings: there is no agenda and no staff attend. The Secretary receives background memoranda from S/P in preparation for these meetings that outline the issue and the positions of the other Agencies represented.³⁶ Occasionally, issues addressed at the breakfasts will result in taskings for the staffs of the principals involved. The primary objective of the meetings, however, is to provide a forum for coordination at the highest level.

C. 8th Floor Dinners: This process is illustrated in Appendix 5. S has instituted informal, off-the-record dinner sessions held at the State Department with State Department officials and outside experts on specific regional or functional policy issues. Depending on the topic, officials from other government Agencies are invited to participate. S/P recommends the subject for the dinner discussion to the Secretary, who approves the topic. S/P also prepares

³⁶ Interview with S/P staff, October 21, 1999.

read-ahead material for the Secretary. The meetings do not generally result in taskings or papers, although ideas generated at the meetings occasionally result in policy action. A source indicated the initiative for establishing a forum to support democracy-building was an outcome of one such meeting.³⁷

7. Funding and Personnel.

A. Authorizations and Appropriations: The House International Relations Committee and the Senate Foreign Relations Committee are the authorizing Committees for the Department of State and the Office of the Secretary of State.³⁸ Relevant appropriating committees are the House and Senate Subcommittees on Commerce, State, and the Judiciary. The House and Senate Appropriations Subcommittee on Foreign Operations, Agriculture and Rural Development, and Labor, Health, and Human Services and Education appropriate additional funds for international affairs programs and activities carried out by State as well as other U.S. Government Departments and Agencies and some international organizations.

B. Funding Sources: S is funded through the Diplomatic and Consular Programs appropriations in the International Affairs section of the Federal Budget, also known as Function 150. Additional funds flow to the State Department from the collection of fees from visa applications, license applications for defense-related exports, and commercial services.

Funding for the State Department represents approximately 25 percent of the total Function 150 request of the President's FY 2000 Budget.³⁹ Function 150 also supports international activities and programs carried out by three other Cabinet Departments, seven independent Agencies, three foundations, and a number of international organizations.

C. Budget: The FY 2000 budget request for the Diplomatic and Consular Programs category, which includes funding for Office of the Secretary of State is \$2.6 billion. This category includes funding for all State Department salaries, operating expenses, and infrastructure in Washington and at diplomatic and consular posts worldwide. Of this sum, \$208,296,000 is allocated to activities related to "Policy Formulation and Executive Direction," a category which includes the work of the Secretary, the Deputy Secretary, the Under Secretaries, the Assistant Secretaries and other Bureau heads, the chiefs of diplomatic missions and their staffs.⁴⁰

D. Manpower: Specific manpower information for the Office of the Secretary of State was not available. The Secretary of State has oversight over the full State Department complement of approximately 27,000 employees, 60 percent of which work overseas.⁴¹ State

³⁷ Interview with S/P staff, October 21, 1999.

³⁸ Congress has not passed authorizing legislation for international affairs Agencies and programs since 1994, when HR 2333, The Foreign Relations Authorization Act for Fiscal Years 1994 and 1995, was signed into law (P.L.103-236). Authorization for State programs and activities has thus occurred through the passage of yearly appropriations legislation.

³⁹ Office of Finance and Management Planning, "Budget in Brief," U.S. Department of State, Washington, DC, February 1, 1999, <http://www.state.gov/www.budget/2000/00summary.html>.

⁴⁰ Office of Finance and Management Planning, "Budget in Brief," U.S. Department of State, Washington, DC, February 1, 1999, <http://www.state.gov/www.budget/2000/00stateprog1.html>

⁴¹ Office of Finance and Management Planning, "Budget in Brief," U.S. Department of State, Washington, DC, February 1, 1999, <http://www.state.gov/www.budget/2000/00summary.html>. This figure includes employees of the former U.S. Information Agency (USIA) and the Arms Control and Disarmament Agency (ACDA), which were incorporated into the

Department employees include members of the Foreign Service, who in 1997 constituted approximately 35 percent of the total; the Civil Service, 22 percent of the total; and foreign nationals employed in administrative positions at Missions overseas, approximately 43 percent of the total.⁴²

8. Observations.

A. Nominal Authority over the International Affairs Budget: Approximately one third of the Function 150 funds between 1992-1997 supports “foreign policy and national security imperatives.”⁴³ Although State is responsible for coordinating the preparation of the foreign affairs part of the President’s budget, Function 150, it does not control the international affairs resources managed by other Agencies. As a result, according to a number of sources, the NSC staff has assumed greater authority over the content and apportionment of the Function 150 funds.⁴⁴

B. Importance of MPP for Interagency Coordination of International Affairs Activities: In a 1997 study, the General Accounting Office found that as other Agencies, such as Treasury, Justice, and Transportation, have increased their role in international affairs and their presence overseas, it has become more difficult for the Ambassador, the de facto country team leader, to be aware of and coordinate their work.⁴⁵ This is largely due to the Agencies’ direct communications links with their representatives abroad. Much of this communication takes place via email or channels other than the cables cleared by the Ambassador. In this context, the MPP plays a crucial role as an integrator of the efforts of all the Agencies represented at the Mission. The State Department should continue to strengthen its planning process based on the MPP to better coordinate the objectives of all international affairs activities present in the U.S. Government.

State Department in 1999 pursuant to Section 1601 of the Foreign Affairs Reform and Restructuring Act of 1998 (PL 105-277).

42 U.S. Department of State website, “Overview of the Department of State,” at http://www.state.gov/www/dept/fmp/97org_struct.pdf.

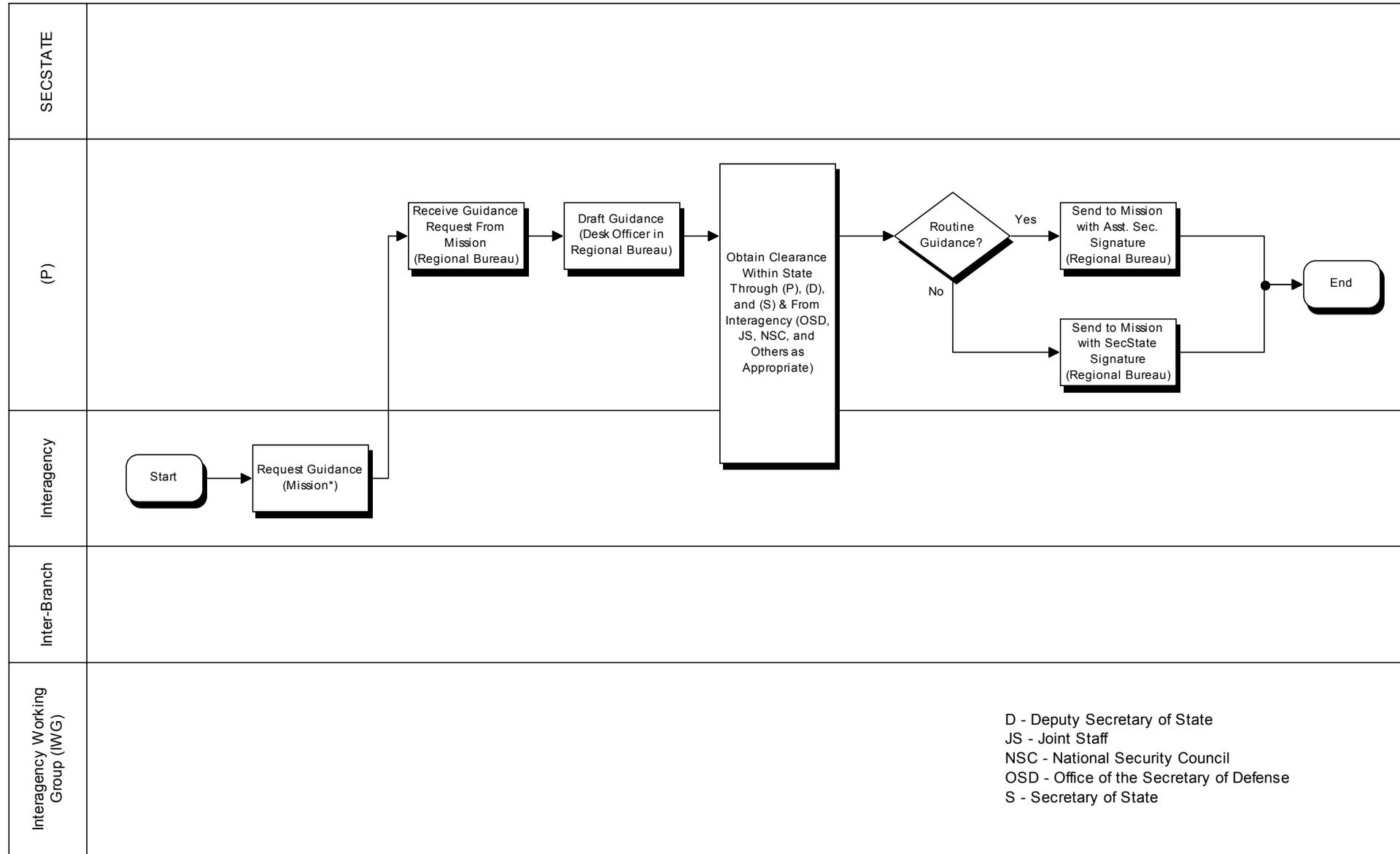
43 United States General Accounting Office, International Affairs Budget: Framework for Assessing Relevance, Priority, and Efficiency, Statement of Benjamin F. Nelson, Director, International Relations and Trade Issues, National Security and International Affairs Division. (Washington, DC: October 30, 1997), GAO/T-NSIAD-98-8, pg. 5.

44 Interview with State Department and NSC officials.

45 GAO/NSIAD-97-6, pg. 11.

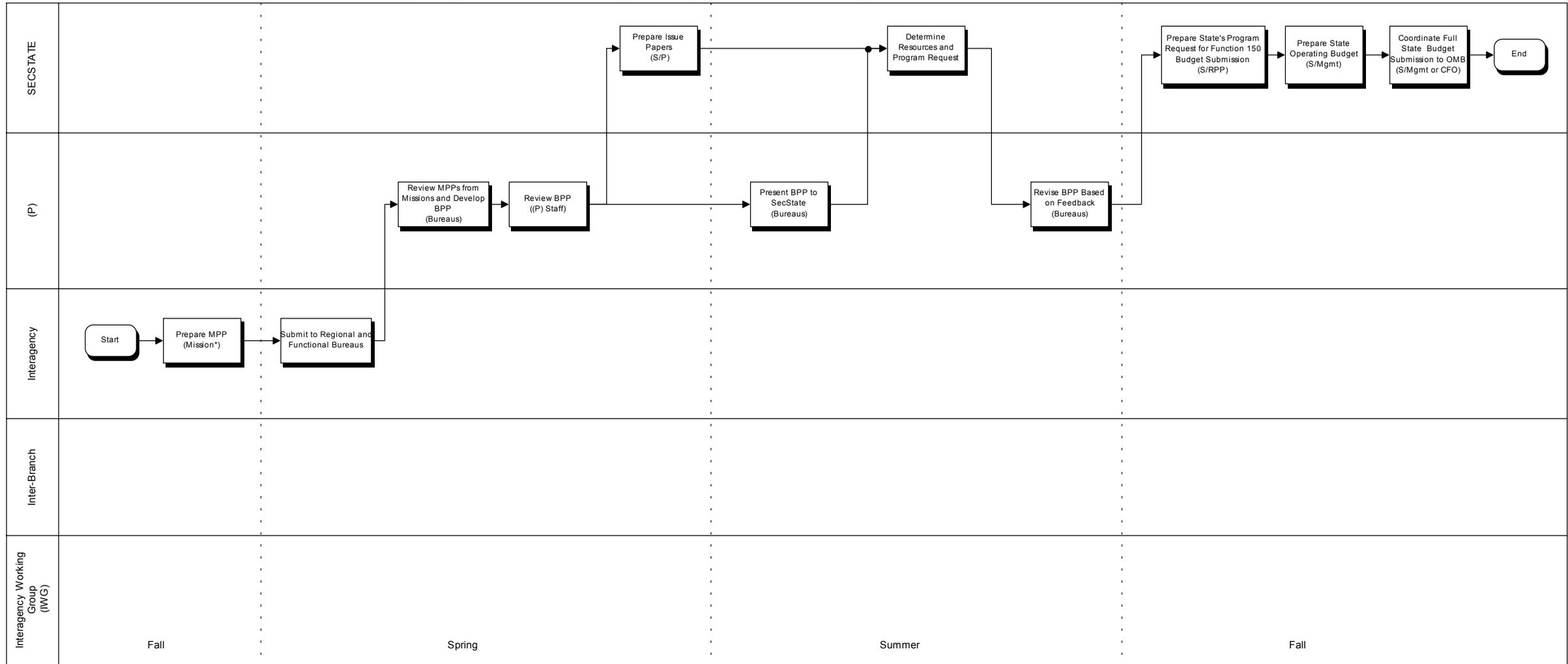
APPENDICES

DoS(S) - Key Process - (Formal) - Policy, Guidance, and Regulation - Guidance Cables



* Includes representatives from other agencies within the mission

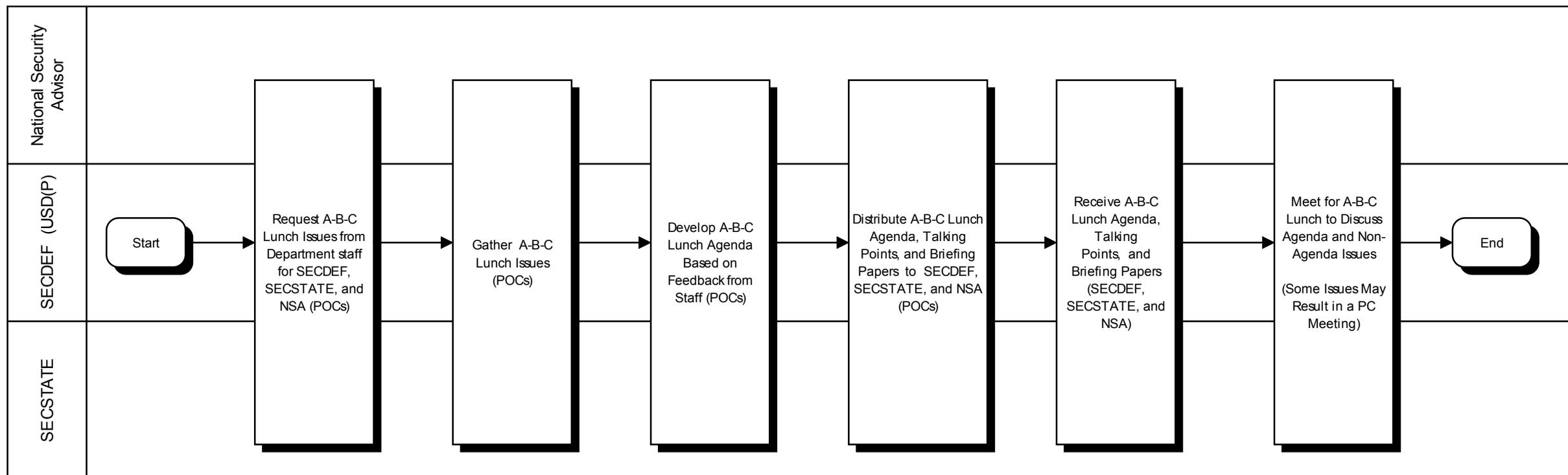
DoS(S) - Key Process - (Formal) - Policy, Guidance, and Regulation - BPP Presentations: Function 150



* Includes representatives from other agencies within the mission

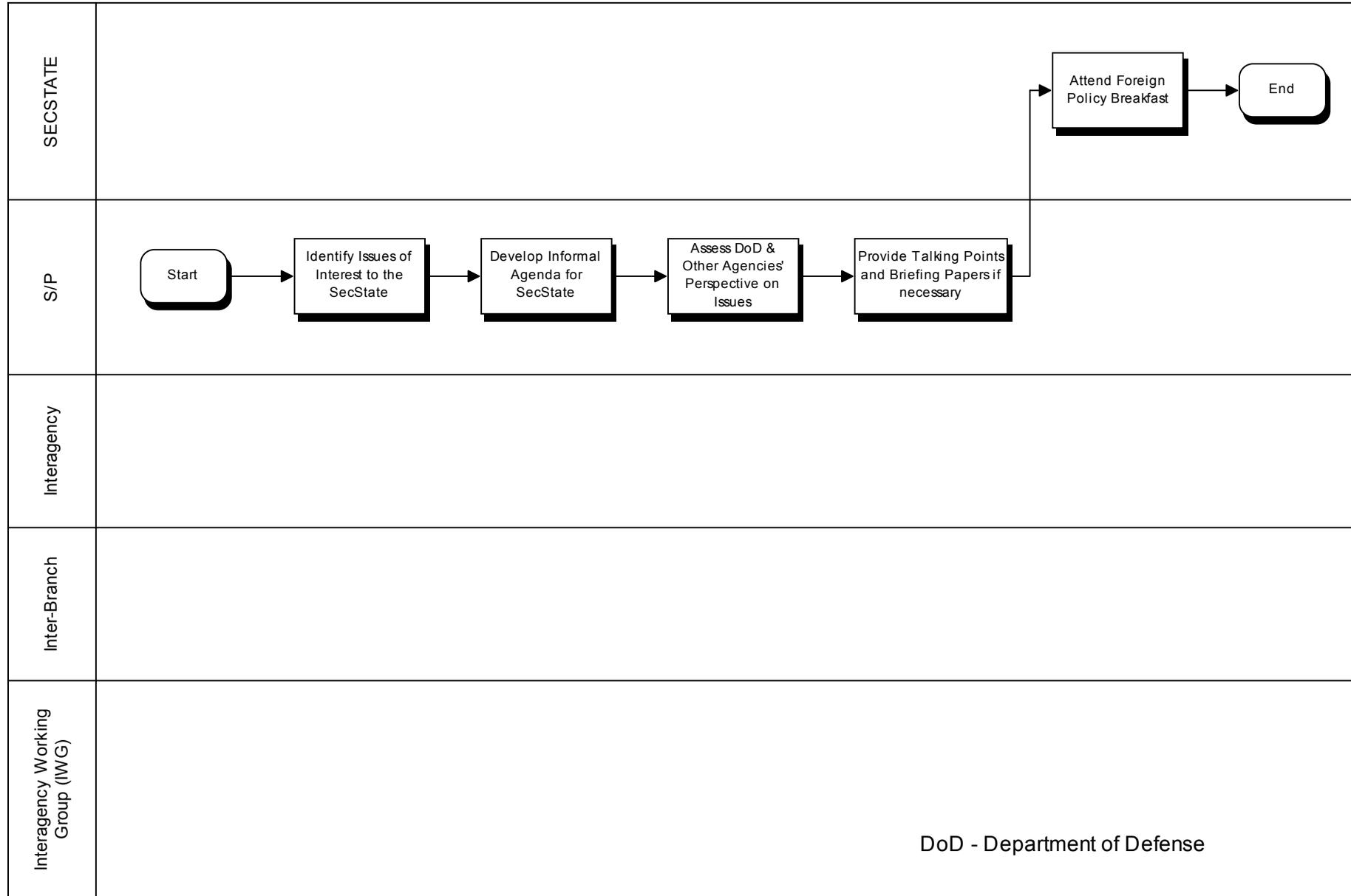
BPP - Bureau Performance Plan
 CFO - Chief Financial Officer
 MPP - Mission Performance Plan
 OMB - Office of Management & Budget
 S/Mgmt - Office of the Secretary, Management
 S/P - Office of the Secretary, Policy Planning
 S/RPP - Office of the Secretary, Resources, Plans, and Policy

DoS(S) – Key Process – (Informal) – The Albright-Berger-Cohen (A-B-C) Breakfast/Lunch

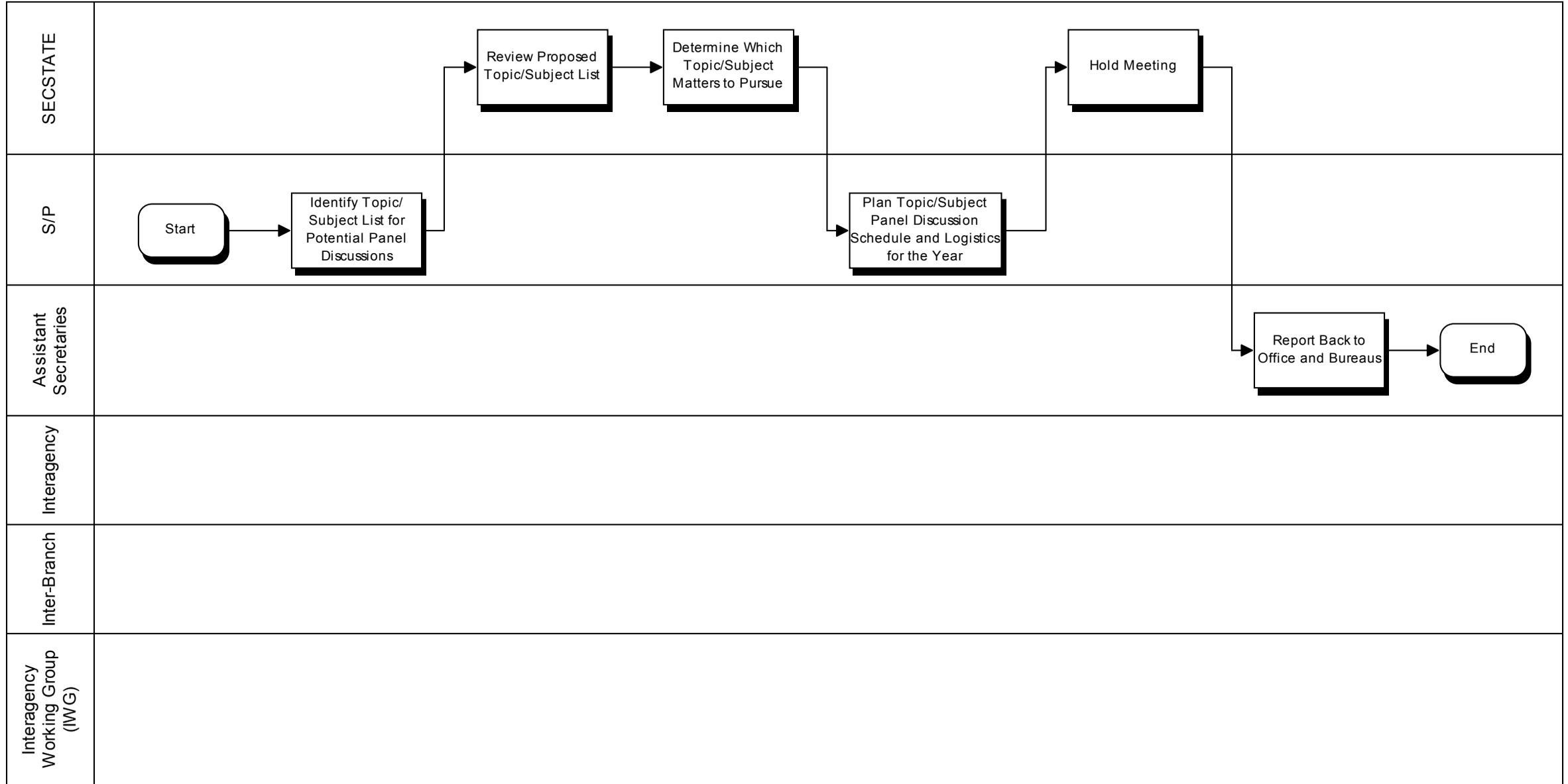


A-B-C - Albright-Berger-Cohen
 PC - Principals Committee
 POC - Point of Contact

DoS(S) - Key Process - (Informal) - Foreign Policy Breakfast



DoS(S) - Key Process - (Informal) - 8th Floor Dinners



ORGANIZATIONAL DESCRIPTION

UNDER SECRETARY FOR POLITICAL AFFAIRS (P)



Prepared for the U.S. Commission on National Security/21st Century

EXECUTIVE SUMMARY

Under Secretary of State for Political Affairs (P)

Overview

The Under Secretary of State for Political Affairs (P) is a statutory position created by Congress in 1959. As the third highest-ranking officer of the Department of State, and the most senior career Foreign Service officer in the State Department, this Under Secretary is a key actor in the Department and in the interagency process on foreign policy and national security matters. P, along with the Deputy Secretary (D), functions as the principal advisor to the Secretary (S) in the formulation and management of foreign policy and the conduct of foreign relations. In the interagency context, P is the Department's representative on the National Security Council (NSC) Deputies' Committee (NSC/DC). As such, he has oversight of the Administration's process for managing complex contingencies operations (PDD 56) and serves as the State Department's principal crisis manager.¹ In the Clinton Administration, P and D share responsibility for security issues pertaining to specific regions of the world, with D responsible for Russia and the Newly Independent States (NIS), European Security, and the North Atlantic Treaty Organization (NATO) and P, for the Middle East, Asia, and Latin America. As a result of this structure and of his personal influence and seniority within the Department, P functions as an informal "filter" for information relating to the regions of his competence flowing upwards from the Bureaus and other Under Secretaries to D and S. P core competencies include policy formulation, high-level diplomacy, and crisis management. Key P values include emphasis on regional expertise and policy analysis.

Organization

The Office of the Under Secretary for Political Affairs includes a total of 13 individuals. In addition to P, the office is staffed by one executive assistant and six special assistants, five of which are drawn from the Foreign Service and one who is a military officer on a fellowship. The office also is supported by an executive secretary, two schedulers who work on alternate shifts, and two staff assistants, drawn from the Civil Service and the Foreign Service. P is a political appointee, although he has Foreign Service background and holds the rank of Career Ambassador—the highest in the Foreign Service. As such, he is considered an advocate for the Foreign Service. P staff is viewed as highly competent and a tour on P staff is considered career enhancing for Foreign Service officers. P reports directly to the D and S.

State Department regulations assign P management oversight over six regional Bureaus and one Bureau with responsibility for U.S. relations with international organizations—all headed by Assistant Secretaries of State. Bureaus have separate budgets and manpower. Although P has line authority over the Bureaus, they are empowered to report directly to the Secretary on substantive issues of competence. In fact, Bureaus routinely "clear" information, memoranda, talking points and other outputs through P special assistants or the Under Secretary himself. This process is primarily informal and occurs because of the perception of P's authority within the

¹ P is responsible for the policy aspects in the management of crises. The operational aspects of crisis management, such as drawing down embassies as a result of a crisis, are handled by the Executive Secretariat in the Office of the Secretary of State. (Interview with P staff, October 13, 1999.)

Department—a perception due to P’s rank within the Department, his policy responsibility over the regions listed above, and his own personal influence.

Major Organizational Products

The principal outputs of this office are advice to the Secretary and Deputy Secretary, guidance to Bureaus and U.S. Missions abroad, diplomatic missions, and interagency coordination. Advice to D and S takes a variety of forms, including memoranda, talking points, background papers, and personal conversations.

Guidance to Bureaus is similarly disseminated in different formats, including through direct contact between P and P staff and Assistant Secretaries, and P staff interaction with Desk Officers within Bureaus. P staff reviews *Mission Performance Plans* (MPPs) produced by U.S. Missions abroad, and *Bureau Performance Plans* (BPPs), produced by the Bureaus, which outline the program objectives for the year ahead. These products, however, are not considered key contributors to policy formulation and oversight within the Department. P staff also reviews and comments on the *Post Reporting Plan*, a document assembled by U.S. Missions abroad that highlights the key issues the Mission expects to report in the year ahead.

P’s guidance to U.S. Missions abroad is generally in the form of guidance cables, for which there is a predetermined clearance process that involves all players within State and in the interagency with a stake in the issue at hand. Guidance on policy issues of the highest importance are sent under signature of the Secretary and are cleared up to that level. Guidance on routine matters may be sent to Missions by Bureaus under the signature of the Assistant Secretary.

P undertakes diplomatic missions on behalf of the Secretary and the President. He participates in interagency deliberations as a member of the NSC/DC.

Role in Formal and Informal National Security Processes

The matrix below summarizes key P roles in national security:

		Strategy Development	Policy, Guidance, and Regulations	Planning	Mission Execution	Observation, Orientation, and Oversight	Preparation	Resourcing
Product	Advice to S	✓	✓	✓	✓	✓		✓
	Guidance to Bureaus and Missions		✓			✓		
	Diplomatic Missions				✓			
	Interagency Coordination	✓	✓	✓		✓		
	National Security Strategy (IASP)	✓						
	Contingency Plans for Scheduled Events	✓			✓			
	Coordination with Corporate Board	✓			✓			
	Comments on MPPs and BPPs				✓		✓	✓
Roles	Advisor to S	✓	✓	✓	✓	✓		✓
	NSC/DC	✓	✓	✓		✓		

Notes: S = Secretary of State; IASP = *International Affairs Strategic Plan*; MPP = *Mission Performance Plan*; BPP = *Bureau Performance Plan*; NSC/DC = National Security Council Deputies Committee.

Strategy Development. The P office has a role in the development of national security strategy through its review of the *National Security Strategy* and the *International Affairs Strategic Plan* (IASP), which coordinates the international affairs activities of all U.S. Agencies, and in providing advice to S. P also influences strategy development by providing advice to S, through its participation in interagency coordination as a member of the NSC/DC, and through the meetings of the Under Secretaries of State, also known as the Corporate Board.

Policy, Guidance, and Regulation. P influences the development of policy by providing advice to S, guidance to Bureaus and Missions, and through his participation in interagency coordination. P also participates in policy development through his membership in the NSC/DC.

Planning. P influences planning by providing advice to S, through formal and informal interagency coordination, by reviewing and commenting on the IASP, reviewing and commenting on *Mission Performance Plans* (MPPs) and *Bureau Performance Plans* (BPPs), through membership in the NSC/DC, and participation in weekly Under Secretaries meetings. P also oversees contingency planning in cases where a specific expected event, such as an election or a step in a negotiated process, is likely to generate alternative outcomes. In such cases, P

oversees the preparation of alternative scenarios, with corresponding guidance to Missions, press strategy, and a Congressional outreach strategy.

Mission Execution. P is involved in mission execution through his conduct of diplomatic relations and support to S in her diplomatic involvement.

Observation, Orientation, and Oversight. P provides oversight in the national security process through his role on the NSC/DC and as advisor to S. P is further involved in this function through P staff's informal clearance of information flowing to S and D from elsewhere in the Department and through formal and informal interagency coordination. P also exercises oversight by providing guidance to Bureaus and Missions and through clearance of MPPs and BPPs.

Preparation. P is not involved in preparation.

Resourcing. P is peripherally involved in resourcing by participating in the Bureaus' yearly presentations to the Secretary of their BPPs and as an advisor to S.

P also uses informal processes to influence national security in the interagency context, including daily communications with his counterparts at the Department of Defense (DoD), the Vice Chairman of the Joint Chiefs of Staff, and the Deputy National Security Advisor.

Observations

Unlike the Department of Defense, the Department of State does not rely on systematic planning processes for internal coordination and planning. Although the State Department has developed internal processes for forward planning, centering on MPPs and BPPs, these tools are generally treated as preparation for resource requests and are not routinely integrated in policy planning. Although greater efforts are being made by the Office of the Secretary of State to increase the impact of these documents, there is a widespread belief within the State Department that much of the work of the Department, especially its day-to-day management of U.S. foreign relations, is not conducive to systematic forward planning by its very nature. Accordingly, the forward planning activities of the P office are driven by its analysis of regional developments and tailored to the nature of the issue under consideration. An example of such planning is the cell established by P to examine Aegean security issues, which involved State Department and DoD elements. The State Department's lack of reliance on forward planning may indicate that it operates primarily in a crisis management role.

A number of interlocutors ascribed the lack of systematic forward planning partly to cultural factors. One interlocutor noted that the State Department would benefit from integrating planning "of the kind done by the National War College," into the training of Foreign Service Officers.

Although P does not rely on MPPs and BPPs for its policy planning activities, the Department is strengthening the link between these documents and budget preparation and resource allocation processes. This suggests the potential for a divergence between resources and policy planning that may hinder the Department in its relations with Congress, which may look for clear links between policy execution and resource allocation. A new Administration may want to explore means of strengthening this link.

Recent organizational reforms have improved lines of communication between the Bureaus and the Secretary of State. Bureaus report directly to the Secretary on regional and functional matters of competence, although P retains an informal role in clearing the information provided to S and giving feedback to the Bureaus. Although this development has sped up the flow of information and paperwork, it has also elevated decision making to the highest levels within the Department, possibly even when the lower levels are competent to make decisions.

The Department has also instituted weekly meetings among the Under Secretaries, led by the Deputy Secretary, to improve horizontal coordination of issues. Despite examples of cooperation among Under Secretaries on crosscutting issues, such coordination remains the exception rather than the norm at this level. Horizontal coordination is more prevalent at the Assistant Secretary/Bureau level.

ORGANIZATIONAL DESCRIPTION

Undersecretary Of State For Political Affairs (P)

1. Legal Specifications, Authorizations, and Responsibilities.

A. Authorizing Statute: U.S. Code, Title 22, Chapter 38, Section 2651a stipulates that the President may appoint “by and with the advice and consent of the Senate” up to five Under Secretaries of State.² In 1959, Congress authorized the position of Under Secretary for Political Affairs (Public Law 86-117), specifying that the President could appoint either an Under Secretary for Political Affairs or for Economic Affairs. In 1972, Public Law 92-352 authorized the two positions as separate and permanent.

B. Department Directives: Section 1 FAM 041.1 of the Department of State’s *Foreign Affairs Manual* specifies the roles and responsibilities of the Under Secretary of State for Political Affairs (P).³ These responsibilities are detailed in Paragraph 2.

C. Interagency Directives: Presidential Decision Directives (PDD) 2 and 56 establish the organization of the Clinton Administration for the conduct of national security (additional information regarding PDD 2 and PDD 56 is found in Volume II, Chapter 2-the National Security Council (NSC) and Volume I, Chapter 2-Overarching Process sections of this report). Each document ascribes specific roles to P.

(1) PDD 2 designates P as a member of the NSC’s Deputies Committee (NSC/DC). The NSC/DC is the “senior sub-Cabinet interagency forum for consideration of policy issues affecting national security.”⁴ PDD 2 requires the NSC/DC to “review and monitor the work of the interagency process with a focus on policy implementation.” The NSC/DC is further tasked with crisis management and crisis prevention.

(2) PDD 56 establishes the process by which the interagency will manage “complex contingencies operations.” It designates the NSC/DC as the body that will form and direct an Executive Committee (ExComm) to supervise the daily management of those operations, charge the ExComm with the development of a political-military (pol-mil) plan, and “assign specific responsibilities to the appropriate ExComm officials.” The NSC/DC is also tasked with conducting a review of the pol-il plan.⁵

2. Missions/Functions/Purposes.

A. Major Responsibilities: The Under Secretary of State for Political Affairs is the third most senior official in the Department and assists the Secretary (S) and Deputy Secretary (D) in the formulation and exercise of foreign policy. He assists D in providing policy guidance to the

² The Foreign Affairs Reform and Restructuring Act of 1998 (Public Law 105-277) increased the number of Under Secretaries to six, as a result of the integration into the State Department of the U.S. Agency for International Development (USAID).

³ United States Department of State, Foreign Affairs Manual, at <http://foia.state.gov/fam/INFOR.PDF>.

⁴ Presidential Decision Directive 2 “Organization of the National Security Council.” The White House. Washington, DC, January 20, 1993. Page 2.

⁵ White Paper. “The Clinton Administration’s Policy on Managing Complex Contingency Operations: Presidential Decision Directive 56,” May 1997. Pages 3-5.

Department, and is a principal interlocutor in the interagency process for the Department. According to our sources, in the current Administration, D and P have divided up responsibility for foreign policy making and oversight of major regions of the world. P has oversight of the Middle East, Asia, and Latin America. D has principal responsibility for Russia and the Newly Independent States (NIS), European security and the North Atlantic Treaty Organization (NATO).⁶ Section 1 FAM 041.1 of the *Foreign Affairs Manual* details the following specific responsibilities for P:⁷

(1) Reporting directly to the Secretary of State [Key Process Relation: Strategy Development; Policy Guidance and Regulation; Planning; Mission Execution; Observation, Orientation, Oversight; Resourcing].

(2) Serving as Acting Secretary of State in the absence of the Secretary and Deputy Secretary [Key Process Relation: Strategy Development; Policy Guidance and Regulation; Planning; Mission Execution; Observation, Orientation, Oversight; Resourcing].

(3) Assisting the Secretary and Deputy Secretary in formulating and conducting U.S. foreign policy [Key Process Relation: Strategy Development; Policy Guidance and Regulation; Planning; Mission Execution; Observation, Orientation, Oversight; Resourcing].

(4) Assisting the Secretary and Deputy Secretary in carrying out the former's authority and responsibility for the overall direction, coordination, and supervision of interdepartmental activities of the U.S. Government abroad [Key Process Relation: Mission Execution].

(5) Assisting the Deputy Secretary in providing recommendations to the Secretary on all principal personnel appointments [Key Process Relation: Preparation].

(6) Assisting the Deputy Secretary in giving overall direction to the substantive functioning of the Department [Key Process Relation: Strategy Development; Policy Guidance and Regulation; Planning; Mission Execution; Observation, Orientation, Oversight; Resourcing].

(7) Assisting the Secretary and Deputy Secretary in giving foreign policy guidance to other Departments and Agencies. [Key Process Relation: Strategy Development; Policy Guidance and Regulation; Planning; Mission Execution; Observation, Orientation, Oversight; Resourcing].

(8) Assisting the Secretary and Deputy Secretary in ensuring that the Department's relations with other Departments and Agencies of the U.S. Government are effectively coordinated, including giving general direction within the Department to political-military and intelligence matters, and with other Departments and Agencies on such matters [Key Process Relation: Observation, Orientation, Oversight].

⁶ Interview with P staffer, September 28, 1999.

⁷ The following list is drawn directly from 1 FAM 041, "Under Secretary for Political Affairs (P)," United States Department of State, Foreign Affairs Manual, at <http://foia.state.gov/fam/INFOR.PDF>.

(9) Serving as crisis manager for the Department [Key Process Relation: Strategy Development; Policy Guidance and Regulation; Planning; Mission Execution; Observation, Orientation, Oversight; Resourcing].

(10) Undertaking assignments as requested by the Secretary and the Deputy Secretary [Key Process Relation: Mission Execution].

(11) Assisting the Secretary, on request, in representing the United States at international meetings, on special missions, in performing other representational assignments, and in presenting the Department's position before Congressional committees [Key Process Relation: Mission Execution].

(12) Providing policy guidance to the Department units reporting to the Under Secretary [Key Process Relation: Strategy Development; Policy Guidance and Regulation; Planning; Observation, Orientation, Oversight; Resourcing].

(13) Substantive and coordinating responsibility for 1 FAM 041 - Under Secretary for Political Affairs (P).

B. Subordinate Agencies: 1 FAM 041 also gives P management oversight over seven Bureaus within the Department of State:

- (1) Bureau for African Affairs (AF).
- (2) Bureau for East Asian and Pacific Affairs (EAP).
- (3) Bureau for European and Canadian Affairs (EUR).
- (4) Bureau for Inter-American Affairs (ARA) [sic].
- (5) Bureau for Near Eastern Affairs (NEA).
- (6) Bureau for South Asian Affairs (SA).
- (7) Bureau for International Organization Affairs (IO).

C. Other Authorities: 1 FAM 041 also gives P authority over additional functions, including specifically:

- (1) Functions related to the Peace Corps;
- (2) The negotiation and conclusion of international agreements;
- (3) "Certain functions" relating to immigration laws;
- (4) Reports on the People's Mujaheddin of Iran, Russian military operations, Occupied Tibet, activities of Cambodian Genocide Investigation.

3. Vision and Core Competencies.

A. Vision: P has not produced a statement of vision.

B. Core Competencies: Although P does not identify core competencies, a review of its activities highlights its primary role in policy formulation, high-level diplomacy, and crisis management.

4. Organizational Culture.

A. Values: Interviews within and outside the Department of State revealed that the State Department and P in particular value regional and functional policy expertise in staff. According to one senior interlocutor, throughout the State Department, management of staff is not valued as highly as policy and program expertise. Thus, the culture of the organization creates superb “action officers,” providing analytical and other support to the next level of leadership, even as they themselves attain greater seniority. According to our sources, however, this results in a tendency within the Department to “manage up” rather than “manage down.”⁸

B. Leadership Traditions: The position of Under Secretary for Political Affairs has been most often held by a senior career diplomat or a political appointee with previous Foreign Service experience. Since the position was created in 1959, 11 of 17 Under Secretaries have been chosen from the Foreign Service.⁹ Twice in recent Administrations, currently and early in the first Reagan Administration, the office was held by an individual holding the most senior rank in the Foreign Service, Career Ambassador.¹⁰ P’s diplomatic background and rank in the Foreign Service makes the office particularly influential in the Department. Although one of five Under Secretaries, P functions as a second Deputy to the Secretary and ranks third after the Secretary and the Deputy Secretary.¹¹ Generally, when the individual holding the Under Secretary position has Foreign Service background, he is perceived as an informal advocate for the Foreign Service in the Department and generally becomes involved in Foreign Service management issues.¹²

C. Staff Attributes: The office of the Under Secretary for Political Affairs is staffed by a mix of Foreign Service officers, Civil Service employees, and political appointees. It is a small office, currently totaling 11, including the Under Secretary. At the time of this writing, eight of the 10 staff members are from the Foreign Service and two are from the Civil Service. During the first Clinton Administration, when the Under Secretary was a political appointee without a long Foreign Service career, the staff included at least one political appointee holding the position of Special Assistant. Becoming a P special assistant is generally considered a career enhancing move among Foreign Service Officers and the individuals selected are generally

⁸ Interviews with former senior State Department official and current State staff member, September 30, 1999.

⁹ This information is derived from the List of Principal Officers of the Department of State (1778-1997), http://www.state.gov/www/about_state/history/officers.html#io.

¹⁰ This was the case when the office was held by Lawrence Eagleburger, who became Career Ambassador during his tenure from 1982 to 1984, and since May 1997 by Thomas Pickering.

¹¹ Interview with P staffer, September 28, 1999.

¹² Interview with former P staffer, September 28, 1999.

highly regarded officers in the middle and upper ranks (FS-2 and FS-1). P is recognized as an organization that attracts highly competent staff, who usually work long hours.

D. Strategy: P does not have a statement of strategy.

E. Organizational Structure: The organization of the office of the Under Secretary of State for Political Affairs is depicted in figure 1.

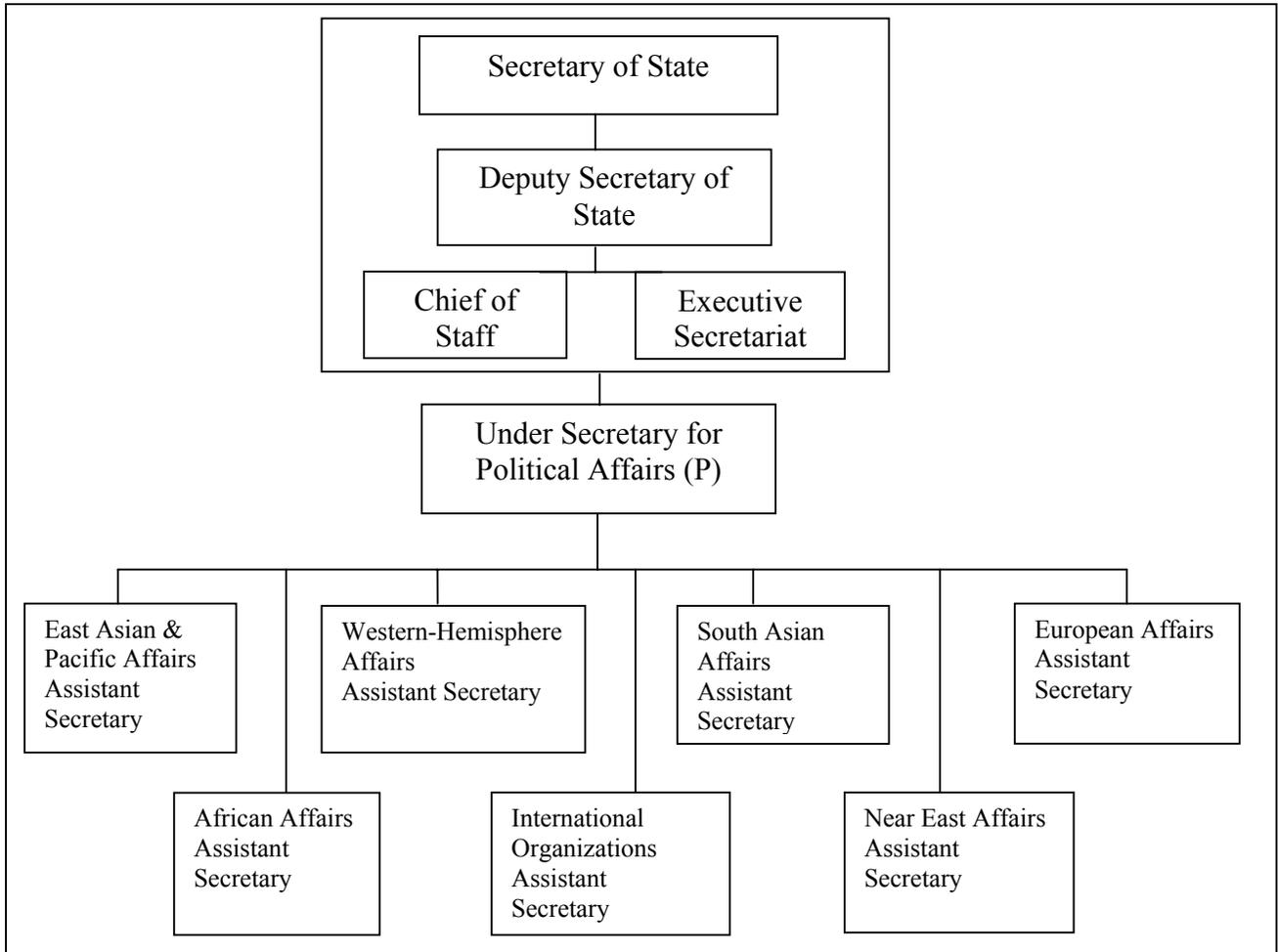


Figure 1: Organizational Structure of Under Secretary of State for Political Affairs P¹³

The Under Secretary for Political Affairs reports directly to the Deputy Secretary and the Secretary of State. P staff includes an executive assistant, who functions as a chief of staff, six special assistants who function as liaisons to the regional Bureaus, one executive secretary, two schedulers, and two staff assistants. P has general management oversight for and provides policy guidance to six regional and one functional Bureaus led by Assistant Secretaries of State: African Affairs, East Asian and Pacific Affairs, Western-Hemisphere Affairs, South Asian Affairs, European Affairs, Near East Affairs, and International Organization Affairs. Each

¹³ The source for this chart is United States Department of State, Accountability Report for Fiscal Year 1997, November 1998, and interviews with P officials.)

Bureau has responsibility for the conduct of relations with the countries or international organizations within its geographical or functional scope. The Bureaus coordinate with U.S. Missions in the countries within their regional scope and the International Organization Bureau coordinates with Missions to international organizations and “provide overall guidance to the Foreign Service establishments within the region.”¹⁴

Despite P’s management oversight over them, the Bureaus are authorized to report directly to the Secretary of State on regional or functional issues of their competence and are considered directly accountable to the Secretary for the regions they oversee. In fact, the Bureaus routinely “clear” their communication with and paperwork flowing to the Office of the Secretary of State through the P special assistants.¹⁵ Sources from P staff characterized the role of P and P staff in relation to the Bureaus as that of a “filter” and “advocate” for the Bureaus.

5. Formal National Security Process Involvement.

		Strategy Development	Policy, Guidance, and Regulations	Planning	Mission Execution	Observation, Orientation, and Oversight	Preparation	Resourcing
Product	Advice to S	✓	✓	✓	✓	✓		✓
	Guidance to Bureaus and Missions		✓			✓		
	Diplomatic Missions				✓			
	Interagency Coordination	✓	✓	✓		✓		
	National Security Strategy (IASP)	✓		✓				
	Contingency Plans for Scheduled Events	✓		✓				
	Coordination with Corporate Board	✓		✓				
	Comments on MPPs and BPPs			✓		✓		✓
	Roles							
Advisor to S	✓	✓	✓	✓	✓		✓	
NSC/DC	✓	✓	✓		✓			

P’s Relation to Key National Security Processes

Notes: S = Secretary of State; IASP = *International Affairs Strategic Plan*; MPP = *Mission Performance Plan*; BPP = *Bureau Performance Plan*; NSC/DC = National Security Council Deputies Committee.

¹⁴ United States Department of State, *Foreign Affairs Manual*, 1 FAM 110, “Statements of Common Responsibilities of Regional Bureaus,” at <http://foia.state.gov/fam/1FAM/1FAM.PDF>.

¹⁵ Interview with State Department official, September 28, 1999. The direct relationship between the Bureaus and the Secretary of State was an innovation of the first Clinton Administration and was designed to empower the Bureaus and speed paperwork.

A. Strategy Development:

(1) Major Activities: P reviews the *National Security Strategy* (NSS), reviews the *International Affairs Strategic Plan* (IASP), and participates in weekly Under Secretaries meetings chaired by D to conduct strategic planning. P also performs contingency planning for issues that may be influenced by future scheduled events, such as elections or scheduled meetings of a negotiated process.

(a) National Security Strategy: P reviews the *National Security Strategy* after it has been drafted by the NSC staff. P may offer comments on specific points of the NSS but is not involved in writing it.

(b) IASP: P reviews the IASP, after it has been drafted by the Office of Resources, Plans, and Policy (S/RPP), within the office of the Secretary of State, but is not involved in drafting it. The review of the IASP is not considered a key P activity by P staff.¹⁶

(c) Weekly Under Secretaries Meetings: This process is illustrated in Appendix 1. P participates in weekly meetings of State Department Under Secretaries, which are chaired by the Deputy Secretary, or by P in D's absence. When meeting in this format, the Under Secretaries function as a Corporate Board for the Department.¹⁷ The purpose of these meetings is to coordinate issues for which Under Secretaries have responsibility, to appraise D and S of emerging issues and to receive guidance from them, and to conduct strategic planning. In the P office, the Executive Assistant coordinates any taskings resulting from these meetings with the relevant Special Assistant, who in turn coordinates with the relevant Bureau. The Special Assistant is responsible for ensuring that the Bureau completes the task.

(d) Contingency Planning for Upcoming Scheduled Events: This process is illustrated in Appendix 2. P performs strategic planning in cases where a specific scheduled event, such as an election or a step in a negotiated process, is likely to generate alternative outcomes. In such cases, P staff, working with the relevant Bureaus, prepare likely alternative scenarios and prepare press strategy, guidance cables for Missions, and a Congressional outreach strategy for each scenario. These completed "contingency plans" are filed for later reference.¹⁸

(2) Stakeholders: NSC Staff, Office of the Secretary of State, S/RPP, Bureaus and Missions.

(3) Key P processes: There are no specific P processes associated with these activities.

(4) Associated Higher-Level Processes: Development of *National Security Strategy*, development of IASP.

¹⁶ Interview with former P staffer, September 28, 1999.

¹⁷ Reorganization Plan and Report Submitted by President Clinton to the Congress on December 30, 1998, Pursuant to Section 1601 of the Foreign Affairs Reform and Restructuring Act of 1998, As Contained in Public Law 105-277.

¹⁸ Interview with P staff, October 13, 1999.

(5) Associated Lower-Level Processes: *Mission Performance Plans* (MPP) and *Bureau Performance Plans* (BPP).

B. Policy, Guidance and Regulation:

(1) Major Activities: P contributes to the formulation of policy on national security matters through his role as a member of the NSC/DC, as a participant in the PDD 56 process, and as a key advisor to the Secretary of State in the formulation of foreign policy. P issues policy guidance to U.S. Missions abroad in the form of guidance cables. P also provides informal policy guidance to Bureaus through informal clearance of cables, memoranda, issue papers, and talking points for the Secretary of State. This informal clearance process is elaborated in the “Informal National Security Processes” section of this paper.

(a) NSC/DC Participation. According to sources interviewed, this is the “primary management tool” for national security issues for P.¹⁹ P participates in meetings of the NSC/DC and is supported by P staff and the Bureaus for these meetings with background memoranda. Additional information regarding the functioning of the NSC/DC is provided in the “Overarching Process” section of this report.

(b) Guidance Cables. The guidance cable process is illustrated in Appendix 3. Bureaus communicate guidance to U.S. Missions abroad in cable format. Cables are typically drafted by Desk Officers in the Bureaus and are reviewed and approved, or “cleared,” horizontally within State and through other Agencies of the U.S. Government with a stake in the issue, and vertically through the Bureau’s Assistant Secretary. (The NSC staff, OSD, and the Joint Staff frequently clear on State Department guidance cables.) The clearance level of a guidance cable depends on its content. Routine guidance cables are sent to the Missions directly by the Bureaus and are signed by the Assistant Secretary in charge. Cables conveying important policy changes or addressing issues of greater policy relevance are cleared vertically within State through P, D, and S, and are sent to the Mission under the Secretary’s signature.

(2) Stakeholders: Bureaus, Missions, NSC staff, DoD, Joint Staff, other U.S. Government Agencies.

(3) Key P Processes: There are no formal P processes associated with these activities, although P staff clears guidance cables before they are sent to D.

(4) Associated Higher-Level Processes: NSC/PC meetings.

(5) Associated Lower-Level Processes: Drafting of guidance requests by Missions.

C. Planning:

(1) Major Activities: P participates in interagency planning for contingency operations as a participant in the NSC/DC and PDD 56 process. P reviews the *Mission Performance Plans* (MPPs), the *Bureau Performance Plans* (BPPs), and the *Post Reporting*

¹⁹ Interview with former P staffer, September 28, 1999.

Plan. P also participates in Weekly Under Secretaries Meetings, which are used as venues for strategic planning. P staff also prepares contingency plans for upcoming scheduled events. According to P staff, P does not employ systematic planning processes. Instead, internal planning activities are ad hoc, related to specific emerging foreign policy issues, and tailored to address those issues. An example of such planning activity conducted by P is the P-led analysis of Aegean security issues in 1998-1999. The review was prompted by the Under Secretary's belief that Aegean regional relations were conducive to progress in regional disputes. The review involved P and other State offices as well as the Department of Defense.

(a) NSC/DC: See Paragraph B. above.

(b) PDD 56: As a member of the NSC/DC, P has oversight for the development of a pol-mil plan for a complex contingency operation. See the "Overarching National Security Processes" section of this report for detailed information on the PDD 56 process.

(c) MPPs and BPPs: The MPP and BPP process is depicted in Appendix 4. MPPs are strategic documents prepared by staff of U.S. Diplomatic Missions abroad under the direction of the Chief of Mission. The MPP sets priorities for the work of the Mission in the year ahead, identifies the resource needs of the Mission, and provides information about the international activities of all U.S. Government Agencies represented at the Mission. BPPs are based on MPPs but are broader in scope, as they translate the Mission plans into regional goals for the Department. MPPs and BPPs serve as the basis for assembling State's program request for the Function 150 budget category. Both documents also are utilized by the Office of Resources, Plans, and Policy (S/RPP) within the Office of the Secretary of State to evaluate the disposition of assets and allocated resources when a crisis or emergency requires a reallocation of funds.

Missions begin assembling MPPs in the fall and typically forward them to the Bureaus in February. Beginning in February, the Bureaus analyze the information received from all the Missions within their region of competence and prepare BPPs. Bureaus use BPPs to justify budget requests for the fiscal year ahead in yearly presentations to the Secretary of State, which typically occur in July. These sessions include P as well as staffers from the Office of Management and Budget (OMB). Bureaus revise their BPPs based on the feedback from these presentations and S/RPP works during the fall to prepare State's program request for the Function 150 budget submission.²⁰

(d) Post Reporting Plan: The Post Reporting Plan is a document assembled by each U.S. Mission abroad that informs the State Department of the issues about which the Mission expects to report in the year ahead. This information is provided in cable format to the Department and is reviewed by the Bureaus and by P. According to State Department sources, this document is considered "more useful" than the MPP by Bureaus and P.

(e) Weekly Under Secretaries Meetings: See Paragraph A.(1)(c).

²⁰ The Office of the Under Secretary of State for Management (M) prepares a request for State's operating funds as part of the Function 150 budget submission. According to our sources, the two processes are separate and MPPs are not used in the preparation of the operating funds budget request.

(f) Contingency Planning for Upcoming Scheduled Events: See Paragraph A.(1)(d).

(2) Major Stakeholders: S, S/RPP, Bureaus, Missions, OMB.

(3) Key P Processes: None.

(4) Associated Higher-Level Processes: IASP preparation, Function 150 Budget preparation, President's Budget preparation.

(5) Associated Lower-Level Processes: MPP and BPP preparation.

D. Mission Execution:

(1) Major Activities: Conducts diplomatic missions on behalf of S and with foreign counterparts in his capacity as third-ranking State Department official.

(2) Major Stakeholders: S, Bureaus, Missions, DoD, NSC staff, other U.S. Department and Agencies.

(3) Key P Processes: There are no specific P processes associated with these activities. Diplomatic missions are event-driven, although those meetings associated with the schedules of international organizations, such as the United Nations (UN) General Assembly, held yearly in the fall, and NATO Ministerial Meetings held twice a year, are generally predictable. The substance and purpose of these sessions, however, will vary according to the evolving agenda of the organizations.

(4) Associated Higher-Level Processes: None.

(5) Associated Lower-Level Processes: None.

E. Observation, Orientation, Oversight:

(1) Major Activities: P staff reviews MPPs and BPPs. P is an observer during the Bureaus presentation of the BPPs to the Secretary of State during the annual Function 150 budget submission process. P staff informally reviews Bureaus memoranda, background papers, and talking points for the Secretary before these are submitted to D and S staff. P also coordinates with the other Under Secretaries at weekly meetings chaired by the Deputy Secretary. When D is absent, P chairs these weekly sessions.

(a) MPPs and BPPs. See Paragraph C. above.

(b) Informal review of Bureau outputs: See section on "Informal National Security Process Involvement" below.

(c) Under Secretaries Weekly Meetings: See Paragraph A.(1)(c).

(2) Major Stakeholders: Bureaus, Missions, other Under Secretaries, D.

(3) **Key P processes:** There are no internal P processes associated with these activities.

(4) **Associated Higher-Level Processes:** IASP preparation.

(5) **Associated Lower-Level Processes:** MPP and BPP preparation.

F. Preparation: No involvement.

G. Resourcing:

(1) **Activities:** Reviews MPPs and BPPs and participates in the Bureaus' budget presentations to the Secretary of State. See Paragraph C.(1)(c) above.

(2) **Major Stakeholders:** Bureaus, Missions, S/RRP, S, OMB.

(3) **Key P Processes:** None.

(4) **Associated Higher-Level Processes:** Function 150 budget preparation, President's Budget preparation.

(5) **Associated Lower-Level Processes:** MPP and BPP preparation.

6. Informal National Security Process Involvement.

A. Informal Interagency Process: According to P staff, there are very frequent informal contacts, by phone and in person and on the margins of NSC/DC meetings, between P and the Under Secretary of Defense for Policy (USD(P)). P also speaks frequently during the day with the Deputy National Security Council Advisor and with the Vice Chairman of the Joint Chiefs of Staff.

B. Internal Clearance Role: This process is depicted in Appendix 5. Within the State Department, P is consulted by Bureaus and other Under Secretaries in providing substantive information to D and S staffs. Although Bureaus are empowered to support S directly in their regional or functional area of competence, in fact they routinely clear memoranda, talking points, and draft cables for the Secretary's signature through P staff. This role is due to P's authority as the third-ranking officer within the Department and to P's engagement on a wide variety of issues through diplomatic missions and as an advisor to S.

7. Funding and Personnel.

A. Authorization and Appropriations: Relevant authorizing committees for the Department of State and P are the House International Relations Committee and the Senate Foreign Relations Committee.²¹ Relevant appropriating committees are the House and Senate Subcommittees on Commerce, State, and the Judiciary. The House and Senate Appropriations

²¹ Congress has not passed authorizing legislation for international affairs Agencies and programs since 1994, when HR 2333, The Foreign Relations Authorization Act for Fiscal Years 1994 and 1995, was signed into law (P.L.103-236). Authorization for State Department programs and activities has thus occurred through the passage of yearly appropriations legislation.

Subcommittee on Foreign Operations, Agriculture and Rural Development, and Labor, Health, and Human Services and Education appropriate additional funds for international affairs programs and activities carried out by the State Department as well as other U.S. Government Departments and Agencies and some international organizations.

B. Funding Sources: P is funded through the Diplomatic and Consular Programs appropriations in the International Affairs section of the Federal Budget, also known as Function 150. Additional funds flow to the State Department from the collection of fees from visa applications, license applications for defense-related exports, and commercial services.

Funding for the State Department represents approximately 25 percent of the total Function 150 request of the President's FY 2000 Budget.²² Function 150 also supports international activities and programs carried out by three other Cabinet Departments, seven independent Agencies, three foundations, and a number of international organizations.

C. Budget: The FY 2000 budget request for the Diplomatic and Consular Programs category, which includes funding for P is \$2.6 billion. This category includes funding for all State Department salaries, operating expenses, and infrastructure in Washington and at diplomatic and consular posts worldwide. Of this sum, \$208,296,000 is allocated for activities related to "Policy Formulation and Executive Direction," a category that includes the work of the Secretary, the Deputy Secretary, the Under Secretaries, the Assistant Secretaries and other Bureau heads, the chiefs of Diplomatic Missions and their staffs.²³ More specific budget information for the P office was not available.

D. Manpower: The office of the Under Secretary of State for Political Affairs comprises 13 individuals: the Under Secretary, one executive assistant, six special assistants, one executive secretary, two schedulers, and two staff assistants. Although P has management oversight of the seven Bureaus, these organizations' manpower does not count as P manpower and their budgets are separate from the P budget.²⁴

8. Observations.

A. No Systematic Forward Planning Done by P: There is no systematic policy planning process in the office of P. Any forward planning conducted by P is largely ad hoc. Interviews indicated forward planning is a function of the office of Policy Planning (S/P), which reports directly to the Secretary, but such planning is limited. Sources noted that the diplomatic and foreign policy roles of the State Department do not lend themselves to systematic forward planning of the kind conducted by DoD. Rather, the work of the State Department and of P in particular was characterized as event-driven. This may indicate that P, and more generally the State Department, operate primarily in a crisis management mode.²⁵ One interlocutor ascribed the lack of systematic planning processes within State in general to cultural factors. This official

²² Office of Finance and Management Planning, "Budget in Brief," U.S. Department of State, Washington, DC, February 1, 1999, <http://www.state.gov/www/budget/2000/00summary.html>.

²³ Office of Finance and Management Planning, "Budget in Brief," U.S. Department of State, Washington, DC, February 1, 1999, <http://www.state.gov/www/budget/2000/00stateprog1.html>

²⁴ Interview with former P official, September 28, 1999.

²⁵ A former Senior official of the State Department observed that the strength of the State Department is crisis management. This official indicated that when a crisis occurs, the system is able to "pull resources together from all over the Department" to manage the crisis effectively. Interview on September 30, 1999.

noted that the widespread belief that the work of the State Department is not conducive to planning creates a resistance to adopting forward planning procedures.²⁶ In the view of this official, State would benefit from institutionalizing training in forward planning for Foreign Service Officers (FSOs) and making such training a requirement for career advancement. Although the opportunity for FSOs to receive such training exists through attendance at the National War College, the source indicated State's limited resources preclude it from expanding the ranks of FSOs who can benefit from this opportunity.

B. Dichotomy Between Resources Planning and Policy Planning: All the sources interviewed commented that the two planning documents the Department produces, the MPP and BPP, are not considered useful policy planning tools by most State Department staff. MPPs and BPPs are viewed and treated as exercises in justifying resource requests both by Missions and Bureaus that prepare them and by P staff; they are not used by the Bureaus or P in the performance of their functions. The Office of Resources, Plans and Policy, however, relies on MPPs and BPPs extensively to assemble the State Programs portion of the Function 150 budget and to recommend resource shifts to the Secretary when crises occur or priorities change for other reasons. This suggests there is a potential for divergence in the articulation of policy priorities between the management and policy sides of the State Department. This divergence may hinder the Department particularly in its relationship with Congress, which, in its oversight and funding role, will look for policies that clearly reflect resource allocations.

Although they have potential as tools to aid in systematic policy planning, MPPs and BPPs may be too discredited Department-wide to be adopted as meaningful forward planning tools. As a senior former State Department official indicated, however, Missions and Bureaus would resist undertaking a new process in addition to the development of the MPPs and BPPs. A new Administration may want to explore alternative means to strengthen the link between resources and policy planning at State.

C. Limited Formal, Horizontal Coordination: Interviews revealed little formal coordination among Under Secretaries on policy issues. The only formal means of coordinating and integrating information is the weekly Under Secretaries' meeting chaired by D. Informal coordination occurs primarily when policy issues are crosscutting. For example, preparation for the World Trade Organization (WTO) meeting in Seattle in December 1999 has involved both P and the office of the former Under Secretary for Business and Agriculture Affairs. Similarly, P and the Under Secretary for Global Affairs have cooperated in the U.S. response to the arrest of former Chilean leader Pinochet for human rights violations. Sources indicated that interaction among the regional and functional areas occurs primarily at the Assistant Secretary level and below. This limited coordination may reflect a tendency toward "stovepiping" within the State Department, even as the Administration foreign policy and national security statements, the IASP and NSS, highlight the increasingly multidimensional nature of national security.

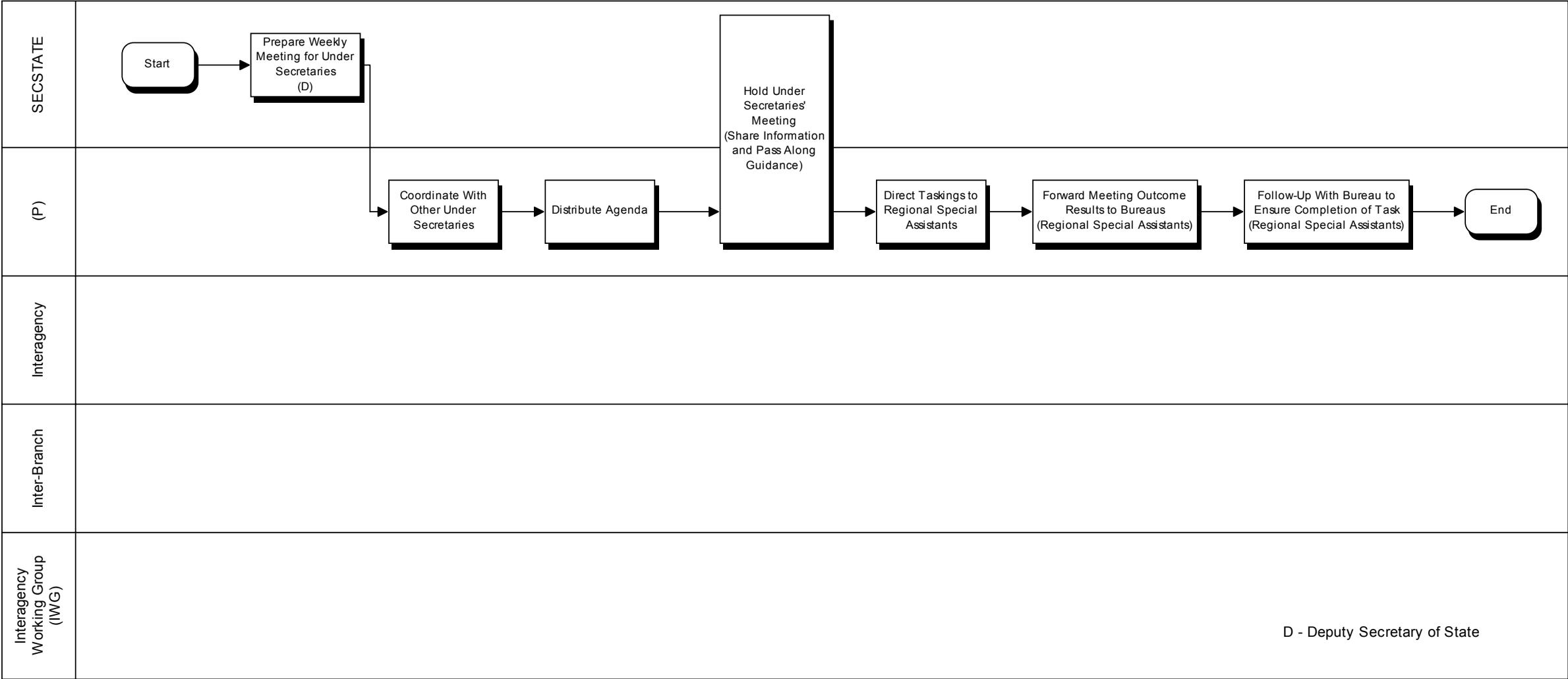
D. Decision Making Elevated to Highest Levels: The structure of the State Department, which one source described as a "pyramid," is designed to surface the most accurate information and analysis directly to the Secretary of State from the Bureaus. A result of this structure is that policy decisions are pushed to the highest levels even when the working level is competent to address a particular issue. Another potential effect is that elements of the State Department that

²⁶ Interview with State Department official, October 13, 1999.

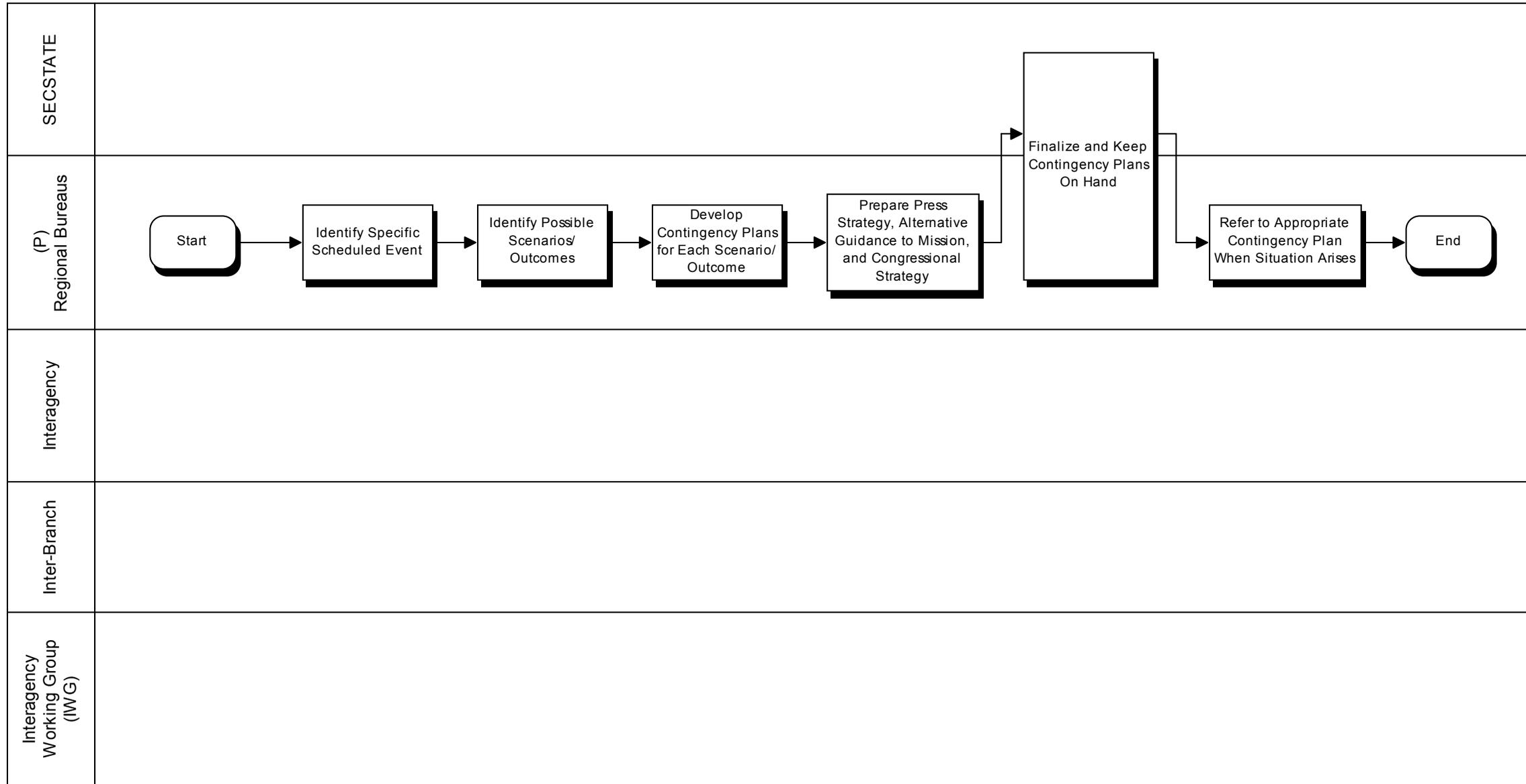
fall outside a particular Bureau but which have a stake in the issue may be left out of the management of the issue.

APPENDICES

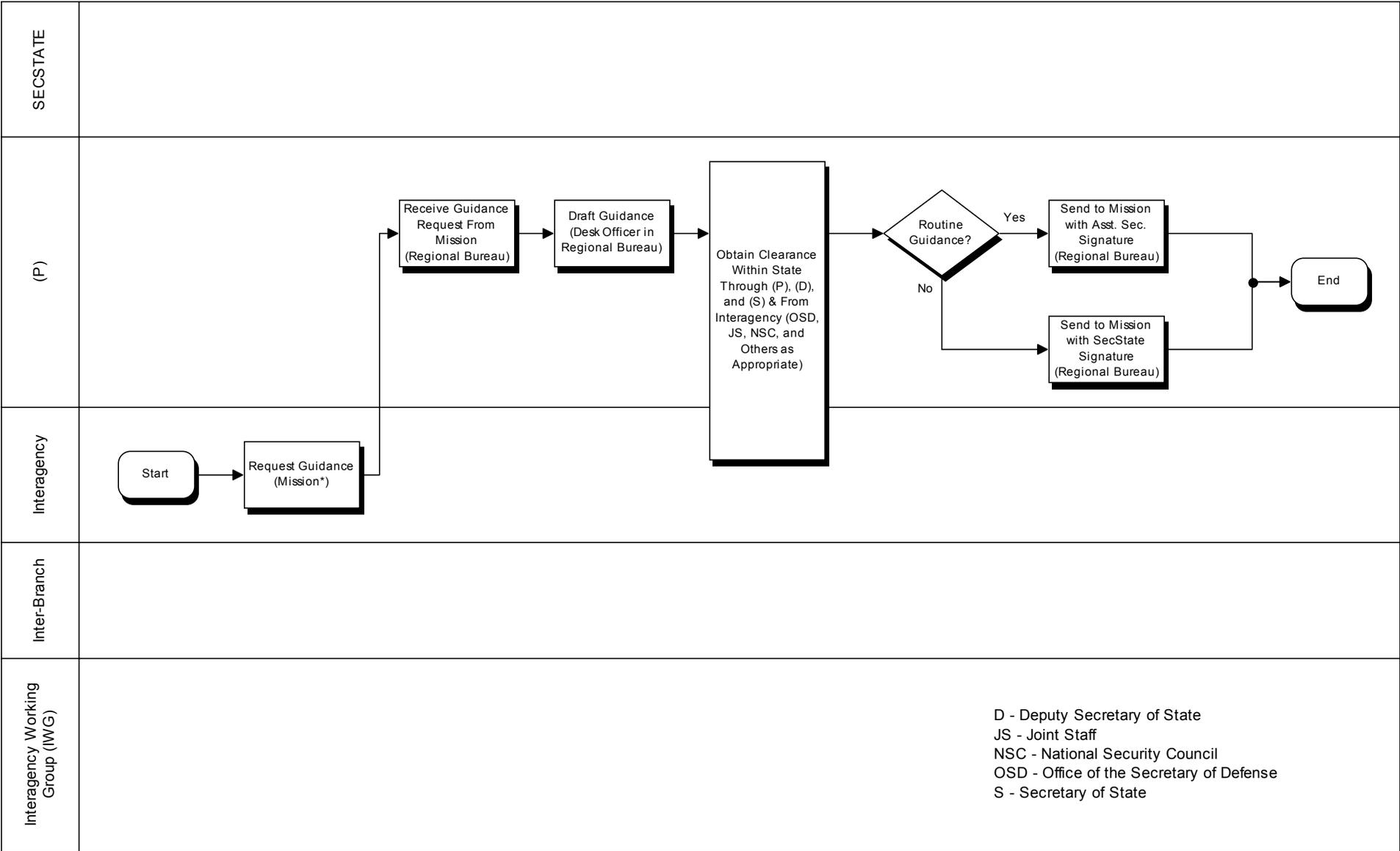
DoS(P) - Key Process - (Formal) - Strategy Development - Under Secretaries Weekly Meetings



DoS(P) - Key Process - (Formal) - Strategy Development - Contingency Planning for Upcoming Scheduled Events



DoS(P) - Key Process - (Formal) - Policy, Guidance, and Regulation - Guidance Cables



* Includes representatives from other agencies within the mission

DoS(P) - Key Process - (Informal) - Internal Clearance Role

SECSTATE	
(P) & (P) Staff	<pre> graph LR Start([Start]) --> Step1[Submit Draft Memorandum, Talking Points, or Cable for Review (Bureau or Under Secretary)] Step1 --> Step2[Review Draft Memorandum, Talking Points, or Cable] Step2 --> Step3[Provide Feedback to Bureau or Under Secretary on Draft Memorandum, Talking Points, or Cable] Step3 --> Step4[Revise and Submit Memorandum, Talking Points, or Cable to (D) or (S) (Bureau or Under Secretary)] Step4 --> End([End]) </pre>
Interagency	
Inter-Branch	
Interagency Working Group (IWG)	D - Deputy Secretary of State S - Secretary of State

ORGANIZATIONAL DESCRIPTION

UNDER SECRETARY FOR ECONOMIC, BUSINESS AND AGRICULTURAL AFFAIRS (E)



Prepared for the U.S. Commission on National Security/21st Century

EXECUTIVE SUMMARY

Under Secretary for Economic, Business, and Agricultural Affairs (E)

Overview

The Under Secretary for Economic and Agricultural Affairs (E) is a statutory position permanently authorized by Congress in 1972. E is responsible for Department-wide coordination of issues that cut across the political and economic policy realms. E also acts as the Department's representative in interagency discussions on economic issues with foreign policy aspects. As such, E supports the Secretary's participation in meetings of the National Security Council Principals Committee (NSC/PC) and National Economic Council (NEC), and occasionally represents the Department at NEC and NSC Deputies Committee (NSC/DC) meetings. In the Clinton Administration, E's mission has been to facilitate access to foreign markets for U.S. companies and products, in fulfillment of the *National Security Strategy's* objective to ensure economic prosperity domestically and abroad.¹ E also took the lead for formulating proposals to reform U.S. sanctions policy, an effort which is now being led from the Treasury Department, but with which E remains closely involved. The organization's core competencies are analysis and integration of political and economic issues.

Organization

E reports directly to the Deputy Secretary (D) and Secretary of State (S). The Administration recently appointed a senior Foreign Service official to the position of Under Secretary and the Senate confirmed him in his position on November 24, 1999. The immediate office of the Under Secretary is relatively small, totaling 12 individuals. The professional staff is drawn from the Foreign Service and the Civil Service, and includes one political appointee.

E oversees one Bureau: the Economics and Business Bureau (EB), led by an Assistant Secretary of State. EB in turn supervises five offices led by Deputy Assistant Secretaries, who are responsible for issues dealing with energy and sanctions, international communications, international finance and development, trade policy, and transportation.

Major Organizational Products

E's principal products are advice to the Secretary and Deputy Secretary on economic issues, internal coordination of cross-cutting issues, and interagency coordination of economic issues. E also provides advice on sanctions issues: the Under Secretary and E staff are closely involved in the Administration's efforts to reform U.S. sanctions policy and, when needed, advise the Economics and Business Bureau on sanctions enforcement issues.

¹ Interview with E staff, November 2, 1999.

Role in Formal and Informal National Security Processes

The matrix below summarizes E's role in national security.

		Strategy Development	Policy, Guidance, and Regulations	Planning	Mission Execution	Observation, Orientation, and Oversight	Preparation	Resourcing
Products	Comments on NSS	✓						
	Analysis and advice for S	✓	✓					
	Clearance of EB memos and papers		✓					
	State-wide coordination on economic issues		✓					
	Sanctions policy review		✓					
	Sanctions implementation coordination		✓					
	MPP and BPP review			✓				✓
	Coordination of Balkans economic recovery			✓				
	Weekly meetings with Bureaus					✓		
	Informal interagency coordination					✓		
	Representation at interational meetings				✓			
Roles	Advisor to S	✓	✓					
	NEC and NSC/DC participant	✓	✓			✓		
	Alternate Governor for Development Banks				✓			

Notes: NSS = *National Security Strategy*; S = Secretary of State; EB = Bureau for Economics and Business; MPP = *Mission Performance Plan*; BPP = *Bureau Performance Plan*; NEC = National Economic Council; NSC/DC = National Security Council Deputies Committee.

Strategy Development. E reviews and provides comments on the *National Security Strategy* (NSS) and advises the Secretary on political and economic strategic issues. E influences the development of U.S. strategy on political and economic issues as a substitute for the Secretary on the National Economic Council and as a State Department representative on the NSC/DC.

Policy, Guidance, and Regulation. E influences the development of policy as an advisor to S, as a participant on the NSC/DC and NEC, by clearing memoranda and papers originating from the Economics and Business Bureau, by coordinating State-wide activities on economic issues, through its participation in the interagency review of sanctions policy, and, when needed, influencing the application of sanctions.

Planning. E is involved in planning by reviewing *Mission Performance Plans* (MPPs) and *Bureau Performance Plans* (BPPs) and participating in the annual Bureaus' presentations of BPPs to the Secretary. E also participates in interagency planning for the reconstruction of

Kosovo and coordinates U.S. participation in the multinational economic recovery efforts for the Balkan region.

Mission Execution. E represents the State Department and U.S. Government at international economic meetings.

Observation, Orientation, Oversight. E chairs weekly meetings of Assistant Secretaries and Deputy Assistant Secretaries within the Department of State to coordinate issues that cut across the political and economic policy realms. E also coordinates with other Agencies, including the NEC staff, the U.S. Trade Representative (USTR), the Department of Commerce's International Trade Administration (ITA), the Export-Import Bank of the United States, and the Overseas Private Investment Corporation (OPIC). This coordination is primarily informal and occurs through means such as phone calls and conversations at the margins of meetings many times daily.

Preparation. E has no involvement in preparation.

Resourcing. E contributes to the formulation of the State Department's budget by reviewing MPPs and BPPs and participating in the annual Bureaus' presentations to the Secretary.

Observations

E appears to Act primarily as coordinator of political-economic policy issues within the Department and as the State Department's representative on economic policy issues within the interagency. Policy formulation and implementation for these issues, however, appears to have migrated to other Agencies of the U.S. Government, including the Treasury Department, USTR, and the NSC staff, which has the lead in the preparation of international economic meetings, such as G-8 and World Trade Organization meetings.

E has a role both in the formulation of U.S. sanctions policy, by providing advice and analysis on the domestic economic impact of applying sanctions, and in the enforcement of sanctions, when EB refers specific cases to E. Responsibility for formulation and enforcement of sanctions policy, however, appears to be widely diffused throughout the U.S. Government. There is not one clearinghouse of information within the U.S. Government for sanctions policy implementation. This may lead to confusion and duplication of labor. A sanction reform effort should address the organization of the U.S. Government for sanctions enforcement, as well as the criteria for imposing sanctions.

ORGANIZATIONAL DESCRIPTION

Under Secretary For Economic, Business, And Agricultural Affairs (E)

1. Legal Specifications, Authorizations, and Responsibilities.

A. Authorizing Statute: Section 2651a, Chapter 38, Title 22 of the U.S. Code authorizes the President to appoint “by and with the advice and consent of the Senate” up to five Under Secretaries of State.² Congress first established a permanent position for economic affairs at the Under Secretary level in 1972, when the *Foreign Relations Authorization Act* (P.L. 92-352) authorized two Under Secretary positions at the State Department to address political and economic affairs. Another Act of Congress in 1985 (P.L. 99-93) included agricultural affairs in the title of the position. On May 12, 1994, the title was changed to Under Secretary of State for Economic, Business, and Agricultural Affairs.

B. Department Directives: Section 1 FAM 042 of the U.S. Department of State’s *Foreign Affairs Manual* details E’s responsibilities.³ These are described in Paragraph 2.A. below.

C. Interagency Directives: There are no relevant interagency directives.

2. Missions/Functions/Purposes.

A. Major Responsibilities: The Under Secretary for Economic and Agricultural Affairs is the principal adviser to the Secretary (S) and Deputy Secretary (D) of State on foreign economic and commercial policy issues. 1 FAM 042 ascribes the following roles and responsibilities to E:⁴

(1) Reports directly to the Secretary of State [Key process relation: Policy, Guidance, Regulation];

(2) In the absence of the Secretary, or Deputy Secretary, serves as Acting Secretary of State [Key process relation: Strategy Development; Policy, Guidance, Regulation; Planning; Mission Execution; Observation, Orientation, Oversight; Preparation; Resourcing];

(3) Serves as the principal adviser to the Secretary and Deputy Secretary on matters of foreign economic and commercial policy. Directs formulation of and/or coordinates Department policies and positions on economic, commercial, and agricultural issues. Supervises the execution of such policy within the Department of State and represents the Department on such matters with other Agencies of the U.S. Government. In pursuing these functions, coordinates, as appropriate, with the Under Secretary for Political Affairs, the Under Secretary for Arms Control and International Security Affairs, and the Under Secretary for Global Affairs

² The Foreign Affairs Reform and Restructuring Act of 1998 (Public Law 105-277) increased the number of Under Secretaries to six, as a result of the integration into the State Department of the U.S. Agency for International Development (AID).

³ U.S. Department of State, *Foreign Affairs Manual*, at <http://foia.gov/fam/INFOR.PDF>.

⁴ The following subparagraphs are drawn from: U.S. Department of State, *Foreign Affairs Manual*, “1 FAM 042 Under Secretary for Economic, Business, and Agricultural Affairs (E).”

on matters within the areas of responsibilities of those officers [Key process relation: Policy, Guidance, and Regulation; Planning; Observation, Orientation, and Oversight; Resourcing];

(3) Assists the Secretary and the Deputy Secretary in carrying out their responsibilities in the field of economic assistance, both bilateral and multilateral [Key process relation: Policy, Guidance, and Regulation; Planning; Observation, Orientation, and Oversight; Resourcing];

(4) Undertakes assignments as requested by the Secretary and Deputy Secretary [Key process relation: Strategy Development; Policy, Guidance, Regulation; Planning; Mission Execution; Observation, Orientation, Oversight; Preparation; Resourcing];

(5) Assists the Secretary, on request, in representing the United States at international meetings, in performing other representational assignments, and in presenting the Department's position before congressional committees on economic matters [Key process relation: Mission Execution; Resourcing];

(6) Assists the Secretary, on request, in representing the Department at interdepartmental meetings including Cabinet councils, and the National Economic Council, and in providing policy advice to the Secretary on matters under consideration by these groups [Key process relation: Policy, Guidance, and Regulation; Planning; Observation, Orientation, and Oversight].

(7) Serves as alternate Governor for:

(a) The International Bank for Reconstruction and Development (IBRD);

(b) The Inter-American Development Bank (IDB);

(c) The Asian Development Bank (ADB);

(d) The African Development Bank (AFDB); and

(e) The European Bank for Reconstruction and Development (EBRD)

[Key process relation: Mission Execution].

B. Subordinate Agencies: E has management oversight over the Bureau for Economic and Business Affairs (EB) and for the Coordinator for Business Affairs (E/CBA). The latter is responsible for the State Department's relations with the U.S. business community and for coordinating U.S. programs to promote U.S. business interests abroad.⁵

C. Major Products: E's major products are advice to S on political and economic matters, policy recommendations on economic sanctions matters, coordination within the Department of State on economic and political issues.

⁵ Foreign Affairs Manual, Section 1 FAM 042.2.

3. Vision and Core Competencies.

A. Vision: There is no statement of vision for E. Under Secretary-designate Alan Larson outlined the following priorities for E in his confirmation hearing:⁶

- (1) Ensure fair treatment for American farms and business in the international marketplace.
- (2) Ensure sustained recovery from the 1998 global financial crisis.
- (3) Seek to expand global trade.
- (4) Continue to work with Congress to reform sanction policy.
- (5) Work to “build integrity and values into the global economy,” including by pressing for the implementation of the OECD Anti-Bribery Convention.⁷
- (6) Continue to open the global transportation and communication markets to U.S. business and consumers.

B. Core Competencies: There is no statement outlining E’s core competencies, however, interviews indicate that the core competencies of the organization are analysis and integration of political and economic issues.

4. Organizational Culture.

A. Values: There is no statement of values specific to E. The Department of State *Strategic Plan* articulates seven key values or “guiding principles,” for all State employees:⁸

- (1) **Impact**—defined as advancing the interests of American people domestically and overseas.
- (2) **Expertise**—in foreign language and culture, in regional and technical issues, and management ability and international experience.
- (3) **Discipline**—defined as the commitment to execute U.S. policy setting aside personal views.
- (4) **Dissent**—defined as the ability to express divergent views constructively.
- (5) **Diversity**—defined as interest in achieving a “merit-based” workforce “reflective of the American people.”

⁶ Larson, Alan. Testimony Before the Senate Foreign Relations Committee: Confirmation of Alan Larson as Under Secretary of State for Economic, Business and Agricultural Affairs, November 1, 1999.

⁷ Alan Larson Testimony before the Senate Foreign Relations Committee.

⁸ U.S. Department of State, Strategic Plan, September, 1997.

(6) Partnership—defined as commitment to integrate the different skills contributed by the Civil Service, Foreign Service, and foreign national workforce.

(7) Commitment—to preserving U.S. leadership and to the effective conduct of international relations.

B. Leadership Traditions: Political appointees have traditionally held the position of Under Secretary for Economic, Business, and Agricultural affairs. Of the 16 individuals who have held the office since 1946, only two have been career Foreign Service Officers. The current Under Secretary, the second career Foreign Service Officer to hold this position, was confirmed by the Senate in his position on November 24, 1999.

C. Staff Attributes: E staff is composed of Foreign Service and Civil Service employees and one Schedule C employee. According to one source, a number of E staffers have a background in political economy; have served as economic officers in previous State Department posts; and are from the “economic cone” of the State Department career structure. At least one current employee is a trained economist.

D. Strategy: There is no statement of strategy for E. The Acting Under Secretary identified a number of priorities during his confirmation hearing, outlined in Paragraph 3.A.

E. Organizational Structure: Figure 1 describes the Office of the Under Secretary for Economic, Business, and Agricultural Affairs.

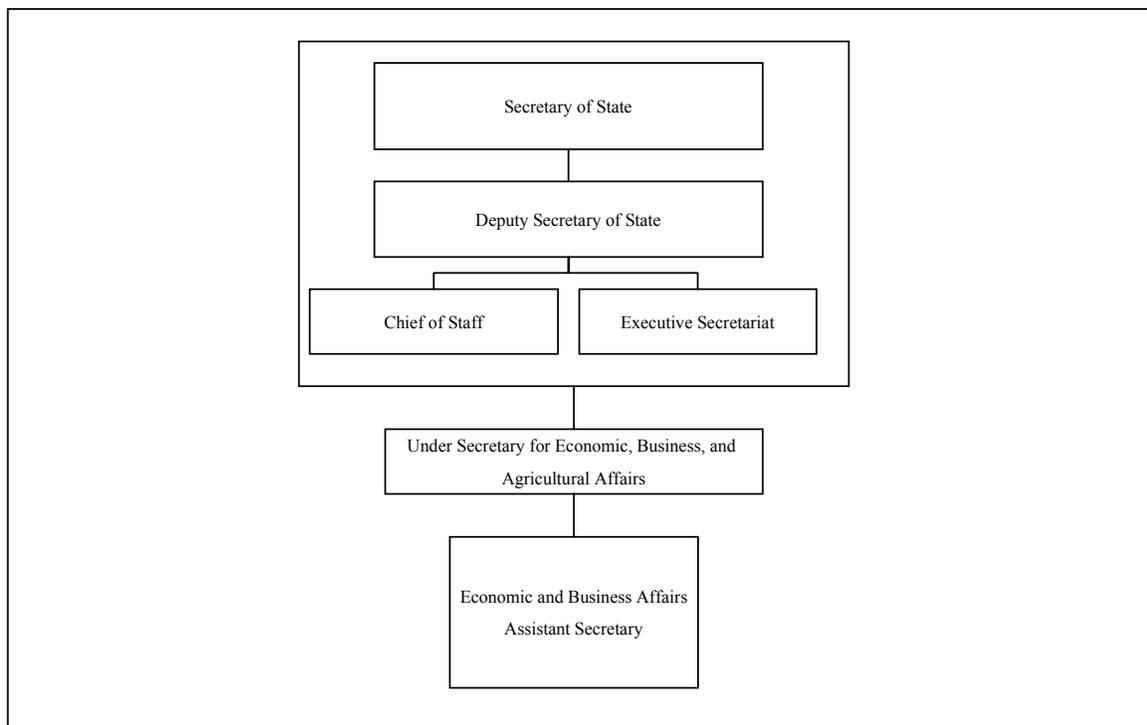


Figure 1: Organizational Structure of the Office of the Under Secretary of State for Economic, Business, and Agricultural Affairs⁹

⁹ The source for this chart is U.S. Department of State, Accountability Report for Fiscal Year 1997.

The Under Secretary for Economic, Business, and Agricultural Affairs reports directly to the Deputy Secretary and the Secretary of State. The Bureau of Economic and Business Affairs (EB), led by an Assistant Secretary of State, reports to E. (EB) “formulates and carries out U.S. foreign economic policy, integrating U.S. economic interests with our foreign policy goals.”¹⁰ (EB) oversees five offices led by Deputy Assistant Secretaries:

- (1) Energy, Sanctions and Commodities (EB/ESC);
- (2) International Communications and Information Policy (EB/CIP);
- (3) International Finance and Development (EB/IFD);
- (4) Trade Policy and Program (EB/TPP); and
- (5) Transportation Affairs (EB/TRA).

5. Formal National Security Process Involvement

		Strategy Development	Policy, Guidance, and Regulations	Planning	Mission Execution	Observation, Orientation, and Oversight	Preparation	Resourcing
Products	Comments on NSS	✓						
	Analysis and advice for S	✓	✓					
	Clearance of EB memos and papers		✓					
	State-wide coordination on economic issues		✓					
	Sanctions policy review		✓					
	Sanctions implementation coordination		✓					
	MPP and BPP review			✓				✓
	Coordination of Balkans economic recovery			✓				
	Weekly meetings with Bureaus					✓		
	Informal interagency coordination					✓		
Representation at interational meetings				✓				
Roles	Advisor to S	✓	✓					
	NEC and NSC/DC participant	✓	✓			✓		
	Alternate Governor for Development Banks				✓			

Notes: NSS = *National Security Strategy*; S = Secretary of State; EB = Bureau for Economics and Business; MPP = *Mission Performance Plan*; BPP = *Bureau Performance Plan*; NEC = National Economic Council; NSC/DC = National Security Council Deputies Committee.

¹⁰ Website of the State Department’s Bureau for Economic and Business Affairs, at <http://www.state.gov/www/issues/economic/index.html>.

A. Strategy Development:

(1) Major Activities: E staff provides comments for the State Department's input to the *National Security Strategy* (NSS), prepared by the Office of Policy Planning (see organizational description of Office of Policy Planning in this volume.) E staff also supports the Secretary's participation in NSC and NEC meetings by providing analysis and background papers. The Under Secretary participates in NSC and NEC meetings when the issue involves economic policy either as the principal representative for the State Department or in a support role to the Secretary when meetings are held in a "principal plus one" format.

(2) Stakeholders: S, NSC staff, NEC staff.

(3) Key E Processes: None.

(4) Associated Higher-Level Processes: *National Security Strategy* preparation.

(5) Associated Lower-Level Processes: None.

B. Policy, Guidance, and Regulation:

(1) Major Activities: E supports policy development as a participant in NEC meetings and NSC/DC meetings addressing economic issues. E also supports S in her NSC/PC role, occasionally attending meetings with her as the "plus one" representative. E "clears" on background papers and memoranda produced by the Economic Affairs Bureau for S, and oversees the preparation of country reports on economic and trade practices. E holds weekly meetings with regional and functional Bureaus within State to coordinate policy on issues that have political and economic aspects. Finally, E leads a State Department policy sanctions review group, known as the State Department Sanctions Team.

(a) Internal Clearance: E reviews papers, talking points, and memoranda originating from the Economics and Business Bureau and drafts a cover note to support the Bureau's submission to S. During the second Clinton Administration, the role of the regional and functional Bureaus has been strengthened so that they have direct access to the Secretary on issues of competence. Thus, E's clearance process of EB papers is primarily informal. E also supervises EB's production of annual reports on the economic policies and trade practices of countries with which the United States has a substantial trade relationship. Section 2202 of the Omnibus Trade and Competitiveness Act of 1988 (P.L. 100-418) requires the Administration to submit such annual reports to "assist members of Congress in considering legislation in the areas of trade and economic policy."¹¹

(b) State-wide Coordination on Economic Issues: E acts as the State-wide coordinator for policy issues that cut across political, economic, environmental, and other policy domains. To this end, E chairs a weekly coordinating meeting of Assistant Secretaries and Deputy Assistant Secretaries from regional and functional Bureaus, including the EB Bureau. One example of an issue thus coordinated within State is U.S. policy on genetically-modified organisms, which falls primarily within the policy responsibility of the Under Secretary

¹¹ Bureau of Economic and Business Affairs. Country Reports: Economic and Trade Practices, at http://www.state.gov/www/issues/economic/trade_reports/index.html.

for Global Affairs, but has policy implications for and receives policy input from the regional Bureau for Europe and from E because of the trade aspects of the issue.

(c) Sanctions Policy Formulation: E coordinates the State Department's position on sanctions policy and chairs the State Department Sanctions Team. The Team analyzes and offers recommendations on alternative policy options when the President is considering imposing existing or new sanctions, including by considering the likely effectiveness of sanctions in each case. E also participates in an interagency effort to reform U.S. sanctions policy. Currently, a number of different laws and Executive Orders trigger the imposition of U.S. sanctions and determine how they will be applied. The Clinton Administration launched an effort to reform the process by which the decision to impose sanctions is made. This effort was being led by former Under Secretary for Economic, Business, and Agricultural Affairs Stuart Eizenstat, who continues to lead the effort in a new capacity at the Treasury Department. The current Acting Under Secretary for Economic, Business, and Agricultural Affairs and his staff are closely involved in this effort and are the lead office for State on this issue.¹²

(d) Sanctions Policy Implementation: (See Appendix 1 for process map.)¹³ Sanctions policy is established at a political level, usually within the NSC but sometimes by the Cabinet and occasionally by the President. Among the Departments, State takes the lead role in advising on and formulating sanctions policy, but in continuous coordination with Treasury and Commerce, which enforce sanctions. Defense, Agriculture, Labor, and other Agencies advise and help formulate policy on those issues directly related to their responsibilities. There are numerous interagency working groups, both permanent and ad hoc.

Within State, E oversees EB's role in the interagency process in the design and implementation of foreign policy economic sanctions. The EB Sanctions Policy Office coordinates closely with the regional Bureaus as well as the functional Bureaus for legal affairs, counter-terrorism, narcotics, nonproliferation, consular affairs, human rights, and others.

Treasury's Office of Foreign Assets Control (OFAC) and Commerce's Bureau of Export Administration (BXA) implement and enforce U.S. sanctions. U.S. persons and entities apply to OFAC and BXA for licenses for activities that otherwise would be prohibited. When a license has foreign policy implications, OFAC and BXA forward such licenses to State's EB Sanctions Policy Office for review and advice. EB in turn consults with other interested Bureaus and advises OFAC and BXA. In cases with significant policy implications, EB drafts and clears a decision memo for E, P, or, on rare occasions, S.

(2) Stakeholders: EB, E, BXA, OFAC.

(3) Key E Processes: None.

(4) Associated Higher-Level Processes: NSC/DC meetings, NSC/PC meetings, development of sanctions legislation, release of Executive Orders establishing sanctions policy.

¹² Interview with EB staff, November 5, 1999.

¹³ The information in this paragraph is from an interview with EB staff, November 5, 1999.

(5) Associated Lower-Level Processes: Enforcement of sanctions policy.

C. Planning:

(1) Major Activities: E participates in planning and reviewing the *Mission Performance Plans* (MPPs) and *Bureau Performance Plans* (BPPs). E also participates in interagency planning for reconstruction of Kosovo and coordinates U.S. efforts relating to the U.S.-European Union (EU) economic recovery plan for the Balkan region.¹⁴

(2) Stakeholders: E, State Department Special Coordinator for Kosovo, Missions, Bureaus, EU.

(3) Key E Processes: None.

(4) Associated Higher-Level Processes: preparation of *International Affairs Strategic Plan* (IASP), International Affairs Budget formulation, President's Budget formulation.

(5) Associated Lower-Level Processes: MPP and BPP preparation.

D. Mission Execution:

(1) Major Activities: E represents the Secretary at international meetings and presents the Department's position at Congressional hearings.¹⁵ E acts as alternate Governor for the international financial institutions: IBRD, IDB, ADB, AFDB, EBRD.¹⁶

(2) Stakeholders: S, E, EB, other State Department Bureaus, IBRD, IDB, ADB, AFDB, EBRD.

(3) Key E Processes: None.

(4) Associated Higher-Level Processes: Meetings of international financial institutions.

(5) Associated Lower-Level Processes: None.

E. Observation, Orientation, Oversight:

(1) Major Activities: E chairs weekly meetings with Assistant Secretaries and Deputy Assistant Secretaries from regional and functional Bureaus across the Department to coordinate issues that cut across the political and economic realm. E also coordinates on economic issues at the interagency level by participating in NEC meetings or by supporting the Secretary's participation in the NEC. E provides feedback to EB in the preparation of its BPP and participates in the Secretary's annual review of BPPs. Finally, E routinely shares information with counterparts at the Office of the U.S. Trade Representative (USTR), the

¹⁴ Interview with E staff, November 2, 1999.

¹⁵ 1 FAM 042.

¹⁶ 1 FAM 042.

Department of Commerce's International Trade Administration (ITA), the Export-Import Bank of the United States, and the Overseas Private Investment Corporation (OPIC). This information-sharing is primarily informal and relies on an unofficial network of contacts set up by officials from these organizations.¹⁷

(2) Stakeholders: E, EB, NEC, S, USTR, ITA, OPIC, Ex-Im Bank.

(3) Key E Processes: Weekly meetings of Assistant and Deputy Assistant Secretaries.

(4) Associated Higher-Level Processes: IASP preparation, International Affairs Budget formulation, President's Budget formulation.

(5) Associated Lower-Level Processes: MPP and BPP preparation.

F. Preparation: None.

G. Resourcing:

(1) Major Activities: E reviews MPPs and BPPs and participates in the annual presentations of the Bureau's BPPs to the Secretary.

The MPP and BPP process is depicted in Appendix 2. MPPs are strategic documents prepared by staff of U.S. Diplomatic Missions abroad under the direction of the Chief of Mission. The MPP sets priorities for the work of the Mission in the year ahead, identifies the resource needs of the Mission, and provides information about the international activities of all U.S. Government Agencies represented at the Mission. BPPs are prepared by the Bureaus. They are based on MPPs but are broader in scope, as they translate the Mission plans into regional goals for the Department. MPPs and BPPs serve as the basis for assembling State's program request for the Function 150 budget category. Both documents also are utilized by the Office of Resources, Plans, and Policy (S/RPP) within the Office of the Secretary of State to evaluate the disposition of assets and allocated resources when a crisis or emergency requires a reallocation of funds.

Missions begin assembling MPPs in the fall and typically forward them to the Bureaus in February. Beginning in February, the Bureaus analyze the information received from all the Missions within their region of competence and prepare BPPs. Bureaus use BPPs to justify budget requests for the fiscal year ahead in yearly presentations to the Secretary of State, which typically occur in July. These sessions include E as well as staffers from the Office of Management and Budget (OMB). Bureaus revise their BPPs based on the feedback from these presentations and S/RPP works during the fall to prepare State's program request for the Function 150 budget submission.¹⁸

(2) Stakeholders: E, EB, Bureaus and Missions, S, S/RPP.

¹⁷ Interview with E staff, November 2, 1999.

¹⁸ The Office of the Under Secretary of State for Management (M) prepares a request for State's operating funds as part of the Function 150 budget submission. According to our sources, the two processes are separate and MPPs are not used in the preparation of the operating funds budget request.

(3) Key E Processes: None.

(4) Associated Higher-Level Processes: development of IASP, Function 150 budget preparation, President's Budget preparation.

(5) Associated Lower-Level Processes: MPP and BPP preparation.

6. Informal National Security Process Involvement.

E and E staff routinely coordinate with USTR, ITA, OPIC, NEC and NSC staff, and Ex-Im Bank. According to sources, this coordination occurs many times daily as principals or their staff exchange phone calls and meet at the margins of NEC or other meetings.¹⁹ According to sources, officials of the State Department and other Agencies who have worked on economic issues in various capacities within their Agencies have formed professional relationships over time that underpin and facilitate this coordination.²⁰

7. Funding and Personnel.

A. Authorization and Appropriations: Relevant authorizing committees for the Department of State and E are the House International Relations Committee and the Senate Foreign Relations Committee.²¹ Relevant appropriating committees are the House and Senate Subcommittees on Commerce, State, and the Judiciary. The House and Senate Appropriations Subcommittee on Foreign Operations, Agriculture and Rural Development, and Labor, Health, and Human Services and Education appropriate additional funds for international affairs programs and activities carried out by State as well as other U.S. Government departments and Agencies and some international organizations.

B. Funding Sources: E is funded through the Diplomatic and Consular Programs appropriations in the International Affairs section of the Federal Budget, also known as Function 150.

C. Budget: The FY 2000 budget request for the Diplomatic and Consular Programs category, which includes funding for E is \$2.6 billion. This category includes funding for all State Department salaries, operating expenses, and infrastructure in Washington and at diplomatic and consular posts worldwide. Of this sum, \$208,296,000 is allocated for activities related to "Policy Formulation and Executive Direction," a category which includes the work of the Secretary, the Deputy Secretary, the Under Secretaries, the Assistant Secretaries and other Bureau heads, the Chiefs of Diplomatic Missions and their staffs.²² More specific budget information for the E office was not available.

¹⁹ Interview with E staff, November 2, 1999.

²⁰ Interview with E staff, November 2, 1999.

²¹ Congress has not passed authorizing legislation for international affairs Agencies and programs since 1994, when HR 2333, The Foreign Relations Authorization Act for Fiscal Years 1994 and 1995, was signed into law (P.L.103-236). Authorization for State programs and activities has thus occurred through the passage of yearly appropriations legislation.

²² Office of Finance and Management Planning, "Budget in Brief," U.S. Department of State, Washington, DC, February 1, 1999, <http://www.state.gov/www/budget/2000/00stateprog1.html>

D. Manpower: The office of the Under Secretary for Economic, Business, and Agricultural Affairs includes a total of 12 individuals including the Under Secretary and support staff. Professional staff is drawn from the Foreign Service and the Civil Service employees and is augmented by one Schedule C employee.

8. Observations.

A. Sanctions Policy Coordination: One of E's key inputs to national security comes in making recommendations on sanctions policy. E is supported in this role by the office of Economics and Sanctions policy within the Bureau of Economics and Business Affairs. Sources indicated that the Team is sometimes by-passed in the interagency process. According to a source, the NSC staff at least on one occasion has convened a meeting to consider the implementation of sanctions without consulting the Team, which had already crafted recommendations on that same issue, or notifying it of the interagency deliberations.²³ According to a source, the Team's analysis was bypassed even though the NSC staff-led deliberations included two senior State Department officials, one of whom is a member of the Team.

Sanctions policy implementation appears to be the domain of a number of different U.S. Government Agencies, depending on the type of sanction being imposed, the product or service in question, or the country of destination. There is not one clearinghouse within the U.S. Government for sanctions policy implementation. This may lead to confusion and duplication of labor. A sanction reform effort should address the procedural aspects of implementing/enforcing sanctions, as well as the criteria for imposing sanctions.

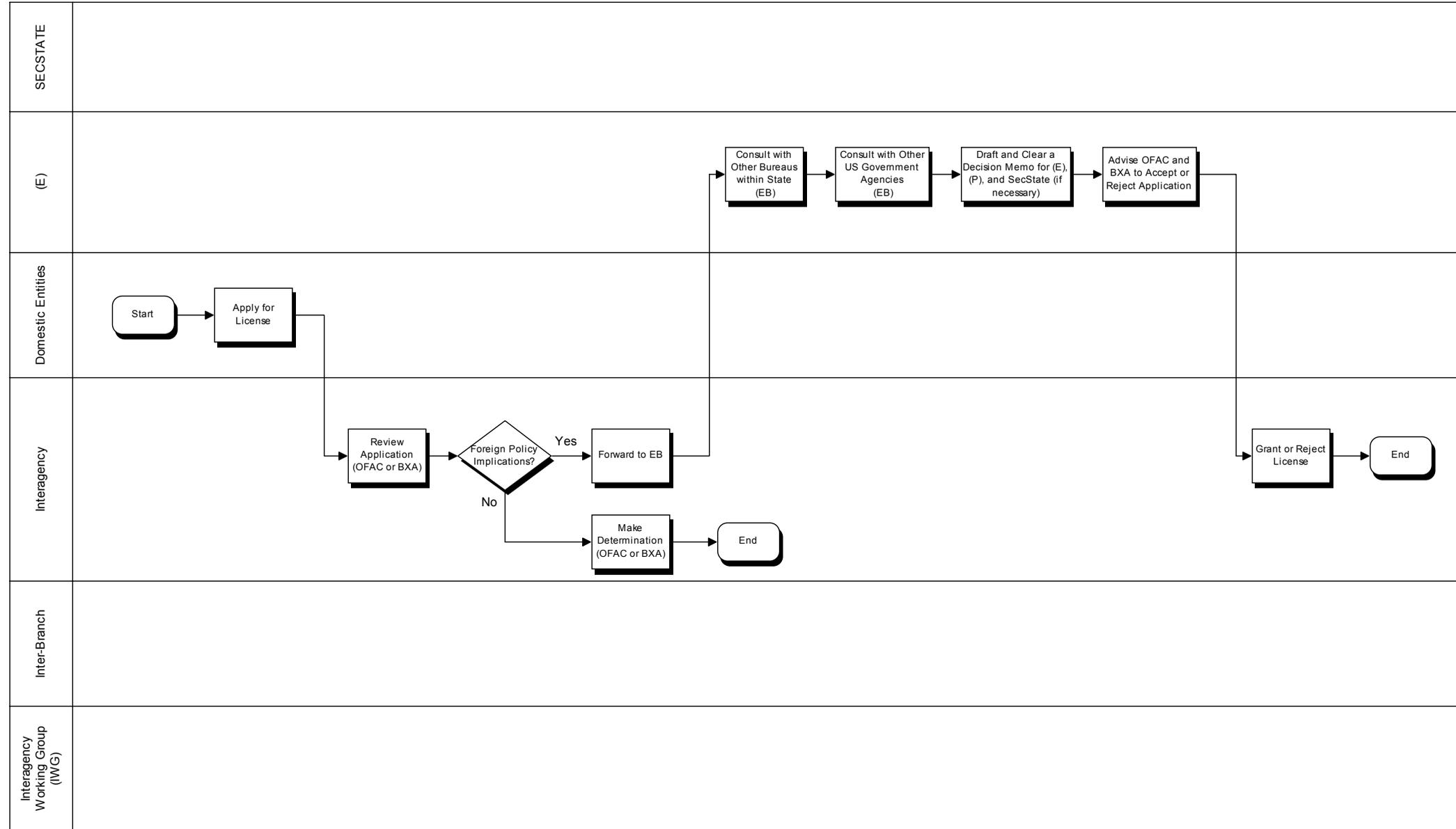
B. Many E functions have migrated outside the Department: E appears to Act primarily as coordinator of political-economic policy issues within the Department and as the State Department representative on economic policy issues within the interagency. Policy formulation and implementation for these issues, however, appears to reside primarily with other Agencies of the U.S. Government, including the Treasury Department, USTR, and the NSC staff, which has the lead in the preparation of international economic meetings, such as G-8 and World Trade Organization meetings.²⁴

²³ Interview with U.S. Government official.

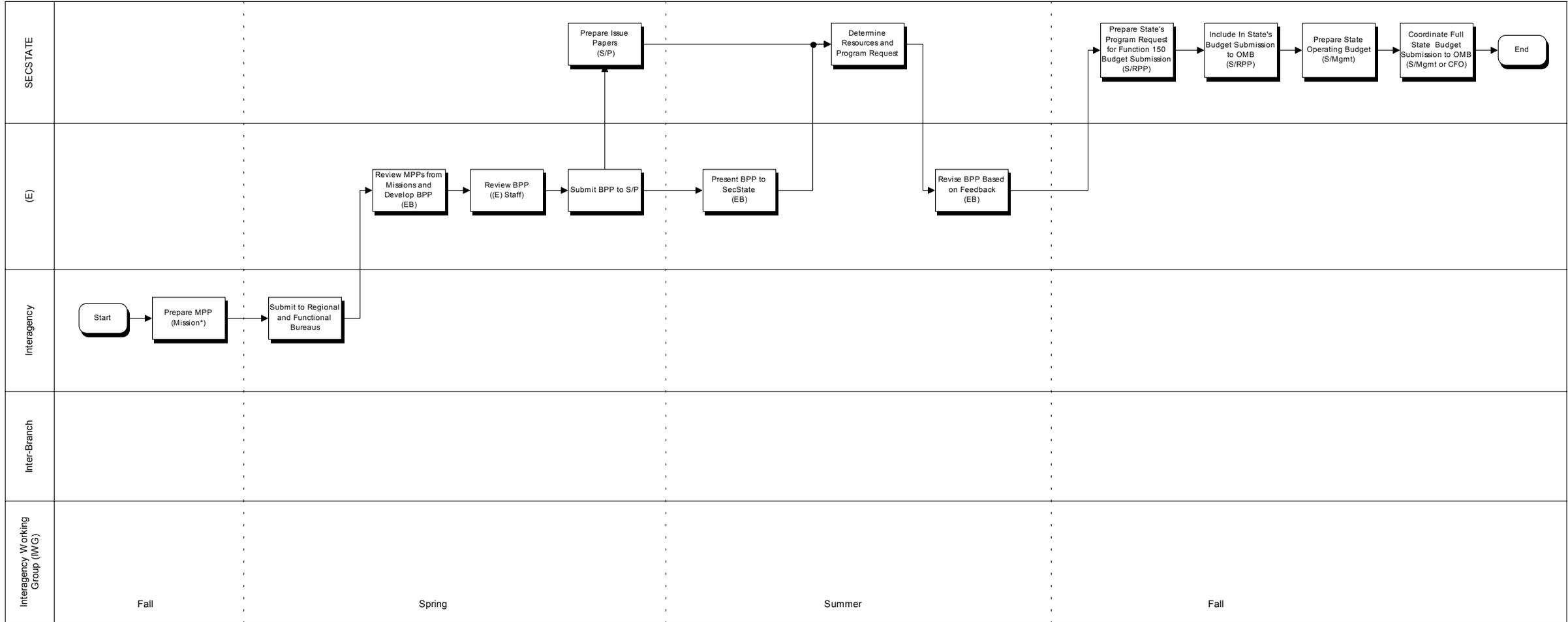
²⁴ Interview with E staff, November 2, 1999.

APPENDICES

DoS(E) - Key Process - (Formal) - Policy, Guidance and Regulation – Economic Sanctions Policy Implementation



DoS(E) - Key Process - (Formal) - Planning - MPP and BPP Evaluation and Integration: Function 150



* Includes representatives from other agencies within the mission

BPP - Bureau Performance Plan
 CFO - Chief Financial Officer
 EB - Bureau of Economic and Business Affairs
 MPP - Mission Performance Plan
 OMB - Office of Management & Budget
 S/Mgmt - Office of the Secretary, Management
 S/RPP - Office of the Secretary, Resources, Plans, and Policy

ORGANIZATIONAL DESCRIPTION

UNDER SECRETARY FOR ARMS CONTROL AND INTERNATIONAL SECURITY (T)



Prepared for the U.S. Commission on National Security/21st Century

EXECUTIVE SUMMARY

Under Secretary of State for Arms Control and International Security (T)

Overview

The Under Secretary of State for Arms Control and International Security (T) is a statutory position created in 1998 by the *Foreign Affairs Reform and Restructuring Act* (Public Law 105-277). The Act disestablished the U.S. Arms Control and Disarmament Agency (ACDA) as of March 28, 1999 and integrated its key arms control and nonproliferation functions under a previous Under Secretary of State for Arms Control and International Security Affairs. The resulting organization is responsible for arms control, nonproliferation, and political-military policy in the Department of State. The law also designates the Under Secretary as the Senior Adviser to the President and Secretary of State (S) on arms control, nonproliferation, and disarmament. By delegation of S, T is also responsible for determining whether nonproliferation sanctions should be applied in cases of suspected chemical and biological weapons and missile technology proliferation. T's core competencies are analysis and coordination of arms control, nonproliferation, and political-military issues and integration of these issues with regional and global foreign policy interests.

Organization

T is led by a political appointee who now serves in an acting capacity while the Senate considers his confirmation. T reports directly to the Deputy Secretary and S. Three Bureaus report to T: the Bureau for Arms Control, the Bureau for Nonproliferation, and the Bureau of Political-Military Affairs (PM). The Bureau for Arms Control is responsible for coordinating arms control policy on conventional, chemical, biological, and strategic weapons, and for verification and treaty compliance issues. It supports negotiating and interagency efforts in these areas. The Bureau for Nonproliferation is responsible for nonproliferation policy in the area of nuclear, chemical, biological, and conventional weapons, and ballistic missiles. It also oversees policy to ensure the safety and security of nuclear materials worldwide. PM coordinates policy relating to security assistance, arms transfers, export controls on defense items, critical infrastructure protection, crisis management, peacekeeping, and contingency planning. It shares responsibility for managing State's participation in the interagency process for complex contingency planning (PDD 56 process) with the Office of Policy Planning.

T's immediate office consists of an Executive Assistant, a number of senior and special advisors, and special assistants, who coordinate policy issues with the Bureaus under T. The law specifies T's immediate office may include 15 individuals, although the number is currently estimated at 26, as a result of the continuing transition of issues and personnel from ACDA to T. T staff includes Foreign Service Officers as well as some former ACDA employees.

Major Organizational Products

T's primary products are advice to the President and S on arms control, nonproliferation, and political-military issues. T oversees State's input to interagency contingency planning for complex operations. T oversees the preparation of guidance to U.S. delegations to arms control and nonproliferation forums. Finally, T makes recommendations on the implementation of nonproliferation sanctions.

Role in Formal and Informal National Security Processes

T's involvement in national security is illustrated in the matrix below.

		Strategy Development	Policy, Guidance, and Regulations	Planning	Mission Execution	Observation, Orientation, and Oversight	Preparation	Resourcing
Products	Comments on NSS	✓						
	Guidance to U.S. delegations to arms control and nonproliferation talks		✓					
	Nonproliferation Sanctions Policy		✓					
	Coordination at Weekly Under Secretaries Meetings		✓			✓		
	Comments on MPPs and BPPs			✓		✓		✓
	Oversight of pol-mil plan preparation (PDD 56 process)			✓	✓			
	Representation at international meetings and conferences				✓			
Roles	Advisor to S	✓	✓	✓				✓
	Senior Adviser to the President and Secretary of State for Arms Control, Nonproliferation, and Disarmament	✓	✓	✓				

Notes: NSS = *National Security Strategy*; MPP = *Mission Performance Plan*; BPP = *Bureau Performance Plan*; S = Secretary of State.

Strategy Development. T reviews and provides input to the *National Security Strategy* (NSS) and advises S and the President on arms control, nonproliferation, and disarmament issues.

Policy, Guidance, and Regulation. T oversees the preparation of policy guidance to U.S. delegations to arms control and nonproliferation forums. It provides recommendations to S and the President on whether to impose sanctions against countries and entities suspected of proliferating nuclear, chemical, and biological weapons, and ballistic missile technology. T also coordinates agendas and schedules with other Under Secretaries at the weekly meetings chaired by the Deputy Secretary of State. Finally, it supports S and the President on arms control and nonproliferation issues, participating in relevant National Security Council (NSC) meetings.

Planning. T oversees the preparation of *Bureau Performance Plans* (BPPs) for the Bureaus that report to it. It provides comments on relevant *Mission Performance Plans* (MPPs)

and BPPs and participates in the annual BPP presentations to S. T also oversees PM's participation in the interagency planning process for complex contingencies (PDD 56 process). T is also involved in planning issues in his capacity as an advisor to S and the President.

Mission Execution. T is involved in mission execution to the extent that it oversees PM's input to the PDD 56 process. T also participates in international negotiations, conferences, and meetings.

Observation, Orientation, Oversight. T exercises oversight in its review of MPPs and BPPs and in its participation in the Weekly Under Secretaries Meetings.

Preparation. T is not involved in preparation.

Resourcing. T is involved in the preparation of the International Affairs Budget to the extent that it participates in S's annual review of BPPs, which form the basis for the State Department's program request. T also provides advice to S on management issues.

Observations

With the integration of ACDA into the Department of State, T has absorbed additional personnel and resources. ACDA's integration does not materially increase T's authority over arms control and nonproliferation issues because ACDA closely coordinated policy issues with T, which it perceived as having the ear of S to the extent that the ACDA Director did not. In addition, even before integration, T provided day-to-day support to S and the White House on arms control policy questions, as relevant talking points and other supporting materials were sent to the principals from T. Until ACDA's integration, however, the State Department had far fewer resources to address arms control and nonproliferation issues than the Department of Defense (DoD) and the Department of Energy (DoE). The integration should therefore improve T's ability to coordinate these issues with respect to its counterparts in other Agencies.

ORGANIZATIONAL DESCRIPTION

Under Secretary Of State For Arms Control And International Security (T)¹

1. Legal Specifications, Authorizations, and Responsibilities.

A. Authorizing Statute: Section 2651a, Chapter 38, Title 22 of the U.S. Code authorizes the President to appoint “by and with the advice and consent of the Senate” up to five Under Secretaries of State. The Foreign Affairs Reform and Restructuring Act increased the number of Under Secretaries to six and established two new titles: Under Secretary for Arms Control and International Security and Under Secretary for Public Diplomacy and Public Affairs.²

B. Department Directives: Section 1 FAM 043 of the *Foreign Affairs Manual* describes T’s responsibilities. These are detailed in Paragraph 2.A. below.

C. Interagency Directives: Presidential Decision Directive (PDD) 2 and PDD 56 describe the organization of the National Security Council for interagency coordination and national security policy formulation. (PDD 2 and PDD 56 are described in the overarching process section of this report.) The Foreign Affairs Reform and Restructuring Act specifies T “may attend and participate in meetings of the National Security Council in his role as Senior Adviser” to the Secretary of State.

2. Missions/Functions/Purposes.

A. Major Responsibilities: T is responsible for arms control, nonproliferation, and political-military affairs. T serves as the Senior Adviser to the President and Secretary of State (S) on arms control, nonproliferation, and disarmament.³ T participates in NSC meetings on these subjects.⁴ T is also the delegated authority for nonproliferation sanctions policy.⁵ 1 FAM 043 assigns the following specific responsibilities to T:⁶

(1) Reports directly to S [Key process relation: Policy, Guidance, and Regulation].

¹ The Foreign Affairs Reform and Restructuring Act of 1998 (P.L. 105-277) disestablished the U.S. Arms Control and Disarmament Agency (ACDA) as of March 28, 1999 and integrated its functions into the Department of State under a newly created Under Secretary for Arms Control and International Security (T). As part of this reorganization, certain existing State Department functions were merged with ACDA functions. This paper describes the organization, mission, and functions of the resulting structures.

² Reorganization Plan and Report, Submitted by President Clinton to the Congress on December 30, 1998, Pursuant to Section 1601 of the Foreign Affairs Reform and Restructuring Act of 1998, as Contained in Public Law 105-277.

³ Reorganization Plan and Report.

⁴ Website of the Under Secretary for Arms Control and International Security, at <http://www.acda.gov>.

⁵ According to a State Department official interviewed, the President has delegated to the Secretary of State the authority to determine whether sanctions should be applied in suspected cases of proliferation of chemical and biological weapons and missile technology. The Secretary of State has in turn delegated her authority on this issue to T. The Secretary of State retains sanctions authority for cases of suspected lethal military assistance.

⁶ The following subparagraphs are drawn from 1 FAM 043 “Under Secretary for Arms Control and International Security,” U.S. Department of State, Foreign Affairs Manual.

(2) Serves as Acting Secretary in the absence of the Secretary and Deputy Secretary [Key process relation: Strategy Development; Policy, Guidance, and Regulation; Planning; Mission Execution; Observation, Orientation, and Oversight; Preparation; Resourcing].

(3) Directs and coordinates arms control policy for the Department. Directs the negotiation and implementation of arms control agreements with foreign countries and oversees related diplomatic efforts [Key process relation: Policy, Guidance, and Regulation; Planning; Mission Execution; Observation, Orientation, and Oversight].

(4) Directs and coordinates nonproliferation policy for the Department, including missile, nuclear, chemical, biological and conventional weapons proliferation. By statute, coordinates diplomatic efforts to obtain the agreement of all appropriate countries to the Missile Technology Control Regime and coordinates policies within the U.S. on strategies for restricting the export of components of missiles capable of delivering weapons of mass destruction. By delegation, exercises various authorities relating to the imposition of proliferation sanctions on foreign persons and countries as required by U.S. law. Directs the negotiation of agreements with foreign countries to implement U.S. non-proliferation policies. Oversees and provides policy guidance for use of the Nonproliferation and Disarmament Fund [Key process relation: Policy, Guidance, and Regulation; Planning; Mission Execution; Observation, Orientation, and Oversight].

(5) Directs and coordinates export control policy for the Department. By delegation, regulates the export and temporary import of defense articles and services under the *Arms Export Control Act* (including the issuance, revocation, or suspension of export licenses and related regulations) and determines which articles shall be deemed to be defense articles. By delegation, reviews, formulates policy with respect to, and reports as appropriate, unauthorized arms transfers or substantial violations of applicable military assistance agreements [Key process relation: Policy, Guidance, and Regulation; Planning; Mission Execution; Observation, Orientation, and Oversight].

(6) By delegation, provides policy direction and coordination of selected foreign assistance programs (Economic Support Funds, military assistance, including excess defense articles, and foreign military sales and loan programs). This includes responsibility for the continuous supervision and general direction of all such programs to insure effective integration with each other and with economic assistance programs both at home and abroad. In the exercise of this responsibility, the Under Secretary shall:

(a) Ensure that all such assistance programs are planned, developed, and implemented in furtherance of U.S. foreign policy and national security objectives;

(b) Direct a continuing system of planning and coordination of assistance programs in order to effect the fullest degree of integration in furtherance of the objectives of these programs;

(c) Direct the development of an integrated presentation of such assistance programs; and

(d) Determine whether there shall be such an assistance program in a certain country, and if so, the value thereof [Key process relation: Policy, Guidance, and Regulation; Mission Execution; Planning; Observation, Orientation, and Oversight; Resourcing].

(7) Assists the Secretary in representing the United States at international meetings, in performing other representational assignments, and in presenting the Department's position before Congressional committees [Key process relation: Mission Execution; Resourcing].

(8) Undertakes other additional duties as may be requested by the Secretary or the Deputy Secretary [Key process relation: Strategy Development; Policy, Guidance, and Regulation; Planning; Mission Execution; Observation, Orientation, and Oversight; Preparation; Resourcing].

B. Subordinate Agencies: T has management oversight over three Bureaus:⁷

- (1) The Bureau for Arms Control;
- (2) The Bureau for Nonproliferation;
- (3) The Bureau of Political-Military Affairs (PM).

C. Major Products: The primary outputs of T and the Bureaus it oversees are policy advice to the Secretary of State and the President and guidance to U.S. delegations to arms control and nonproliferation forums. T also makes policy recommendations and decisions relating to the application of nonproliferation sanctions.

3. Vision and Core Competencies.

A. Vision: There is no statement of vision specific to T.

B. Core Competencies: There is no statement of core competencies for T. A review of T's responsibilities suggests that its core competencies are analysis and coordination of arms control, nonproliferation, and political-military issues, and integration of these issues with regional and global foreign policy interests.

4. Organizational Culture.

A. Values: There is no statement of values specific to T. The Department of State *Strategic Plan* articulates seven key values or "guiding principles," for all State employees:⁸

(1) **Impact**—defined as advancing the interests of American people domestically and overseas.

⁷ Reorganization Plan and Report.

⁸ U.S. Department of State, Strategic Plan, September 1997.

(2) **Expertise**—in foreign language and culture, in regional and technical issues, and management ability and international experience.

(3) **Discipline**—defined as the commitment to execute U.S. policy setting aside personal views.

(4) **Dissent**—defined as the ability to express divergent views constructively.

(5) **Diversity**—defined as interest in achieving a “merit-based” workforce “reflective of the American people.”

(6) **Partnership**—defined as commitment to integrate the different skills contributed by the Civil Service, Foreign Service, and foreign national workforce.

(7) **Commitment**—to preserving U.S. leadership and to the effective conduct of international relations.

B. Leadership Traditions: The Under Secretary for Arms Control and International Security, although a new designation with new responsibilities previously assigned to ACDA, assumes many of the responsibilities of a pre-existing Under Secretary of State position. The latter was established in 1971 by the *Foreign Assistance Act* to coordinate U.S. security assistance programs and designated an Under Secretary for International Security.⁹ The first Clinton Administration directed that the title of the position be changed to Under Secretary for Arms Control and International Security Affairs to reflect the Administration’s focus on nonproliferation initiatives.¹⁰

Since its creation in 1971, the Under Secretary position has been held most often by appointees of the Administration. Of the 11 Under Secretaries, two have been career Foreign Service Officers. The position is now being filled in an acting capacity by the former Director of ACDA, who now serves as the Secretary’s Senior Adviser for Arms Control and International Security while the Senate considers his confirmation to the Under Secretary slot.

C. Staff Attributes: T is led by a political appointee who now serves in an acting capacity while the Senate considers his confirmation. T reports directly to the Deputy Secretary and S. T’s immediate office consists of an Executive Assistant, a number of senior and special advisors, and special assistants, who coordinate policy issues with the Bureaus under T. The law specifies T’s immediate office may include 15 individuals, although the number is currently estimated at 26, as a result of the continuing transition of issues and personnel from ACDA to T. T staff includes Foreign Service Officers as well as some former ACDA employees.

D. Strategy: There is no statement of strategy specific to T.

⁹ U.S. State Department website, “Under Secretary for Arms Control and International Security Affairs,” at http://www.state.gov/www/about_state/history/officers/usecarms.html#creation.

¹⁰ Secretary of State Warren Christopher, “Message to State Department Employees and Implementation Directive on Reorganization,” Washington, D.C.: U.S. Department of State, February 5, 1993.

E. Organizational Structure:

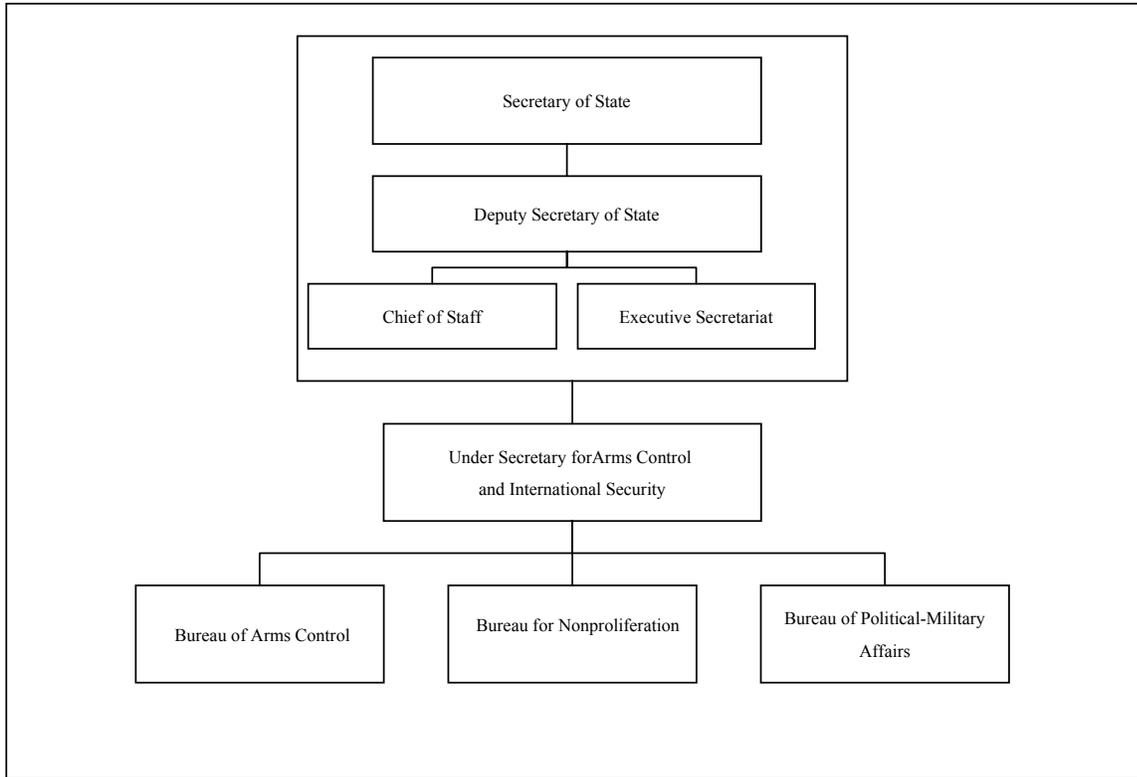


Figure 1: Under Secretary for Arms Control and International Security¹¹

The Under Secretary reports directly to the Deputy Secretary and Secretary. Three Bureaus report to T and divide the operational management of the issues in T's portfolio:

(1) The Bureau of Arms Control: This Bureau is responsible for international arms control agreements for conventional, chemical and biological and strategic forces, for verification efforts and for treaty compliance. The Bureau also supports negotiating efforts, policy-making, and interagency work in these areas.¹²

(2) The Bureau for Nonproliferation: This Bureau leads efforts to prevent the spread of nuclear, chemical, biological and conventional weapons, and their means of delivery. It is also responsible for U.S. efforts to secure nuclear materials in the former Soviet Union and to support the protection of nuclear materials around the world.¹³

(3) The Bureau of Political-Military Affairs: This Bureau is responsible for policy coordination and implementation for issues relating to security assistance, arms transfer, defense

¹¹ The current U.S. State Department organization chart does not reflect the addition of T. The sources for this chart are: U.S. Department of State, "Accountability Report for Fiscal Year 1997," and [Reorganization Plan](#).

¹² [Reorganization Plan](#).

¹³ [Reorganization Plan](#).

trade controls, cooperation in critical infrastructure protection, contingency planning, crisis management, and peacekeeping.¹⁴

		Strategy Development	Policy, Guidance, and Regulations	Planning	Mission Execution	Observation, Orientation, and Oversight	Preparation	Resourcing
Products	Comments on NSS	✓						
	Guidance to U.S. delegations to arms control and nonproliferation talks		✓					
	Nonproliferation Sanctions Policy		✓					
	Coordination at Weekly Under Secretaries Meetings		✓			✓		
	Comments on MPPs and BPPs			✓		✓		✓
	Oversight of pol-mil plan preparation (PDD 56 process)			✓	✓			
	Representation at international meetings and conferences				✓			
Roles	Advisor to S	✓	✓	✓				✓
	Senior Adviser to the President and Secretary of State for Arms Control, Nonproliferation, and Disarmament	✓	✓	✓				

Notes: NSS = *National Security Strategy*; MPP = *Mission Performance Plan*; BPP = *Bureau Performance Plan*; S = Secretary of State.

5. Formal National Security Process Involvement.

A. Strategy Development:

(1) Major Activities: T reviews and provides comments on the *National Security Strategy* (NSS.) The State Department’s Office of Policy Planning (S/P) coordinates all State Department inputs to the *National Security Strategy*.

(2) Stakeholders: T, S/P, Secretary of State, NSC Staff, Department of Defense, other U.S. Government Agencies with national security role.

(3) Key T Processes: None.

(4) Associated Higher-Level Processes: None.

(5) Associated Lower-Level Processes: None.

¹⁴ Reorganization Plan.

B. Policy, Guidance, Regulation:

(1) Major Activities: T participates in the weekly meetings of Under Secretaries of State, led by D, at which participants coordinate agendas and schedules. The Bureaus supervised by T provide guidance to negotiators in various arms control and nonproliferation forums. T is also the delegated authority for nonproliferation sanctions policy.

(a) Weekly Under Secretaries Meetings: This process is illustrated in Appendix 1. T participates in weekly meetings of State Department Under Secretaries, which are chaired by the Deputy Secretary, or by the Under Secretary for Political Affairs (P) in D's absence. When meeting in this format, the Under Secretaries function as a Corporate Board for the Department.¹⁵ The purpose of these meetings is to coordinate issues for which Under Secretaries have responsibility, to apprise D and S of emerging issues and to receive guidance from them, and to conduct strategic planning. In the T office, the Chief of Staff coordinates any taskings resulting from these meetings with one of the Special Assistants to T, who in turn coordinates with the relevant Bureau. The Special Assistant is responsible for ensuring that the Bureau completes the task.¹⁶

(b) Guidance to Negotiators: The Bureaus under T provide guidance to U.S. representatives at arms control negotiations and nonproliferation forums.¹⁷ Depending on the issue, either the Bureau for Arms Control or the Bureau for Nonproliferation draft the guidance, which is cleared with the regional Bureaus within State, other relevant U.S. Government Agencies, including the Office of the Secretary of Defense (OSD) and the Joint Staff, and the NSC staff, and through T to the Secretary of State. The guidance is sent to U.S. arms control delegations under the Secretary's signature.

(c) Nonproliferation Sanctions Authority: This process is illustrated in Appendix 2. As the designated authority for nonproliferation sanctions policy, T coordinates State Department views on whether sanctions should be imposed on countries suspected of proliferating missile technology and chemical and biological weapons. For each suspected proliferation case, the regional Bureau with responsibility for the suspected country and the Nonproliferation Bureau prepare papers that address whether a sanctionable activity occurred and what steps the U.S. Government should take in response. Each Bureau will consider a range of responses allowed under U.S. law, from the application of sanctions to exercising the President's waiver authority.

While the Bureaus and T are considering various policy alternatives to the issue in question, they also coordinate both formally and informally with the interagency. The formal vehicle for coordination on nonproliferation matters is the Interagency Working Group (IWG) on Nonproliferation, which includes the Department of Commerce, OSD, and the Joint Staff among others. This group was originally chaired by the NSC staff. The chair has now been shifted over to the newly-confirmed Assistant Secretary of State for Nonproliferation, who also heads the Nonproliferation Bureau.¹⁸ T and the Bureaus also coordinate informally with their counterparts

¹⁵ Reorganization Plan and Report Submitted by President Clinton to the Congress on December 30, 1998, Pursuant to Section 1601 of the Foreign Affairs Reform and Restructuring Act of 1998, As Contained in Public Law 105-277.

¹⁶ Interview with State Department official.

¹⁷ Interview with State Department official.

¹⁸ Interview with State Department official.

in other Agencies. Based on the Bureaus' recommendations and the information gathered in interagency coordination, T makes a recommendation on whether to apply sanctions.

(2) Stakeholders: T, D, other Under Secretaries of State, Bureau for Arms Control, Bureau for Nonproliferation, Regional Bureaus, OSD, Joint Staff, NSC Staff, Department of Commerce, U.S. delegations to arms control negotiation and nonproliferation forums.

(3) Key T Processes: None.

(4) Associated Higher-Level Processes: None.

(5) Associated Lower-Level Processes: Interagency working groups meetings.

C. Planning:

(1) Major Activities: T reviews and comments on relevant *Mission Performance Plans* (MPPs) and *Bureau Performance Plans* (BPPs). T also oversees the management of the PDD 56 process for the State Department, which is carried out by PM, in coordination with the Office of Policy Planning (S/P) (See the description of the Director of Policy Planning in this report.)

(a) MPP and BPP Review: (See Appendix 3 for Process Map) The MPP and BPP process is depicted in Appendix 2. MPPs are strategic documents prepared by staff of U.S. diplomatic Missions abroad under the direction of the Chief of Mission. The MPP sets priorities for the work of the Mission in the year ahead, identifies the resource needs of the Mission, and provides information about the international activities of all government Agencies represented at the Mission. BPPs are based on MPPs but are broader in scope, as they translate the Mission plans into regional goals for the Department. MPPs and BPPs serve as the basis for assembling State's program request for the Function 150 budget category. Both documents also are utilized by the Office of Resources, Plans, and Policy (S/RPP) within the Office of the Secretary of State to evaluate the disposition of assets and allocate resources when a crisis or emergency requires a reallocation of funds.

Missions begin assembling MPPs in the fall and typically forward them to the Bureaus in February. Beginning in February, the Bureaus analyze the information received from all the Missions within their region of competence and prepare BPPs. Bureaus use BPPs to justify budget requests for the fiscal year ahead in yearly presentations to the Secretary of State, which typically occur in July. These sessions include G as well as staffers from the Office of Management and Budget (OMB). Bureaus revise their BPPs based on the feedback from these presentations and S/RPP works during the fall to prepare State's program request for the Function 150 budget submission.¹⁹

(b) PDD 56 Process/Political-Military Plan Preparation: PDD 56 establishes an interagency process to develop a political-military plan to address an emerging

¹⁹ The Office of the Under Secretary of State for Management (M) prepares a request for State's operating funds as part of the Function 150 budget submission. According to our sources, the two processes are separate and MPPs are not used in the preparation of the operating funds budget request.

crisis that involves military as well as humanitarian relief/refugee aspects. PDD 56 tasks the National Security Council Deputies Committee (NSC/DC) with creating an interagency Executive Committee (ExComm) to develop the plan to address the crisis. According to sources, S/P and PM represent the State Department in the PDD 56 process. PM manages “the operational aspects” of the process for State, while S/P ensures that the assumptions on which the plan is based are correct.²⁰ These sources indicated that, although the process is still in development, aspects of it were implemented in the build-up to the international intervention in Kosovo and that PM was the interagency lead for the Kosovo planning. According to these sources, the political-military plan developed for Kosovo was shared with the Organization on Cooperation and Security in Europe (OSCE) to help it identify a role in responding to the crisis.

(2) Stakeholders: T, Bureaus, S, S/P, S/RPP, OMB, NSC staff, Ex-Comm.

(3) Key T Processes: None.

(4) Associated Higher-Level Processes: PDD 56 process, Function 150 Budget preparation.

(5) Associated Lower-Level Processes: MPP and BPP preparation.

D. Mission Execution:

(1) Major Activities: T represents the U.S. Government and the Secretary of State at international meetings and negotiations. T oversees PM’s participation in the interagency process for drafting a political-military plan for contingency operations.

(2) Stakeholders: T, PM, NSC staff, ExComm.

(3) Key T Processes: Clearance of guidance to U.S. delegations to arms control and nonproliferation forums.

(4) Associated Higher-Level Processes: NSC/DC and National Security Council Principals Committee (NSC/PC) meetings.

(5) Associated Lower-Level Processes: None.

E. Observation, Orientation, Oversight:

(1) Major Activities: Participates in the weekly meeting of Under Secretaries of State led by D. T also reviews MPPs and BPPs and participates in the annual BPP presentations to the Secretary of State.

(a) Weekly Under Secretaries Meetings: See Paragraph 5.B.(1)(a).

(b) MPP and BPP Review: See Paragraph 5.C.(1)(a).

²⁰ Interview with S/P staff, November 4, 1999.

(2) Stakeholders: T, Bureaus, U.S. Missions abroad, S, D, S/P, S/RPP, OMB.

(3) Key T Processes: None.

(4) Associated Higher-Level Processes: Function 150 Budget preparation.

(5) Associated Lower-Level Processes: MPP and BPP preparation.

F. Preparation: T is not involved in preparation.

G. Resourcing:

(1) Major Activities: T reviews relevant MPPs and BPPs and participates in the Bureaus' annual presentations of their BPPs to the Secretary. For explanation of the MPP and BPP preparation and review relationship to the International Affairs budget see Paragraph 5.C.(1)(a).

(2) Stakeholders: T, Bureaus, S, S/P, S/RPP, OMB.

(3) Key T Processes: None.

(4) Associated Higher-Level Processes: President's budget preparation.

(5) Associated Lower-Level Processes: MPP and BPP preparation.

6. Informal National Security Process Involvement.

T and the Bureaus it supervises are involved in informal coordination with other Agencies of the U.S. Government involved in arms control, nonproliferation, and political-military issues on a routine basis. During the tenure of the previous Under Secretary, T managed the interagency preparation for the weekly luncheon meetings between the Secretary of State, the Secretary of Defense, and the National Security Advisor, known as the ABC Lunches (see papers on the Office of the Secretary of State and the Under Secretary of Defense for Policy (USD(P)) for more information on the ABC Lunch process).²¹ This process is now managed by the NSC staff.

7. Funding and Personnel.

A. Authorization and Appropriations: Relevant authorizing committees for the Department of State and T are the House International Relations Committee and the Senate Foreign Relations Committee.²² Relevant appropriating committees are the House and Senate Subcommittees on Commerce, State, and the Judiciary. The House and Senate Appropriations Subcommittee on Foreign Operations, Agriculture and Rural Development, and Labor, Health, Human Services and Education appropriate additional funds for international affairs programs

²¹ Interview with State Department official.

²² Congress has not passed authorizing legislation for international affairs Agencies and programs since 1994, when HR 2333, The Foreign Relations Authorization Act for Fiscal Years 1994 and 1995, was signed into law (P.L.103-236). Authorization for State programs and activities has thus occurred through the passage of yearly appropriations legislation.

and activities carried out by State as well as other U.S. Government Departments and Agencies and some international organizations.

B. Funding Sources: T is funded through the Diplomatic and Consular Programs appropriations in the International Affairs section of the Federal Budget, also known as Function 150.

C. Budget: With the integration of ACDA into the State Department, the funds appropriated for ACDA salaries and operational expenses have been folded into the Diplomatic and Consular appropriation of the State Department program request.²³ The FY 2000 budget request for the Diplomatic and Consular Programs category, which includes funding for T is \$2.6 billion. This category includes funding for all State Department salaries, operating expenses, and infrastructure in Washington and at diplomatic and consular posts worldwide. Of this sum, \$208,296,000 is allocated for activities related to “Policy Formulation and Executive Direction,” a category that includes the work of the Secretary, the Deputy Secretary, the Under Secretaries, the Assistant Secretaries and other Bureau heads, the chiefs of diplomatic Missions and their staffs.²⁴

D. Manpower: Under the Administration’s reorganization plan for the State Department, which merged ACDA into State under T, T may have 15 full-time permanent positions.²⁵ According to a source, T staff currently numbers approximately 26, as a result of the continuing transition of issues and personnel from ACDA to T.²⁶

8. Observations.

The integration of T and ACDA does not materially increase T’s authority on arms control issues within State or the interagency. According to sources, despite ACDA’s ability to communicate directly with the Secretary of State, ACDA always coordinated with T, because T was perceived as having more immediate access to the Secretary and because it had greater access to senior officials in countries involved in arms control negotiations. In addition, before the integration, T managed the day-to-day aspects of arms control policy, including the preparation of press guidance for the Department’s top officials and support to the President on arms control issues of the day.

As a result of the integration, however, the Bureaus supervised by T control more resources in terms of funds and personnel. According to a State Department source, although T traditionally held statutory authority over arms control and nonproliferation issues in the interagency, it controlled far fewer resources than other interagency players on these issues, including the Department of Defense, the Department of Energy, and the Intelligence Community.²⁷ The integration of additional personnel and increase in the Bureau’s budgets

²³ U.S. Department of State website, “The Budget-In-Brief -- Fiscal Year 2000,” at <http://www.state.gov/www/budget/2000/00bib.pdf>

²⁴ Office of Finance and Management Planning, “Budget in Brief,” U.S. Department of State, Washington, DC, February 1, 1999, <http://www.state.gov/www/budget/2000/00stateprog1.html>

²⁵ Reorganization Plan and Report.

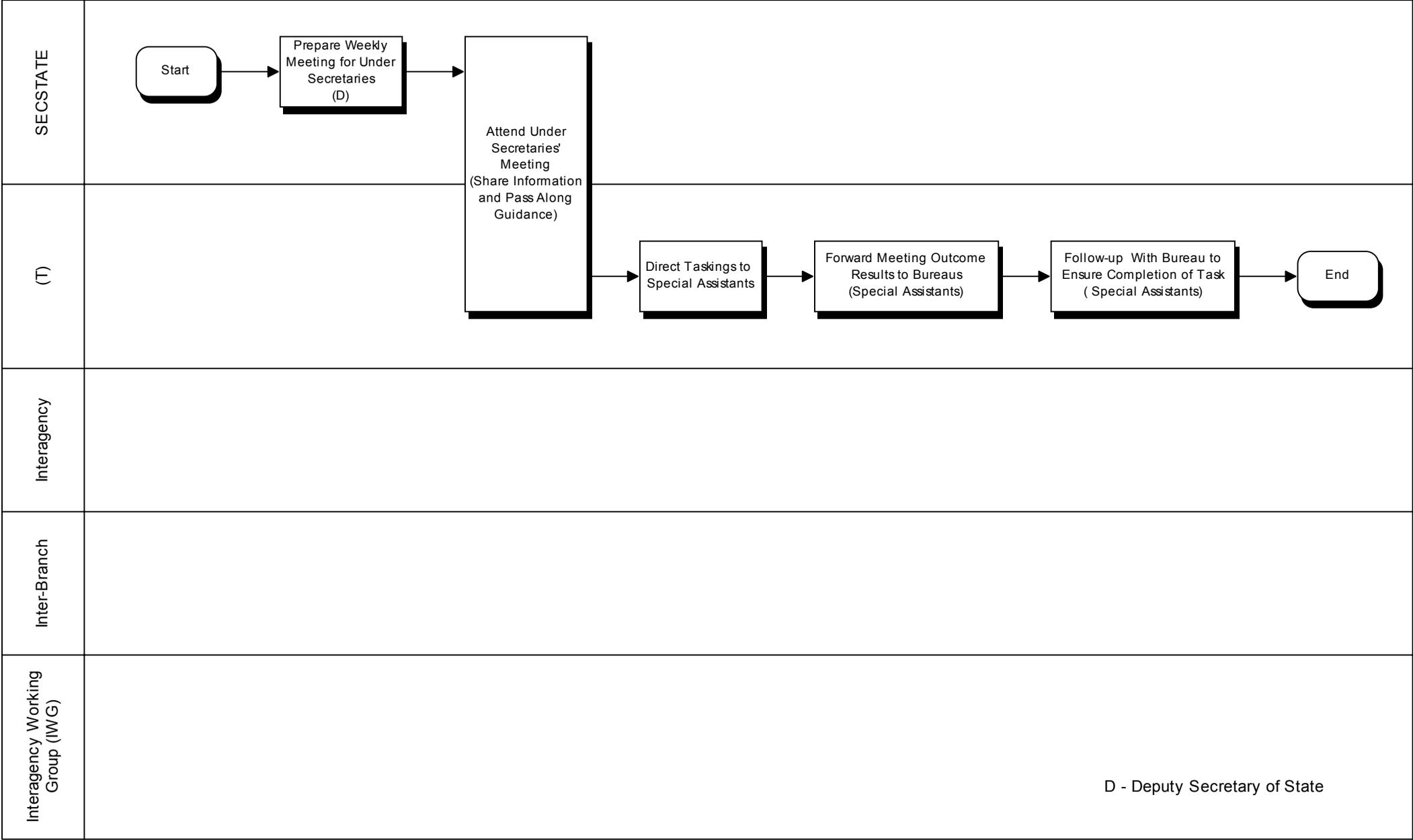
²⁶ Interview with State Department official.

²⁷ Interview with State Department official.

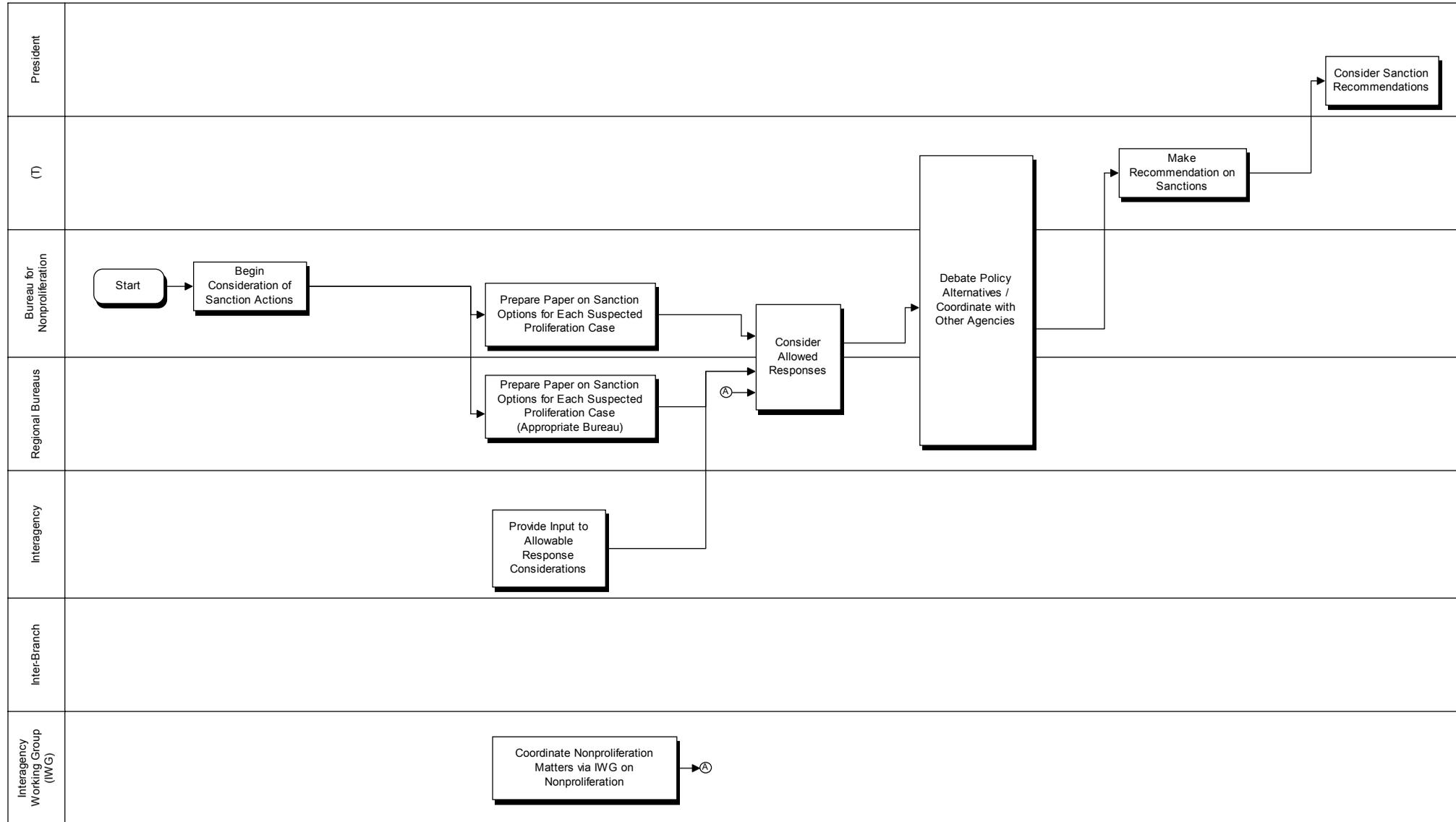
should improve T's ability to address arms control and nonproliferation issues with respect to these other players.

APPENDICES

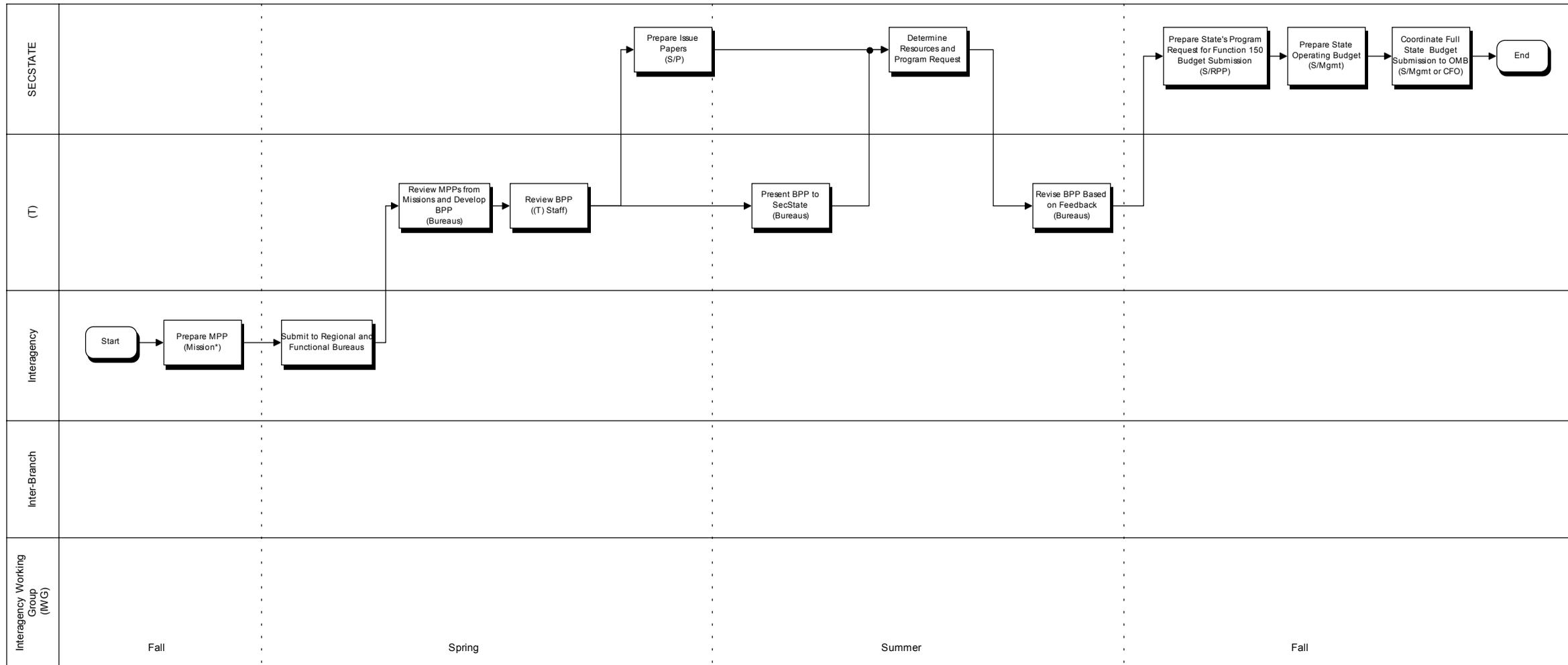
DoS(T) - Key Process - (Formal) - Policy, Guidance, and Regulation - Under Secretaries Weekly Meetings



DoS(T) - Key Process - (Formal) - Policy, Guidance, and Regulation - Nonproliferation Sanctions Authority



DoS(T) - Key Process - (Formal) - Planning - MPP and BPP Evaluation and Integration: Function 150



* Includes representatives from other agencies within the mission

BPP - Bureau Performance Plan
 CFO - Chief Financial Officer
 MPP - Mission Performance Plan
 OMB - Office of Management & Budget
 S/Mgmt - Office of the Secretary, Management
 S/P - Office of the Secretary, Policy Planning
 S/RPP - Office of the Secretary, Resources, Plans, and Policy

ORGANIZATIONAL DESCRIPTION
UNDER SECRETARY FOR GLOBAL AFFAIRS (G)



Prepared for the U.S. Commission on National Security/21st Century

EXECUTIVE SUMMARY

Under Secretary for Global Affairs

Overview

The Under Secretary for Global Affairs (G) is a position created in the first Clinton Administration to strengthen U.S. capabilities to address transnational security problems. As such, G oversees and coordinates policy in the areas of human rights, population and migration, refugees, democracy building, science and the environment, and drug trafficking. G and the Bureaus it oversees work closely with other State Department organizations, including the Office of the Under Secretary for Economics, Business, and Agricultural Affairs, and with other U.S. Government Agencies, including the Department of Justice and the Federal Bureau of Investigation. G also advises the Secretary of State (S) and the Deputy Secretary of State (D) on the issues for which he is responsible. As an Under Secretary, he participates in weekly meetings of Under Secretaries chaired by D, which address a variety of policy and management issues. In this capacity, State's Under Secretaries function as the Department's Corporate Board. G's core competency appears to be the coordination of policy issues of a transnational nature.

Organization

G reports directly to D and S. The G office includes 13 personnel, including the Under Secretary. Professional staff is drawn primarily from the Foreign Service and the Civil Service, although three are political appointees. G oversees four Bureaus: Democracy, Human Rights and Labor (DHL); International Narcotics and Law Enforcement (INL); Oceans, Environment and Science (OES); and Population, Refugees, and Migration (PRM). G also oversees two Senior Coordinators with policy responsibility respectively for international women's rights and the international rule of law. The Bureaus and the Coordinators are responsible for day-to-day management of policy issues in their areas of competence.

Major Organizational Products

G's primary output is advice to the Secretary and Deputy Secretary on transnational issues. G coordinates cross-cutting policy issues among the Bureaus by holding meetings and by reviewing and clearing memoranda and other paperwork G reviews and comments on the *National Security Strategy*, the *Mission Performance Plans* (MPPs), and the *Bureau Performance Plans* (BPPs). G also represents the Secretary and the U.S. Government at international meetings and conferences. G supervises the preparation of annual country reports on human rights, narcotics trafficking, and religious freedom by the DHL Bureau and the INL Bureau.

Role in Formal and Informal National Security Processes

The matrix below summarizes G's role in national security.

		Strategy Development	Policy, Guidance, and Regulations	Planning	Mission Execution	Observation, Orientation, and Oversight	Preparation	Resourcing
Products	Advice to S	✓		✓				
	Comments on NSS	✓						
	Weekly Under Secretaries Meetings		✓	✓		✓		
	Assistant Secretaries Meetings		✓	✓		✓		
	Annual Country Reports Oversight		✓			✓		
	Review of MPPs and BPPs			✓				✓
	International Representation				✓			
Roles	Advisor to S	✓						

Notes: S = Secretary of State; NSS = *National Security Strategy*; MPP = *Mission Performance Plan*; BPP = *Bureau Performance Plan*.

Strategy Development. G reviews and provides comments to the *National Security Strategy* (NSS). G also advises S and supports her participation in the National Security Council Principals Committee (NSC/PC).

Policy, Guidance, and Regulation. G coordinates policy by participating in the Weekly Under Secretaries Meetings, and the four-times-weekly meetings of Assistants and Deputy Assistants Secretaries of State, chaired by D. G reviews and comments, as necessary, on the MPPs and BPPs and oversees the preparation of the legislatively-mandated annual reports on human rights, narcotics trafficking, and religious freedom.

Planning. G provides advice and support to S in her role on the NSC/PC, participates in the Weekly Under Secretaries Meetings, and reviews MPPs and BPPs.

Observation, Orientation, Oversight. G oversees and orients policy on transnational issues through his participation in the Weekly Under Secretaries Meetings, and the four-times-weekly Assistant and Deputy Assistant Secretaries Meetings. G has oversight of the preparation of the annual reports on human rights, narcotics trafficking, and religious freedom.

Mission Execution. G represents the Secretary and the U.S. Government at international conferences and meetings on issues of competence.

Preparation. G is not involved in preparation.

Resourcing. G reviews MPPs and BPPs and participates in the Bureaus' annual presentations to the Secretary of their program priorities for the year ahead, a process that supports the preparation of the International Affairs Budget.

Observations

The policy-making and coordinating capabilities for the issues covered by G appear to reside primarily within the four Bureaus and two Senior Coordinators under G, as well as in numerous other organizations outside State, including the U.S. Agency for International Development, the Environmental Protection Agency, and the Justice Department. As a result, G appears to function primarily as a coordinator at a higher decision making level within State and as a conduit to S. As non-traditional security issues gain increasing acceptance in the national security policy process and as the Department continues to devolve policy responsibility to the Bureaus, the role of G may diminish. In this context, it will be worthwhile to explore a new niche for G, possibly in the context of a reassessment of the role of Under Secretaries with respect to the Bureaus in the State Department.

ORGANIZATIONAL DESCRIPTION

Under Secretary For Global Affairs (G)

1. Legal Specifications, Authorizations, and Responsibilities.

A. Authorizing Statute: Section 2651a, Chapter 38, Title 22 of the U.S. Code authorizes the President to appoint “by and with the advice and consent of the Senate” up to five Under Secretaries of State.¹

B. Department Directives: Section 1 FAM 045 of the *Foreign Affairs Manual* describes the responsibilities of the Under Secretary for Global Affairs G. These are detailed in Paragraph 2.A.

C. Interagency Directives: None.

2. Missions/Functions/Purposes.

A. Major Responsibilities: G has responsibility for U.S. foreign policy issues of a transnational nature, including population and refugees, promotion of human rights, democracy-building, environment and science, and counternarcotics and law enforcement.² 1 FAM 045 assigns G responsibility for “providing policy direction and coordination for the Department in the following areas:”³ [Key process relation: Policy, Guidance, and Regulation; Observation, Orientation, and Oversight.]

- (1) Democracy promotion;
- (2) Environmental issues;
- (3) Human rights;
- (4) International criminal issues;
- (5) International labor issues;
- (6) International migration issues;
- (7) International narcotics;
- (8) Oceans policy.

¹ Congress established the fifth Under Secretary in Section 161(b) of the Foreign Relations Authorization Act for Fiscal Years 1994 and 1995 (P.L. 103-236.) Since then, the Foreign Affairs Reform and Restructuring Act of 1998 (P.L. 105-277) has authorized an additional Under Secretary to accommodate the integration of the U.S. Information Agency into the Department of State.

² “Frank E. Loy Sworn in as Under Secretary of State for Global Affairs,” Press Statement by James P. Rubin, Spokesman, U.S. Department of State, November 2, 1998.

³ 1 FAM 045, “Under Secretary for Global Affairs (G),” United States Department of State, Foreign Affairs Manual, at <http://foia.state.gov/fam/INFO.PDF>.

(9) Population;

(10) Refugees; and

(11) Science.

1 FAM 045 authorizes G to negotiate and implement international agreements pertaining to his policy areas of responsibility, to represent the Secretary at international meetings and in relations with Congress, and to undertake “additional duties as may be requested” by the Secretary (S) or Deputy Secretary (D).

B. Subordinate Agencies: G has management oversight over four Bureaus, each headed by an Assistant Secretary:⁴

(1) Democracy, Human Rights and Labor;

(2) International Narcotics and Law Enforcement Affairs;

(3) Oceans and International Environmental and Scientific Affairs; and

(4) Population, Refugees and Migration.

In addition, G has oversight of the Department of State’s Senior Coordinator for International Women’s Affairs.⁵

C. Other Authorities: None.

3. Vision and Core Competencies.

A. Vision: There is no statement of vision for G.

B. Core Competencies: There is no statement of core competencies for G. Sources stated that G was created to coordinate and manage non-traditional, transnational security issues.⁶

4. Organizational Culture.

A. Values: There is no statement of values specific to G, although sources characterized G staff as valuing the issues covered by the Bureaus: democracy, human rights, the rule of law, and the environment.⁷ The State Department *Strategic Plan* identifies the following Department-wide values, or “guiding principles,” for its employees:⁸

⁴ 1 FAM 045.2, Foreign Affairs Manual, U.S. Department of State.

⁵ 1 FAM 045.2.

⁶ Interview with G Staff, November 3, 1999.

⁷ Interview with G Staff, November 3, 1999.

⁸ U.S. Department of State, Strategic Plan, September 1997.

(1) **Impact**—defined as advancing the interests of American people domestically and overseas.

(2) **Expertise**—in foreign language and culture, in regional and technical issues, and management ability and international experience.

(3) **Discipline**—defined as the commitment to execute U.S. policy setting aside personal views.

(4) **Dissent**—defined as the ability to express divergent views constructively.

(5) **Diversity**—defined as interest in achieving a “merit-based” workforce “reflective of the American people.”

(6) **Partnership**—defined as commitment to integrate the different skills contributed by the Civil Service, Foreign Service, and foreign national workforce.

(7) **Commitment**—to preserving U.S. leadership and to the effective conduct of international relations.

B. Leadership Traditions: The Office of Under Secretary for Global Affairs is an innovation of the first Clinton Administration. Secretary of State Warren Christopher proposed the position as means of developing U.S. capabilities for preventive diplomacy by strengthening the Administration’s capacities to support democracy and human rights and avert environmental and humanitarian disasters.⁹ The creation of the position was part of the Clinton Administration’s first set of steps to reorganize the State Department to reflect the post-Cold War foreign policy environment—a plan that also included consolidating a number of existing bureaus, eliminating a number of Deputy Assistant Secretary positions, and creating an Office of the Secretary of State.¹⁰ The current Under Secretary is only the second individual to serve in the position since its inception in 1994. Both individuals have been political appointees.

C. Staff Attributes: G staff is drawn primarily from the Foreign Service and the Civil Service, although three members are political appointees. Professional staff members are characterized by their strong interest in the issues covered by G, such as democracy building, environment, and human rights. A number who work on human rights and environmental issues are trained lawyers. Working for G and in the Bureaus overseen by G is considered a non-traditional career path in the Foreign Service. Being a member of an Under Secretary’s staff is also considered demanding; thus, the office tends to attract individuals who “care deeply” about the issues it covers.¹¹

D. Strategy: There is no formal strategy statement for G.

⁹ Secretary of State Warren Christopher, “Message to State Department Employees and Implementation Directive on Reorganization,” Washington, D.C.: U.S. Department of State, February 5, 1993. See also: Warren Christopher, In the Stream of History: Shaping Foreign Policy for a New Era. Stanford, California: Stanford University Press, 1998, pg. 18.

¹⁰ Secretary of State Warren Christopher, “Message to State Department Employees and Implementation Directive on Reorganization.”

¹¹ Interview with G Staff, November 3, 1999.

E. Organizational Structure:

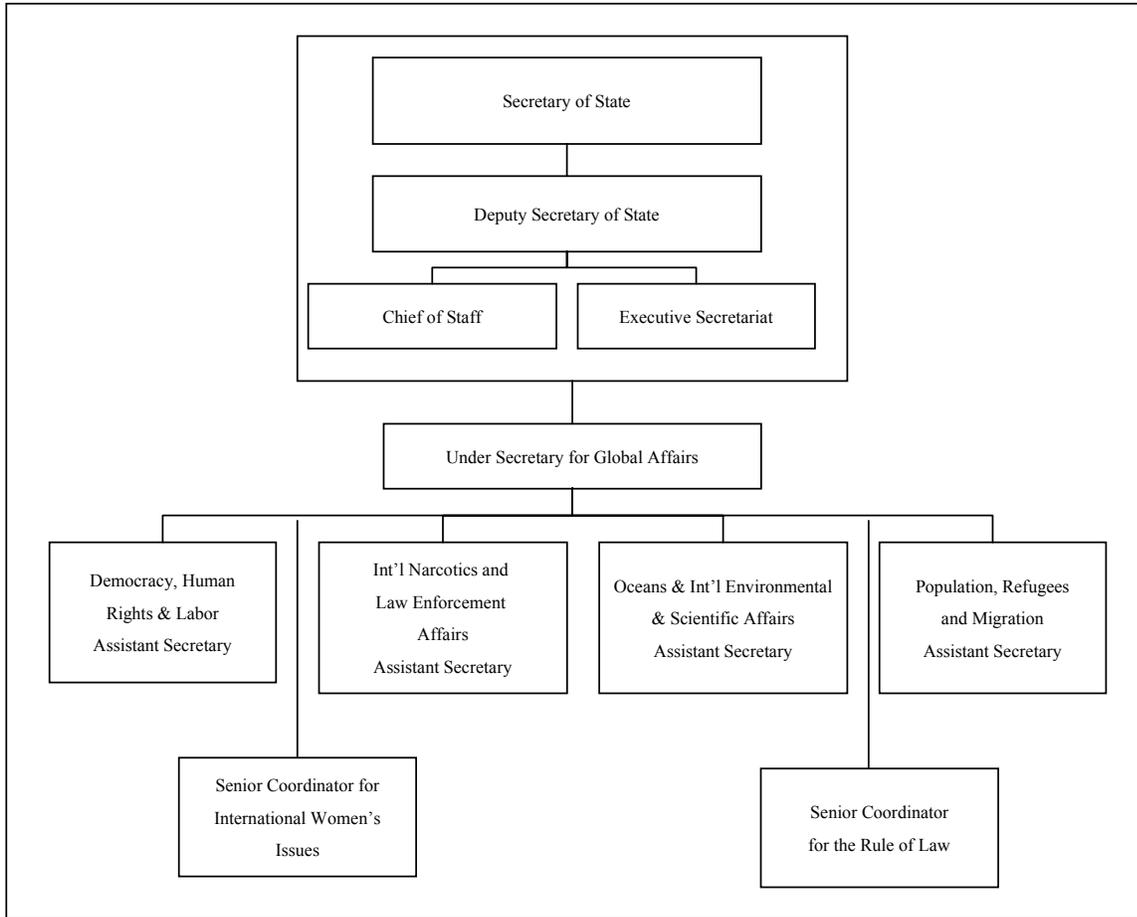


Figure 1: Organizational Structure of Under Secretary of State for Global Affairs (G)¹²

The Under Secretary for Global Affairs reports directly to the Deputy Secretary of State and the Secretary of State. Four Bureaus and two senior coordinators report to (G):

(1) The Bureau of Democracy, Human Rights and Labor (DRL) is charged with promoting democracy worldwide, developing human rights policies, and “coordinating human rights-related labor issues.”¹³

(2) The Bureau for International Narcotics and Law Enforcement Affairs (INL) is charged with “the development of policies and programs to combat international narcotics and crime.”¹⁴

¹² The source for this chart is U.S. Department of State, Accountability Report for Fiscal Year 1997.

¹³ Website of the Bureau of Democracy, Human Rights and Labor, at http://www.state.gov/www/global/human_rights/index.html.

¹⁴ Website of the Bureau for International Narcotics and Law Enforcement Affairs, at http://www.state.gov/www/global/narcotics_law/index.html.

(3) The Bureau for Oceans and International Environmental and Scientific Affairs (OES) is responsible for formulating and implementing policy on global environmental issues, science, and technology issues.¹⁵

(4) The Bureau of Population, Refugees, and Migration (PRM) formulates and implements policy regarding population issues, refugees, and migration and oversees U.S. refugee assistance programs.¹⁶

(5) The Office of the Senior Coordinator for International Women's Issues is a position established by Congress "to promote the human rights of women within American foreign policy."¹⁷

(6) The Office of the Senior Coordinator for the Rule of Law was established the Rule of Law in 1999 to coordinate international assistance programs promoting the rule of law and judicial reform abroad and to develop strategies to influence the adoption of legal standards in specific countries.¹⁸ This office works closely with the Department of Justice.¹⁹

¹⁵ Website of the Bureau for Oceans and International Environmental and Scientific Affairs, at <http://www.state.gov/www/global/oes/index.html>.

¹⁶ Website of the Bureau of Population, Refugees, and Migration, at <http://www.state.gov/www/global/prm/index.html>.

¹⁷ Website of the Office of the Special Coordinator for International Women's Issues, at: <http://www.state.gov/www/global/women/index.html>.

¹⁸ Interview with G staff, November 3, 1999. Also, Frank E. Loy, "Remarks at the Vice President's Conference on Corruption," Organization of American States, Washington, DC, February 25, 1999.

¹⁹ Interview with G staff, November 3, 1999.

5. Formal National Security Process Involvement

		Strategy Development	Policy, Guidance, and Regulations	Planning	Mission Execution	Observation, Orientation, and Oversight	Preparation	Resourcing
Products	Advice to S	✓		✓				
	Comments on NSS	✓						
	Weekly Under Secretaries Meetings		✓	✓		✓		
	Assistant Secretaries Meetings		✓	✓		✓		
	Annual Country Reports Oversight		✓			✓		
	Review of MPPs and BPPs			✓				✓
	International Representation				✓			
Roles	Advisor to S	✓						

Notes: S = Secretary of State; NSS = *National Security Strategy*; MPP = *Mission Performance Plan*; BPP = *Bureau Performance Plan*.

A. Strategy Development:

(1) Major Activities: G staff review the *National Security Strategy* (NSS) and provide comments as appropriate. G supports the Secretary in her role as a member of the National Security Council Principals Committee (NSC/PC) and provides advice to S and D on the subjects for which it is responsible.

(2) Stakeholders: G, S, NSC staff, other members of NSC/PC.

(3) Key G Processes: None.

(4) Associated Higher-Level Processes: NSS preparation, NSC/PC meetings.

(5) Associated Lower-Level Processes: None.

B. Policy, Guidance, and Regulation:

(1) Major Activities: The Under Secretary participates in the weekly meetings of the Under Secretaries over which D presides. These meetings serve to coordinate policy issues and to bring policy and management matters to the attention of the Secretary. G also attends coordinating meetings of Assistant Secretaries and Deputy Assistant Secretaries of State chaired by D four times a week. G oversees the preparation of the annual reports on countries' human rights practices, religious freedom, and compliance with UN narcotics control convention. G only becomes involved in the report preparation process to resolve outstanding policy issues.

(a) Weekly Under Secretaries Meetings: This process is illustrated in Appendix 1. G participates in weekly meetings of State Department Under Secretaries, which are chaired by the Deputy Secretary, or by the Under Secretary for Political Affairs (P) in D's absence. When meeting in this format, the Under Secretaries function as a Corporate Board for the Department.²⁰ The purpose of these meetings is to coordinate issues for which Under Secretaries have responsibility, to apprise D and S of emerging issues and to receive guidance from them, and to conduct strategic planning. In the G office, the Chief of Staff coordinates any taskings resulting from these meetings with one of the five Special Assistants to G, who in turn coordinate with the relevant Bureau. The Special Assistant is responsible for ensuring that the Bureau completes the task.

(b) Assistant Secretaries and Deputy Assistant Secretaries Meetings: The Deputy Secretary holds coordinating meetings with Assistant Secretaries and Deputy Assistant Secretaries of State four times a week. These meetings are used to exchange information on the status of issues handled by the regional and functional Bureaus and to surface any problems or opportunities at higher policy levels. The Under Secretary for Global Affairs participates in these meetings as a means to keep abreast and ensure proper coordination of regional developments with humanitarian, environmental, or scientific aspects.²¹

(c) Annual Reports: Two Bureaus under G are responsible for compiling legislatively-mandated annual reports on human rights practices, religious freedom, and international narcotics control efforts. DHL prepares the *Annual Country Reports on Human Rights Practices*, mandated by the *Foreign Assistance Act of 1961*, as amended, and the *Trade Act of 1974*; and the *Annual International Religious Freedom Report*, mandated by the *International Religious Freedom Act of 1988*. INL drafts the *International Narcotics Control Strategy Report*, mandated by the *Foreign Assistance Act of 1961*, as amended. The latter forms the basis for the President's certification that drug-producing countries, or drug-transit countries have cooperated with the U.S. in fighting narcotics production and trafficking.

(2) Stakeholders: G, S, D, State Department Bureaus, Congress, the President.

(3) Key G Processes: None.

(4) Associated Higher-Level Processes: Presidential certification of drug trafficking and drug transit countries.

(5) Associated Lower-Level Processes: None.

C. Planning:

(1) Major Activities: G provides analysis and advice to S in her role as a member of the NSC/PC. G participates in the weekly Under Secretaries meetings. G also reviews relevant *Mission Performance Plans* (MPPs) and *Bureau Performance Plans* (BPPs), documents prepared by U.S. Missions abroad and Bureaus within State that identify program priorities for the year ahead.

²⁰ Reorganization Plan and Report Submitted by President Clinton to the Congress on December 30, 1998, Pursuant to Section 1601 of the Foreign Affairs Reform and Restructuring Act of 1998, As Contained in Public Law 105-277.

²¹ Interview with G staff, November 3, 1999.

The MPP and BPP process is depicted in Appendix 2. MPPs are strategic documents prepared by staff of U.S. Diplomatic Missions abroad under the direction of the Chief of Mission. The MPP sets priorities for the work of the Mission in the year ahead, identifies the resource needs of the Mission, and provides information about the international activities of all U.S. Government Agencies represented at the Mission. BPPs are based on MPPs but are broader in scope, as they translate the Mission plans into regional goals for the Department. MPPs and BPPs serve as the basis for assembling State's program request for the Function 150 budget category. Both documents also are utilized by the Office of Resources, Plans, and Policy (S/RPP) within the Office of the Secretary of State to evaluate the disposition of assets and allocated resources when a crisis or emergency requires a reallocation of funds.

Missions begin assembling MPPs in the Fall and typically forward them to the Bureaus in February. Beginning in February, the Bureaus analyze the information received from all the Missions within their region of competence and prepare BPPs. Bureaus use BPPs to justify budget requests for the fiscal year ahead in yearly presentations to the Secretary of State, which typically occur in July. These sessions include G, as well as staffers from the Office of Management and Budget (OMB). Bureaus revise their BPPs based on the feedback from these presentations and S/RPP works during the fall to prepare State's program request for the Function 150 budget submission.²²

(2) Stakeholders: G, S, NSC/PC, NSC staff, Missions, Bureaus, S/RPP, OMB.

(3) Key G Processes: None.

(4) Associated Higher-Level Processes: Function 150 Budget preparation, President's Budget preparation.

(5) Associated Lower-Level Processes: MPP and BPP preparation.

D. Mission Execution:

(1) Major Activities: G represents the Secretary at international conferences on transnational foreign policy issues.

(2) Stakeholders: G, S, Bureaus.

(3) Key G Processes: None.

(4) Associated Higher-Level Processes: None.

(5) Associated Lower-Level Processes: None.

E. Observation, Orientation, Oversight:

²² The Office of the Under Secretary of State for Management (M) prepares a request for State's operating funds as part of the Function 150 budget submission. According to our sources, the two processes are separate and MPPs are not used in the preparation of the operating funds budget request.

(1) Major Activities: G participates in weekly meetings of Under Secretaries of State chaired by D. G also participates in D-chaired meetings of Assistant Secretaries and Deputy Assistant Secretaries of State to coordinate agendas and schedules. Finally, G oversees the preparation of legislatively-mandated, annual reports on human rights practices, religious freedom, and international narcotics control prepared by the DHL and INL Bureaus.

(a) Weekly Under Secretaries Meetings: See Paragraph 5.B.(1)(a).

(b) Assistant Secretaries and Deputy Assistant Secretaries Meetings: See Paragraph 5.B.(1)(b).

(c) Annual Reports: See Paragraph 5.B.(1)(c).

(2) Stakeholders: (S), (D), other Under Secretaries, DHL, INL, other State Department Bureaus, Congress.

(3) Key G Processes: None.

(4) Associated Higher-Level Processes: President's certification of drug trafficking and drug transit countries.

(5) Associated Lower-Level Processes: None.

F. Preparation: G is not involved in preparation.

G. Resourcing:

(1) Major Activities: G reviews MPPs and BPPs and participates in the Bureaus' annual presentations of their BPPs to the Secretary. (See Paragraph 5.C.(1)(a).)

(2) Stakeholders: S, G, Missions, Bureaus, S/RPP, OMB.

(3) Key G Processes: None.

(4) Associated Higher-Level Processes: Function 150 Budget preparation, President's Budget preparation.

(5) Associated Lower-Level Processes: MPP and BPP preparation.

6. Informal National Security Process Involvement.

G is heavily involved in informal policy coordination activities within the Department. According to a source, G does not become involved in the day-to-day work of the Bureaus, although he acts as a mediator when Bureaus cannot come to a consensus on a particular policy issue. In such cases, G may convene a meeting of all interested parties within the Department to facilitate consensus.²³

²³ Interview with G staff, November 3, 1999.

G also coordinates with other Under Secretaries and Bureaus on issues that cut across policy and regional realms. Much of this policy coordination is of an informal nature. According to sources, depending on the nature of the issue, an office or Bureau will assume the lead for the management of the issue and coordinate with others at meetings or through the clearance process. If differences of opinion on the topic arise that cannot be resolved at a lower level, the different options are presented to the Secretary, sometimes in a memorandum. S will then resolve the outstanding questions. Sources indicated that this process is generally collegial, although principals do not seek to mask policy disagreements and generally engage in “very honest exchanges.”²⁴

Finally, G and G staff coordinate on an informal basis with other U.S. Government Agencies. Because of its policy responsibilities on the international rule of law, G staff and the INL Bureau coordinate closely with the Department of Justice and the Federal Bureau of Investigation.²⁵

7. Funding and Personnel.

A. Authorization and Appropriations: Relevant authorizing committees for the Department of State and G are the House International Relations Committee and the Senate Foreign Relations Committee.²⁶ Relevant appropriating committees are the House and Senate Subcommittees on Commerce, State, and the Judiciary. The House and Senate Appropriations Subcommittee on Foreign Operations, Agriculture and Rural Development, and Labor, Health, and Human Services and Education appropriate additional funds for international affairs programs and activities carried out by State, as well as other U.S. Government departments and Agencies and some international organizations.

B. Funding Sources: G is funded through the Diplomatic and Consular Programs appropriations in the International Affairs section of the Federal Budget, also known as Function 150.

C. Budget: The FY 2000 budget request for the Diplomatic and Consular Programs category, which includes funding for G, is \$2.6 billion. This category includes funding for all State Department salaries, operating expenses, and infrastructure in Washington and at diplomatic and consular posts worldwide. Of this sum, \$208,296,000 is allocated for activities related to “Policy Formulation and Executive Direction,” a category which includes the work of the Secretary, the Deputy Secretary, the Under Secretaries, the Assistant Secretaries and other Bureau heads, the Chiefs of Diplomatic Missions and their staffs.²⁷ More specific budget information for the G office was not available.

²⁴ Interview with G staff, November 3, 1999.

²⁵ Interview with G staff, November 3, 1999.

²⁶ Congress has not passed authorizing legislation for international affairs Agencies and programs since 1994, when HR 2333, The Foreign Relations Authorization Act for Fiscal Years 1994 and 1995, was signed into law (P.L. 103-236). Authorization for State programs and activities has thus occurred through the passage of yearly appropriations legislation.

²⁷ Office of Finance and Management Planning, “Budget in Brief,” U.S. Department of State, Washington, DC, February 1, 1999, <http://www.state.gov/www.budget/2000/00stateprog1.html>

D. Manpower: G personnel totals 13, including the Under Secretary. The staff includes a Chief of Staff, five Special Assistants who coordinate with the Bureaus, one speechwriter, one public affairs advisor, one scheduler, one administrative assistant, and two staff assistants. Personnel totals for G do not include staff associated with the Office of the Senior Coordinator for the Rule of Law and the Senior Coordinator for International Women's Issues or the Bureaus' staff.

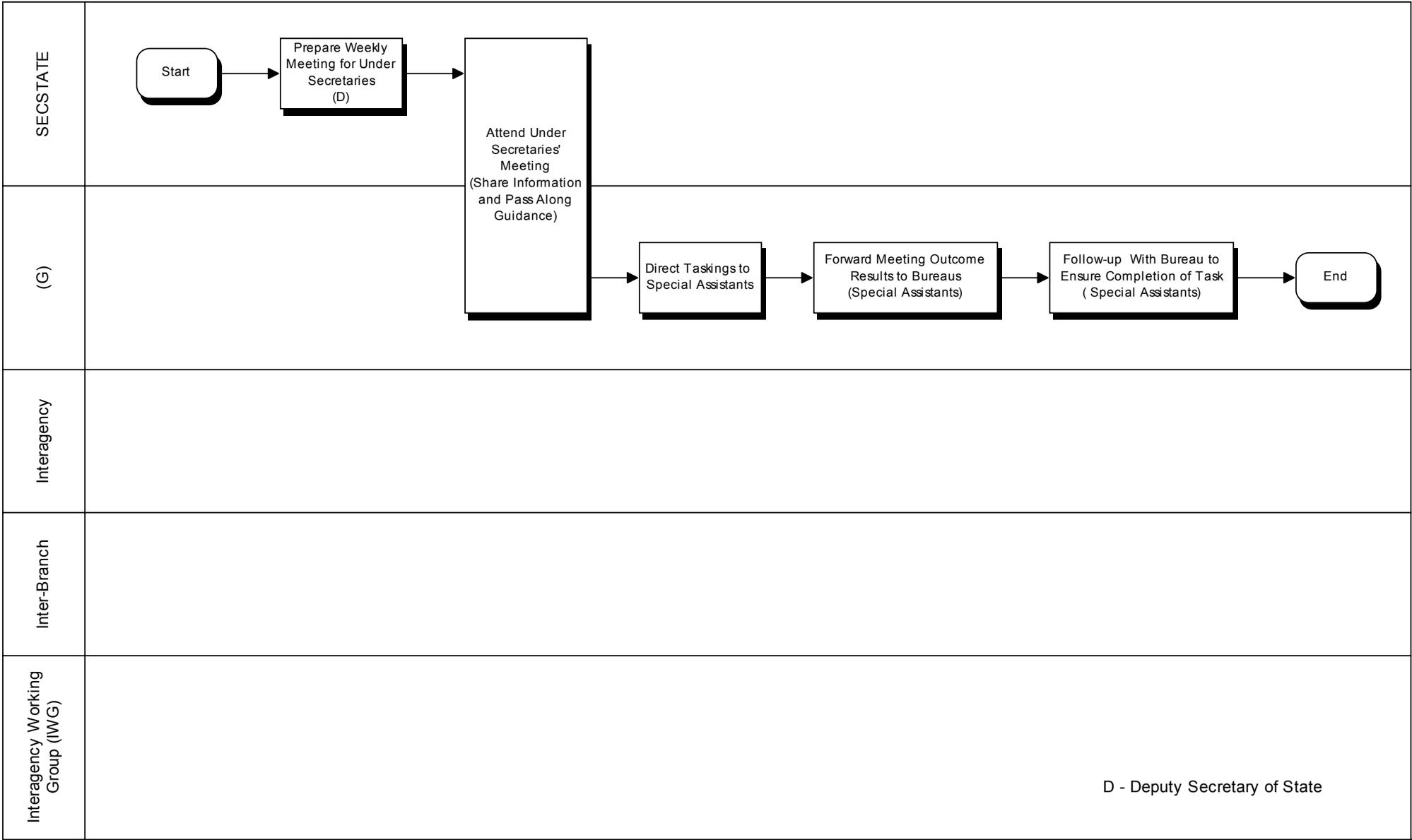
8. Observations.

A. Niche development. G is a relatively new organization, having been established by the Clinton Administration in 1993. G's portfolio reflects the Administration's emphasis on addressing transnational security threats. Establishing an Under Secretary for Global Affairs not only imbedded within the State Department the capabilities to manage and coordinate political, economic, scientific, environmental, human rights and democracy-building issues, but also elevated the profile of these issues within policy circles.

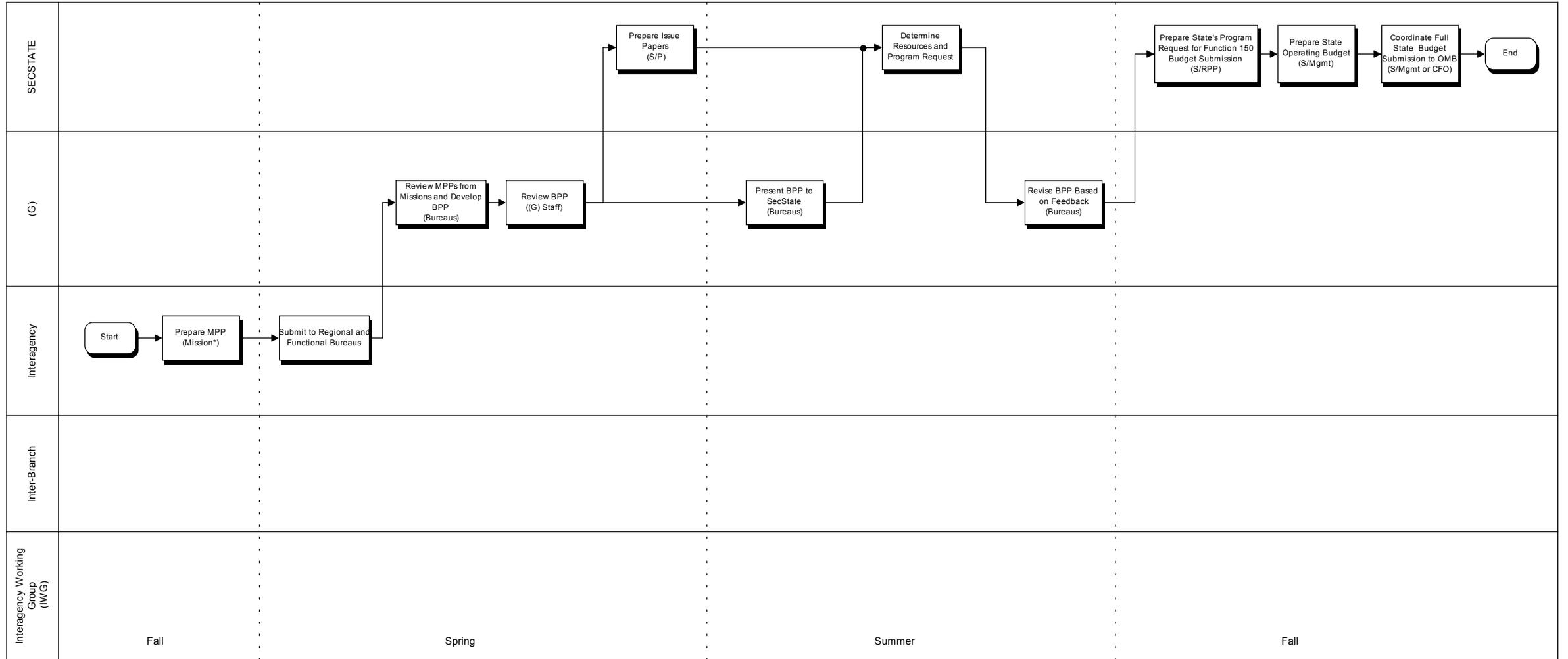
The policy-making and coordinating capabilities for the issues covered by G, however, appear to reside primarily within the four Bureaus and two Senior Coordinators under G, as well as in numerous other organizations outside State, including the U.S. Agency for International Development, the Environmental Protection Agency, and the Justice Department. As a result, G appears to function primarily as a coordinator at a higher decision making level within State and as a conduit to S. As non-traditional security issues gain increasing acceptance in the national security policy process and as the Department continues to devolve policy responsibility to the Bureaus, the role of G may diminish. In this context, it will be worthwhile to explore a new niche for G, possibly in the context of a reassessment of the role of Under Secretaries with respect to the Bureaus in the State Department.

APPENDICES

DoS(G) - Key Process - (Formal) - Policy, Guidance, and Regulation - Under Secretaries Weekly Meetings



DoS(G) - Key Process - (Formal) - Planning - MPP and BPP Preparation: Function 150



* Includes representatives from other agencies within the mission

BPP - Bureau Performance Plan
 CFO - Chief Financial Officer
 MPP - Mission Performance Plan
 OMB - Office of Management & Budget
 S/Mgmt - Office of the Secretary, Management
 S/P - Office of the Secretary, Policy Planning
 S/RPP - Office of the Secretary, Resources, Plans, and Policy

ORGANIZATIONAL DESCRIPTION
DIRECTOR, POLICY PLANNING (S/P)



Prepared for the U.S. Commission on National Security/21st Century

EXECUTIVE SUMMARY

Office of Policy Planning (S/P), U.S. Department of State

Overview

The Director of Policy Planning is a senior State Department official appointed by the Secretary of State. The position does not require Senate confirmation. Thus, the role of the Director and staff of Policy Planning (S/P) can be shaped by the Secretary to support her interests and perceived requirements. The interests, strengths, and personal influence of the Director with the Secretary have traditionally affected S/P's role within the Department.

In the second Clinton Administration, S/P functions as a coordinator for policy issues the Secretary has identified as deserving priority. It reviews Bureaus' products, such as guidance cables, memoranda, talking points, and *Bureau Performance Plans* (BPPs) to ensure that they accord these issues adequate priority and resources. S/P also manages special projects for the Secretary, including the organization of informal, off-the-record dinner discussions with government officials and non-governmental experts to identify emerging policy issues and develop a strategy to address them, and an initiative to support the development of democracy around the world.

Although it is widely perceived as the strategic planning cell for the Department of State, S/P does not conduct long-range planning for the Department as a whole. Instead, it focuses on "three days to one year down the road," in the words of one source, to determine how current policy might be modified to influence likely future developments. S/P has also taken on a management role, working with the Office of Resources, Plans, and Policy (S/RPP) to guide the development of *Mission Performance Plans* and *Bureau Performance Plans*, and influencing the substance and format of intelligence products assembled by the Department's Office of Intelligence and Research (INR). S/P shares the lead with the Political Military Bureau (PM) for coordinating the Department's input into the PDD 56 planning process for complex contingencies.

Organization

S/P is part of the Office of the Secretary of State and the Director reports directly to the Deputy Secretary and Secretary. S/P staff totals fluctuate, as it often receives temporary assignments from elsewhere within State. It currently numbers approximately 30, including "eight or nine" administrative staff, one deputy director, and "approximately 20 analysts." Professional staff members are drawn largely from the academic and research community and selected because of the affinity of their views on foreign policy with those of the Administration. They are hired as Schedule C, or political, appointees and are expected to resign at the end of the Administration. A small number of professional staff members are Foreign Service Officers, and at least one was hired because of his technical expertise as a Schedule B hire¹. The S/P office includes four speechwriters who work directly for the Secretary of State.

¹ Schedule B employees are individuals hired for their specific skills by the Federal Government through means other than the normal civil service process so as to quickly fit a position's requirements.

Organizational Products

The principal output of this office is advice and analytical support to the Secretary of State. S/P produces issues papers to prepare the Secretary to review Bureaus' Performance Plans, coordinates with Bureaus to ensure that they accord appropriate priority to the Secretary's key policy interests, and writes talking points on the key issues of the day for distribution to U.S. Missions around the world and Bureaus and desks at State.

Role in Formal and Informal National Security Processes

The matrix below summarizes S/P's role in national security.

		Strategy Development	Policy, Guidance, and Regulations	Planning	Mission Execution	Observation, Orientation, and Oversight	Preparation	Resourcing
Product	NSS input	✓						
	Advice to and analysis for S	✓	✓	✓				
	Issue papers for BPP presentations			✓		✓		✓
	Democracy Initiative				✓			
	8th Floor Dinners	✓						
	Management of priority issues		✓	✓		✓		
	Weekly Core Talking Points		✓					
	Pol-Mil plan (PDD 56 process)			✓				
	Clearance of memos to President		✓			✓		
Roles	Advisor to S	✓	✓	✓		✓		✓
	State co-lead for PDD 56 process			✓				

Notes: NSS = *National Security Strategy*; BPP = *Bureau Performance Plans*; S = Secretary of State.

Strategy Development. S/P coordinates the State Department's input into the *National Security Strategy*. It provides advice and analysis on strategic issues to the Secretary and develops the agenda for informal, off-the-record dinner discussions held on the 8th floor of the Department, which include non-governmental experts. At these sessions, participants discuss emerging policy issues identified by S/P and brainstorm policy approaches to them.

Policy, Guidance, and Regulation. S/P coordinates with the Bureaus to ensure that the priority policy issues identified by the Secretary as a priority are accorded appropriate attention and resources. S/P "clears" talking points, memoranda, and cables addressing these issues and

reviews BPPs to ensure that they include the Secretary's priorities. S/P also prepares weekly core talking points on the issues of the day that are issued to Missions and Bureaus as guidance for public outreach. S/P reviews all memoranda, talking points, or other papers for the President originating from within the State Department. Finally, S/P prepares the Secretary for her informal weekly breakfast meetings with the Secretary of Defense, National Security Advisor, Chairman of the Joint Chiefs of Staff, U.S. Representative to the United Nations, and Director of Central Intelligence.

Planning. S/P conducts mid-range planning, defined by S/P staff as a period of "three days to one year" into the future, for those issues identified as a priority by the Secretary. For these issues, S/P "looks to the edge of the horizon" to provide insights on how current policy might be adjusted to obtain desired outcomes. S/P then coordinates its insights and analysis with the relevant Bureaus. S/P also develops issues papers to focus the Secretary's review of the Bureaus' Performance Plans, and works with S/RPP to integrate the BPPs into a single State budget request. Finally, S/P works with the Political Military Bureau (PM) to represent the interests of the Department of State in the interagency planning process for complex contingencies (PDD 56 process).

Mission Execution. Although generally not involved in mission execution, S/P is currently leading an initiative of the Secretary of State to coordinate international efforts to support the development of democracy abroad.

Observation, Orientation, Oversight. S/P "clears" all State Department memoranda, talking points, and other papers for the President. S/P also "clears" on all guidance, memoranda, and talking points on the Secretary's priority issues. Finally, S/P reviews BPPs to ensure they include the Secretary's priorities.

Preparation. S/P is not involved in preparation.

Resourcing. S/P influences the preparation of the International Affairs Budget by preparing issue papers that focus the Secretary's review of BPPs and by working with S/RPP in the integration of MPPs and BPPs.

Observations

Because S/P does not have responsibility for a specific region or functional area, and is not involved in day-to-day management of policy issues, its influence in the Department and on the national security process in general is determined largely by the personal influence of the Director with the Secretary. If the Secretary's immediate office enforces S/P's clearance role on State's products, S/P has the opportunity to influence the Bureaus' treatment of an issue.

The breadth of the issues covered by the Department of State does not allow the relatively small S/P staff to conduct strategic planning for the Department in general. S/P can influence planning in the Department by focusing on a specific set of issues, for example issues the Secretary considers a priority, or by managing Department-wide planning processes. This S/P staff appears to be carving out a role for itself in the latter category. S/P has forged a relationship with S/RPP to develop a framework for Bureaus in preparing their BPPs and in guiding evaluation of those BPPs by preparing issues papers for the Secretary during her BPP review.

According to sources, S/P's experience with the PDD 56 process during the Kosovo crisis suggests the need for a better trigger mechanism for interagency planning. Currently, the NSC Deputies Committee begins the planning process by forming an Executive Committee. Because of competing demands on NSC/DC principals, however, the NSC/DC tends to respond when an issue has already become a crisis. As a result, the PDD 56 process becomes reactive rather than proactive.

ORGANIZATIONAL DESCRIPTION

DIRECTOR, POLICY PLANNING (S/P), U.S. DEPARTMENT OF STATE

1. Legal Specifications, Authorizations and Responsibilities.

A. Authorizing Statute: Section 2651(e), Chapter 38, of Title 22 of the U.S. Code authorizes five senior appointments within the Department of State that do not require Senate ratification. The Director of Policy Planning holds one of these positions.

B. Department Directives: Section 1 FAM 023 of the *Foreign Affairs Manual* (FAM) describes the roles and duties of the Director and the staff of the Policy Planning Office (S/P). The FAM assigns the Director a rank “administratively equivalent to an assistant secretary” and describes the Director and Staff as a “basic staff for the Secretary and other principals,” tasking S/P with providing strategic analysis, advice, and recommendations on alternative courses of action for key policy issues.² The responsibilities of the Director and staff of policy planning are detailed below.

C. Interagency Directives: There are no interagency directives relevant to S/P.

2. Mission/Functions/ Purposes

A. Major Responsibilities: 1 FAM 023 assigns the Director and staff of S/P the following tasks:³

(1) Identify gaps in policy, new problem areas, and emerging situations requiring policy attention, and formulate policy to meet these requirements. Prepare initial studies and recommendations on major policy problems and coordinate implementation, if necessary, with regional and functional Bureaus [Key process relation: Policy, Guidance, and Regulation; Observation, Orientation, Oversight].

(2) Conduct broad analytical studies of regional or functional issues which have impact on several regions and merit an effort to develop broad principles for general application [Key process relation: Policy, Guidance, and Regulation; Observation, Orientation, Oversight].

(3) Collaborate with regional and functional Bureaus in preparation of policy papers and briefing material for meetings and trips by Department principals and visits of senior foreign officials [Key process relation: Policy, Guidance, and Regulation; Observation, Orientation, Oversight].

(4) Seek to ensure that memoranda presented to Department principals contain the fullest range of policy options and suggestions for alternative courses [Key process relation: Policy, Guidance, and Regulation; Observation, Orientation, Oversight].

² United States Department of State, Foreign Affairs Manual, Section 1 FAM 023.

³ The list below is quoted from 1 FAM 023.

(5) Assist in the preparation of public addresses and other material for public appearances by the Secretary, the Deputy Secretary, and other principal officers. Coordinate statements, and talking points for public occasions [Key process relation: Policy, Guidance, and Regulation; Observation, Orientation, Oversight].

(6) Provide substantive staff support for the Department's representatives at meetings held under the auspices of the National Security Council or National Economic Council; maintain close contact with the regional and functional Bureaus in the development of substantive positions on policy issues under examination in the National Security interagency coordination system; and coordinate within the Department and other Agencies the preparation of responses to Presidential Review Directives or Presidential Decision Directives [Key process relation: Policy, Guidance, and Regulation; Observation, Orientation, Oversight].

(7) Represent the Department in regularly scheduled bilateral and multilateral planning discussions with key countries/organizations such as France, Germany, Japan, the United Kingdom, NATO's Atlantic Policy Advisory Group, the EU, and Brazil [Key process relation: Mission Execution].

(8) Develop and maintain relations with the academic community and with outside sources of foreign affairs expertise, directly and through supporting policy consultants and policy-oriented external research arrangements [Key process relation: Policy, Guidance, and Regulation; Observation, Orientation, Oversight].

(9) Encourage and support the Open Forum and similar efforts to develop participation and policy innovation in foreign affairs [Key process relation: Observation, Orientation, Oversight].

B. Subordinate Agencies and Activities: There are no Agencies subordinate to S/P. The Secretary's speechwriters are part of the S/P organization.⁴

C. Major Products: S/P's major products are advice and analysis for the Secretary, coordination of the State Department's NSS input, issues papers for the Secretary's annual BPP review, special initiatives championed by the Secretary, review and clearance of issues considered a priority by the Secretary and of memos to the President, and, with the Political-Military Bureau, input to pol-mil planning in the PDD 56 process.

3. Vision and Core Competencies.

A. Vision: There is no vision statement for S/P. S/P staff described the vision of the organization as "looking out over the edge of the horizon to influence issues today."⁵

B. Core Competencies: There is no statement of S/P core competencies. S/P staff described the organization's core competencies as: the ability to "look at the big picture," (i.e., to integrate various elements of policy, the articulation of policy through speechwriting and

⁴ Interview with member of the Policy Planning Staff, October 21, 1999.

⁵ Interview with member of the Policy Planning Staff, November 4, 1999.

preparation of talking points, and the ability to look “over the edge of the horizon” to determine the issues to influence.⁶⁾

4. Organizational Culture.

A. Values: There is no statement of values specific to S/P. The Department of State’s *Strategic Plan* articulates seven key values or “guiding principles,” for all State employees:⁷

(1) **Impact**—defined as advancing the interests of American people domestically and overseas.

(2) **Expertise**—in foreign language and culture, in regional and technical issues, and management ability and international experience.

(3) **Discipline**—defined as the commitment to execute U.S. policy setting aside personal views.

(4) **Dissent**—defined as the ability to express divergent views constructively.

(5) **Diversity**—defined as interest in achieving a “merit-based” workforce “reflective of the American people.”

(6) **Partnership**—defined as commitment to integrate the different skills contributed by the Civil Service, Foreign Service, and foreign national workforce.

(7) **Commitment**—defined as preserving U.S. leadership and to the effective conduct of international relations.

B. Leadership Traditions: The Office of Policy Planning was created by Secretary of State George C. Marshall in 1947, and the first Director was George Kennan. Since Kennan, the position has been held most often by non-career appointees of the Secretary of State.⁸ Since 1947, the head of the Policy Planning staff has been designated alternatively as Assistant Secretary of State for Policy Planning, Chairman of the Policy Planning Council, and, since 1966, as Director of Policy Planning. Traditionally, the influence of the Policy Planning Office has been greatest when the Director of Policy Planning had a close personal relationship with the Secretary. The current Director considers maintaining close contact with the Secretary among his top priorities and holds monthly meetings with her.⁹

C. Staff Attributes: Professional staff is chosen for regional expertise and a majority hold advanced degrees. Traditionally, the Policy Planning Staff has included a number of academics and researchers, who are hired because they “are comfortable with the foreign policy

⁶ Interview with members of the Policy Planning Staff, on October 21, 1999 and November 4, 1999.

⁷ U.S. Department of State, *Strategic Plan*, September 1997.

⁸ The State Department website lists the Directors of the position since its creation (http://www.state.gov/www/about_state/history/officers/dpps.html). Since its inception, 15 of the 21 Directors have been non-career appointees.

⁹ Interview with member of the Policy Planning Staff, October 21, 1999.

views of the Administration.”¹⁰ These individuals are hired as Schedule C employees and are expected to leave the position at the end of the Administration. Currently, S/P also includes three Foreign Service officers and at least one individual hired for specific technical expertise (Schedule B hire). The key attributes of the staff are excellence at writing and at interpersonal relations and the ability to integrate policy issues.¹¹

D. Strategy: S/P does not have a statement of strategy.

E. Organizational Structure: An organizational chart is included in Figure 1 below.

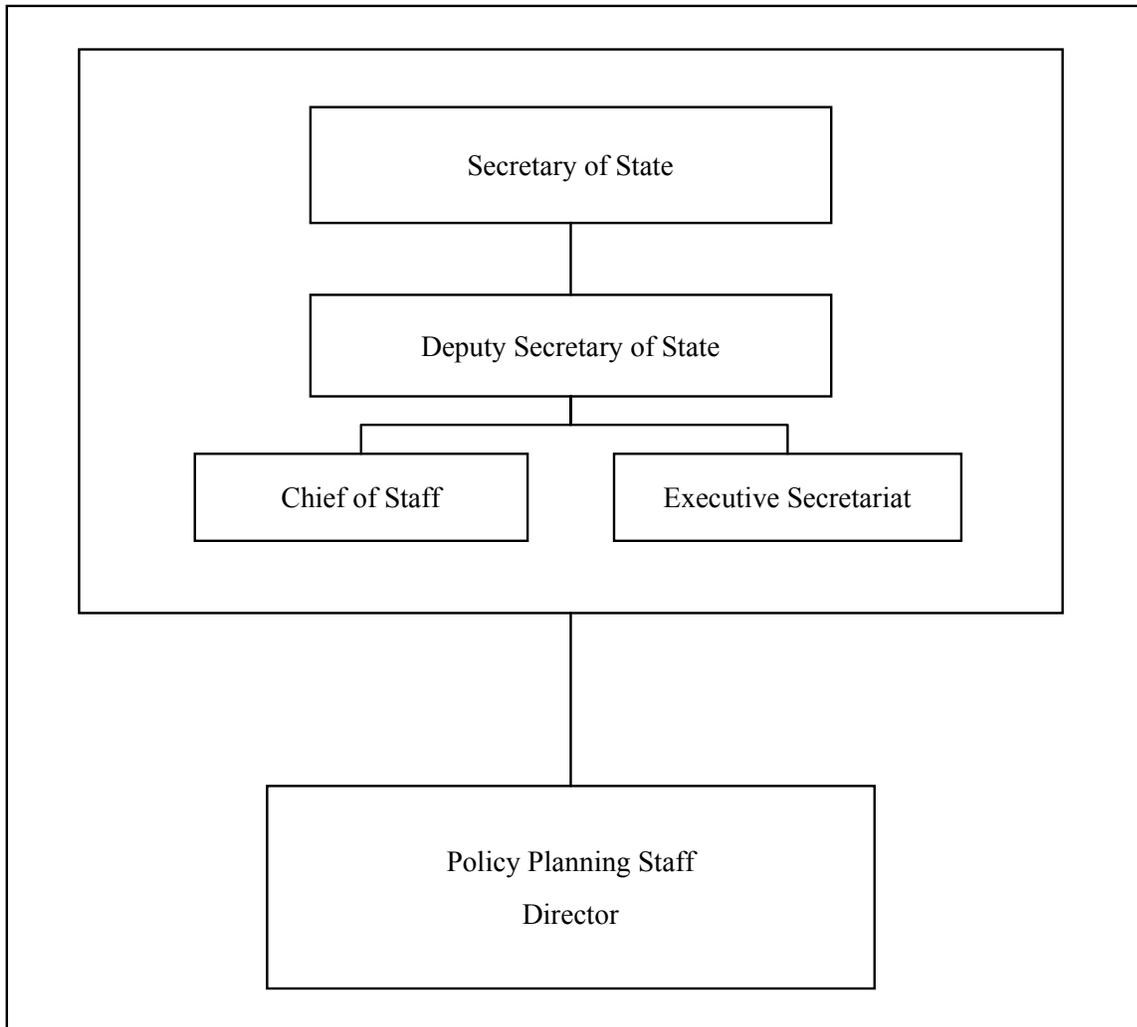


Figure 1: Organizational Structure, Policy Planning Staff¹²

The Office of Policy Planning is a part of the Office of the Secretary of State and the Director reports directly to the Secretary (S.)

¹⁰ Interview with member of the Policy Planning Staff, November 4, 1999.

¹¹ Interview with member of the Policy Planning Staff, October 21, 1999.

¹² The source for this chart is: United States Department of State, Accountability Report for Fiscal Year 1997.

5. Formal National Security Process Involvement.

	Strategy Development	Policy, Guidance, and Regulations	Planning	Mission Execution	Observation, Orientation, and Oversight	Preparation	Resourcing
NSS input	✓						
Advice to and analysis for S	✓	✓	✓				
Issue papers for BPP presentations			✓		✓		✓
Democracy Initiative				✓			
8th Floor Dinners	✓						
Management of priority issues		✓	✓		✓		
Weekly Core Talking Points		✓					
Pol-Mil plan (PDD 56 process)			✓				
Clearance of memos to President		✓			✓		
Advisor to S	✓	✓	✓		✓		✓
State co-lead for PDD 56 process			✓				

Notes: NSS = *National Security Strategy*; BPP = *Bureau Performance Plans*; S = Secretary of State.

A. Strategy Development:

(1) Activities: S/P has the lead in determining the State Department’s input into the *National Security Strategy* (NSS). S/P also influences strategy development in its role as an advisor to S. Informally, S/P has input on strategy development for select issues through its involvement in the Secretary’s “8th Floor Dinners,” described in Paragraph 6 of this paper.

(a) NSS Input: S/P circulates the draft NSS to Bureaus, receives their inputs, and integrates them, adding its own priorities.¹³ The Department then forwards its input to the NSC staff.

(b) 8th Floor Dinners: See Paragraph 6.

(2) Major Stakeholders: S/P, Bureaus, NSC staff.

¹³ Interviews with S/P staff, October 21, 1999 and November 4, 1999.

(3) Key S/P Processes: There are no systematic processes to support this activity.

(4) Associated Higher-Level Processes: NSS development.

(5) Associated Lower-Level Processes: None.

B. Policy, Guidance, and Regulation.

(1) Activities: S/P coordinates policy on priority issues identified by the Secretary of State. S/P also prepares weekly core talking points for dissemination to Missions worldwide. S/P reviews any memoranda or policy document for the President. Finally, S/P prepares the Secretary for her informal foreign policy breakfast meetings with the Secretary of Defense, Assistant to the President for National Security (APNSA), and Chairman of the Joint Chiefs, the U.S. Representative to the United Nations, and the Director of Central Intelligence (DCI). These breakfast meetings are discussed in Paragraph 6 of this paper.

(a) Management of Priority Policy Issues: This process is illustrated in Appendix 1. S/P manages the development and implementation of policy on issues and countries identified as a priority by the Secretary of State. According to S/P sources, the Secretary has identified a number of countries and specific policy issues, such as democracy building, that she deems a priority. Sources indicated that the Secretary tasked S/P with ensuring that the Bureaus that have responsibility for these issues accord them appropriate priority and resources.¹⁴ Thus, S/P's clears memoranda, talking points, and other policy materials pertaining to these issues. The Secretary has given S/P the lead in a policy initiative to coordinate international efforts to strengthen democracy abroad.¹⁵ S/P also reviews *Mission Performance Plans* (MPPs) and BPPs to ensure that these documents highlight the Secretary's priority issues.

(b) Weekly Core Talking Points: S/P staff prepares core talking points for weekly distribution to Bureaus and Missions. The talking points center on the issues of the week and provide uniform guidance for officials staffing Bureaus in Washington and U.S. Missions around the world. S/P selects the issues, which are approved by S staff. S/P disseminates the talking points in cable format to Missions and through the intranet to Bureaus.

(2) Major Stakeholders: S/P, S/RPP, S, State Department Bureaus, OMB.

(3) Key S/P Processes: There are no key processes associated with these activities.

(4) Associated Higher-Level Processes: International Affairs (Function 150) Budget preparation.

(5) Associated Lower-Level Processes: MPP and BPP preparation.

¹⁴ Interview with S/P staff, November 4, 1999.

¹⁵ Interview with S/P staff, October 21, 1999.

C. Planning

(1) Activities: S/P supports the Secretary in forward planning on priority policy issues and coordinates policy-making on those issues within the Department. S/P supports the Secretary of State in her annual review of *Bureau Performance Plans* (BPPs) and works with the Office of Resources, Plans and Policy to identify “issues” on which the Secretary should focus during the Bureaus’ presentation of BPPs. S/P also supports the Office of the Secretary of State in its evaluation and integration of MPPs and BPPs as part of the Function 150 budget preparation. The Director of Policy Planning participates in weekly meetings of Assistant Secretaries of State chaired by the Under Secretary for Political Affairs (P). S/P and the Bureau of Political-Military Affairs (PM) share the lead in the interagency planning process for complex contingency operations as described in Presidential Decision Directive (PDD) 56. (See the PDD 56 section of this report for additional information on the PDD 56 process.)

(a) Planning on Priority Policy Issues: According to sources, S/P “tries to look at the edge of the horizon,” defined by S/P staff as a time period of three days to one year into the future, to determine, where possible, how future developments might be brought to bear on the issues the Department is addressing today.¹⁶ S/P then provides its views and analysis to S and coordinates any resulting action with the relevant Bureau within the Department. S/P officials interviewed emphasized the difficulty of conducting longer range planning in the context of diplomacy, arguing that the dynamic nature of diplomacy renders long-range planning irrelevant.

(b) MPP and BPP Evaluation and Integration: This process is illustrated in Appendix 2. MPPs are documents assembled by the Missions that outline the Missions’ program priorities for the year ahead. BPPs are documents prepared by regional and functional State Department Bureaus that outline a Bureau’s program priorities in a particular region or functional area of competence and justify budget requests for the fiscal year ahead. BPPs and MPPs serve as the basis for assembling State’s program request for the Function 150 budget category and assist the Secretary in evaluating the disposition of assets and resources when a crisis or emergency requires a reallocation of funds.

Beginning in February, the Bureaus assemble BPPs using the MPPs produced by U.S. Missions abroad. When BPPs are completed, S/P and the Office of Resources, Plans, and Policy review them and prepare issue papers for the Secretary to focus her attention on priority policy issues. During the Summer, the Bureaus brief their BPPs to the Secretary of State in sessions that include the Deputy Secretary, the Under Secretaries, S/RPP, officials from the Office of Management and Budget (OMB), and other State Department Bureaus and U.S. Government Agencies with an interest in the region or programs presented in the BPP. The presentations serve to inform the Secretary of State of the Bureau’s priorities and to give policy feedback to the Bureaus. The Bureaus revise their BPPs based on the feedback from these presentations and S/P and S/RPP work during the fall to prepare State’s program request for the Function 150 budget submission.¹⁷

¹⁶ Interviews with S/P officials, November 2, and November 4, 1999.

¹⁷ Interview with S/P staff and S/RPP staff, October 21, 1999.

(c) PDD 56 Process: PDD 56 establishes an interagency process to develop a political-military plan to address an emerging crisis that involves military as well as humanitarian relief/refugee aspects. PDD 56 tasks the NSC/DC with creating an interagency Executive Committee (ExComm) to develop the plan to address the crisis. According to sources, S/P and PM represent the State Department in the PDD 56 process. PM manages “the operational aspects” of the process for State, while S/P ensures that the assumptions on which the plan is based are correct.¹⁸ Sources indicated that although the process is still in development aspects of it were implemented in the build-up to the international intervention in Kosovo and that PM was the interagency lead for the Kosovo planning. According to sources, the pol-mil plan developed for Kosovo was shared with the Organization on Security and Cooperation in Europe (OSCE) to help it identify a role in responding to the crisis.

(2) Major Stakeholders: S/P, S, P, S/RPP, PM, NSC/DC.

(3) Key S/P Processes: There are no key S/P processes associated with this activity.

(4) Associated Higher-Level Processes: Development of International Affairs *Strategic Plan*, Function 150 Budget preparation, President’s Budget preparation.

(5) Associated Lower-Level Processes: None.

D. Mission Execution:

(1) Activities: S/P is generally not involved in mission execution. In the second Clinton Administration, however, S/P is shepherding an initiative of the Secretary of State to create a framework for established and emerging democracies, international financial institutions, and international and non-governmental organizations to strengthen democracy worldwide. To this end, S/P is organizing a number of international conferences.¹⁹

(2) Major Stakeholders: State Department, Secretary of State, NSC staff.

(3) Key S/P Processes: None.

(4) Associated Higher-Level Processes: None.

(5) Associated Lower-Level Processes: None.

E. Observation, Orientation, and Oversight:

(1) Activities: S/P coordinates the development of policy on issues of priority to the Secretary of State by clearing background memoranda, talking points, and issue papers generated elsewhere within the Department. S/P clears all memoranda to the President originating within the Department. S/P also orients the Department’s planning process by reviewing BPPs and developing issues papers for the Secretary in preparation for her annual

¹⁸ Interview with S/P staff, November 4, 1999.

¹⁹ Interview with S/P staff, October 21, 1999.

review of Bureaus' BPPs. According to S/P sources, S/P is working with the State's Office of Intelligence and Research to develop longer-range and more analytical intelligence products for the Secretary and the Bureaus.²⁰

(a) Presidential Correspondence Clearance: This process is illustrated in Appendix 3. S/P clears all memoranda and correspondence to the President originating within the Department. The clearance process involves a tracking system from the originator to the final approver to ensure that S/P clearance is obtained. If correspondence on an issue makes it to (S) without S/P clearance, it is not read.

(b) MPP and BPP Support: See Paragraph 5.C.(1)(b).

(2) Major Stakeholders: State Department Bureaus and Desks, Secretary of State, NSC staff.

(3) Key S/P Processes: There are no specific S/P processes associated with this activity.

(4) Associated Higher-Level Processes: *International Affairs Strategic Plan* preparation, Function 150 Budget preparation.

(5) Associated Lower-Level Processes: MPP and BPP preparation.

F. Preparation: S/P is not involved in preparation.

G. Resourcing:

(1) Activities: S/P is involved in the preparation of the Function 150 budget submission by writing issue papers to prepare the Secretary for her annual review of Bureaus' BPP presentations. See Paragraph 5.C.(1)(b).

(2) Major Stakeholders: S, S/RPP, Bureaus, OMB.

(3) Key S/P Processes: There are no specific S/P processes associated with this activity.

(4) Associated Higher-Level Processes: Function 150 Budget preparation, President's Budget preparation.

(5) Associated Lower-Level Processes: MPP and BPP preparation.

6. Informal National Security Process Involvement.

A. 8th Floor Dinners: This process is illustrated in Appendix 4. S/P supports the Secretary of State in an informal process, designed to surface policy issues and develop policy approaches, that centers around informal, off-the-record dinner meetings held at the State

²⁰ Interview with S/P staff, November 4, 1999.

Department. The dinners include State Department officials and outside experts. Depending on the topic, officials from other government Agencies are invited to participate. S/P develops the agenda for the dinner meetings, recommending issues for the Secretary's approval. S/P also prepares read-ahead material for the Secretary. The meetings do not generally result in taskings or papers, although ideas generated at the meetings occasionally result in policy action. A source indicated the initiative for establishing a forum to support democracy-building was an outcome of one such meeting.²¹

B. Foreign Policy Breakfasts: This process is illustrated in Appendix 5. The Breakfasts involve the Secretary of State, the Secretary of Defense, the Chairman of the Joint Chiefs of Staff (CJCS), the U.S. Representative to the UN, and the Director of Central Intelligence (DCI). These meetings are informal, without an agenda, and no staff attend. S/P's role is to produce background memoranda for the Secretary, in anticipation of these meetings, that outline the issue and the positions of the other Agencies represented.²² Occasionally, issues addressed at the Breakfasts will result in taskings for the staffs of the principals involved. The primary objective of the meetings, however, is to provide a forum for coordination at the highest level.

7. Funding and Personnel.

A. Authorizations and Appropriations: Relevant authorizing committees for the Department of State and S/P are the House International Relations Committee and the Senate Foreign Relations Committee.²³ Relevant appropriating committees are the House and Senate Subcommittees on Commerce, State, and the Judiciary. The House and Senate Appropriations Subcommittee on Foreign Operations; Agriculture and Rural Development; and Labor, Health, and Human Services, and Education appropriate additional funds for international affairs programs and activities carried out by State, as well as other U.S. Government Departments and Agencies and some international organizations.

B. Funding Sources: S/P is funded through the Diplomatic and Consular Programs appropriations in the International Affairs section of the Federal Budget, also known as Function 150.

C. Budget: The FY 2000 budget request for the Diplomatic and Consular Programs category, which includes funding for S/P, is \$2.6 billion. This category includes funding for all State Department salaries, operating expenses, and infrastructure in Washington and at diplomatic and consular posts worldwide. Of this sum, \$208,296,000 is allocated for activities related to "Policy Formulation and Executive Direction," a category which includes the work of the Secretary, the Deputy Secretary, the Under Secretaries, the Assistant Secretaries, other Bureau heads, the Chiefs of Diplomatic Missions, and their staffs.²⁴

²¹ Interview with S/P staff, October 21, 1999.

²² Interview with S/P staff, October 21, 1999.

²³ Congress has not passed authorizing legislation for international affairs Agencies and programs since 1994, when HR 2333, The Foreign Relations Authorization Act for Fiscal Years 1994 and 1995, was signed into law (P.L. 103-236). Authorization for State programs and activities has thus occurred through the passage of yearly appropriations legislation.

²⁴ Office of Finance and Management Planning, "Budget in Brief," U.S. Department of State, Washington, DC, February 1, 1999, <http://www.state.gov/www/budget/2000/00stateprog1.html>

D. Manpower: Currently, S/P staff numbers approximately 30, including a Deputy Director who is a Civil Service employee of the State Department, and “eight or nine” administrative staff.²⁵ The office also includes four speechwriters who work for the Secretary of State.

8. Observations.

A. Influence of S/P depends on relationship between Director and Secretary. The Office of Policy Planning has built in flexibility to be used in different ways. Because the Director is not subject to Senate confirmation, the Director and staff can be assigned any role the Secretary deems desirable. Because S/P has no operational or regional responsibility within the Department, however, its influence is highly dependent on maintaining a close relationship with S and S staff. Because it falls outside the reporting lines of the Bureaus, its policy coordination role can only be effective if S staff enforces S/P’s rights to “clear” on specific policy issues.²⁶

B. S/P role in identifying and harnessing planning opportunities. The breadth of State Department issues means the relatively small S/P staff cannot conduct forward planning for all policy issues. As a result, S/P must select issues on which to focus, and selects according to interests of S. In practice, however, this means that S/P functions as another supporting office to S rather than as a planner for the whole Department. An alternative role for S/P is to act not as the principal planner for the Department, but to influence existing structures and processes within the Department to make forward planning a routine aspect of the Bureaus’ work, together with their operational responsibilities. Sources indicated the current S/P staff sees itself in this light, having developed a role with S/RPP in integrating the Department’s program planning and resource planning processes.²⁷ According to interviews, S/P is also attempting to develop the role of the Office of Intelligence and Research (INR) as a producer of longer-range, analytical intelligence products to assist the analytical work of the Bureaus.²⁸

C. Trigger needed for PDD 56 process. Currently, the initiator of interagency planning for complex contingencies is the NSC/DC. State Department sources involved in the PDD 56 process for the Kosovo crisis pointed to the need for a better interagency “trigger” for the PDD 56 process. According to these sources, the NSC/DC tends to operate in crisis management mode because of the competing demands on the principals. As a result, relying on the NSC/DC to start the PDD 56 process ensures a reactive rather than pro-active process.

²⁵ Interview with member of the Policy Planning Staff, November 4, 1999. According to this source, who is involved in the management of the office, the number of employees associated with the office changes often because the office has a number of employees at any one time who are on assignments from elsewhere within the Department.

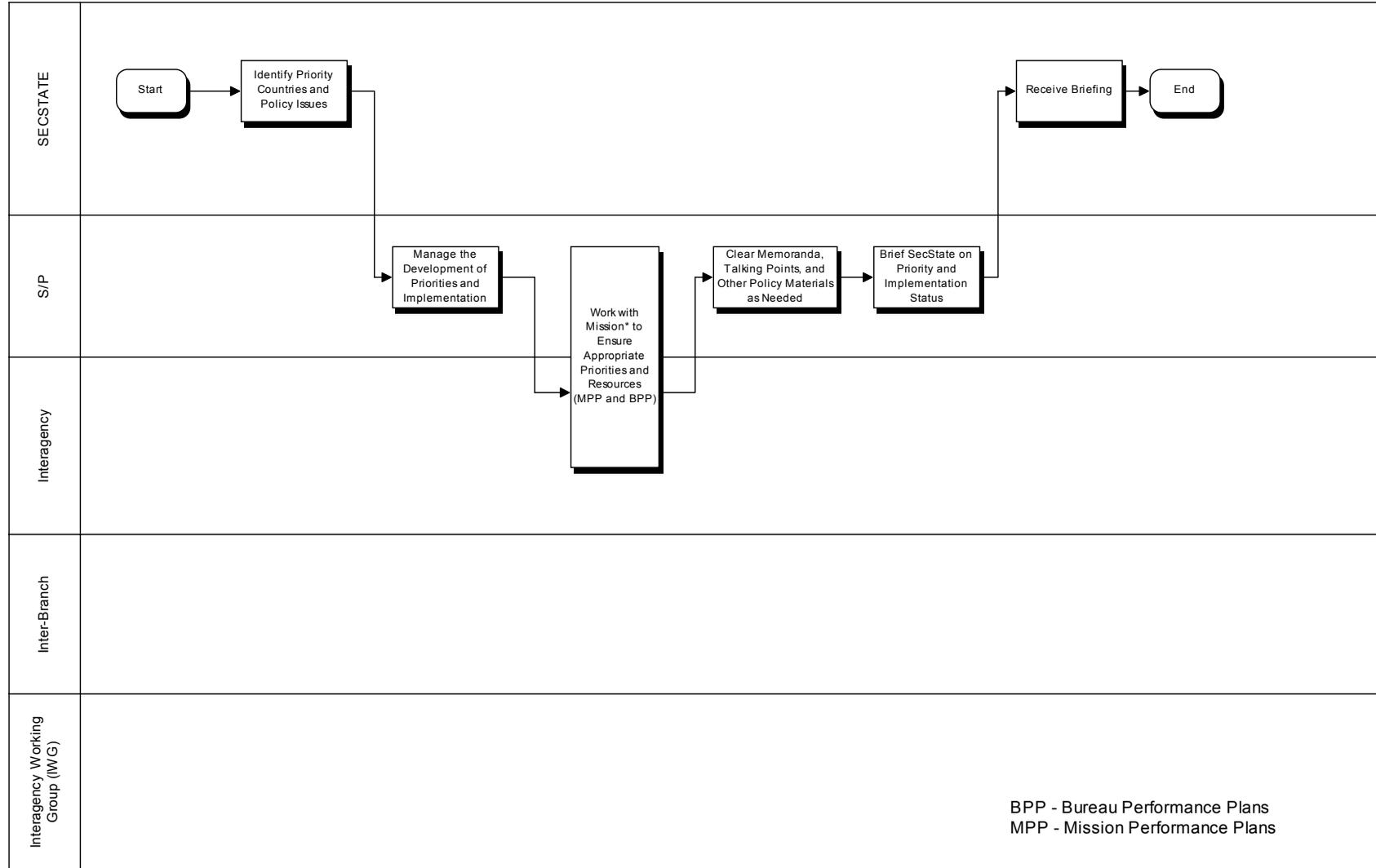
²⁶ This observation was substantiated by interviews with senior S/P officials, November 2 and November 4, 1999.

²⁷ Interview with S/P staff, November 4, 1999.

²⁸ Interview with S/P staff, November 4, 1999.

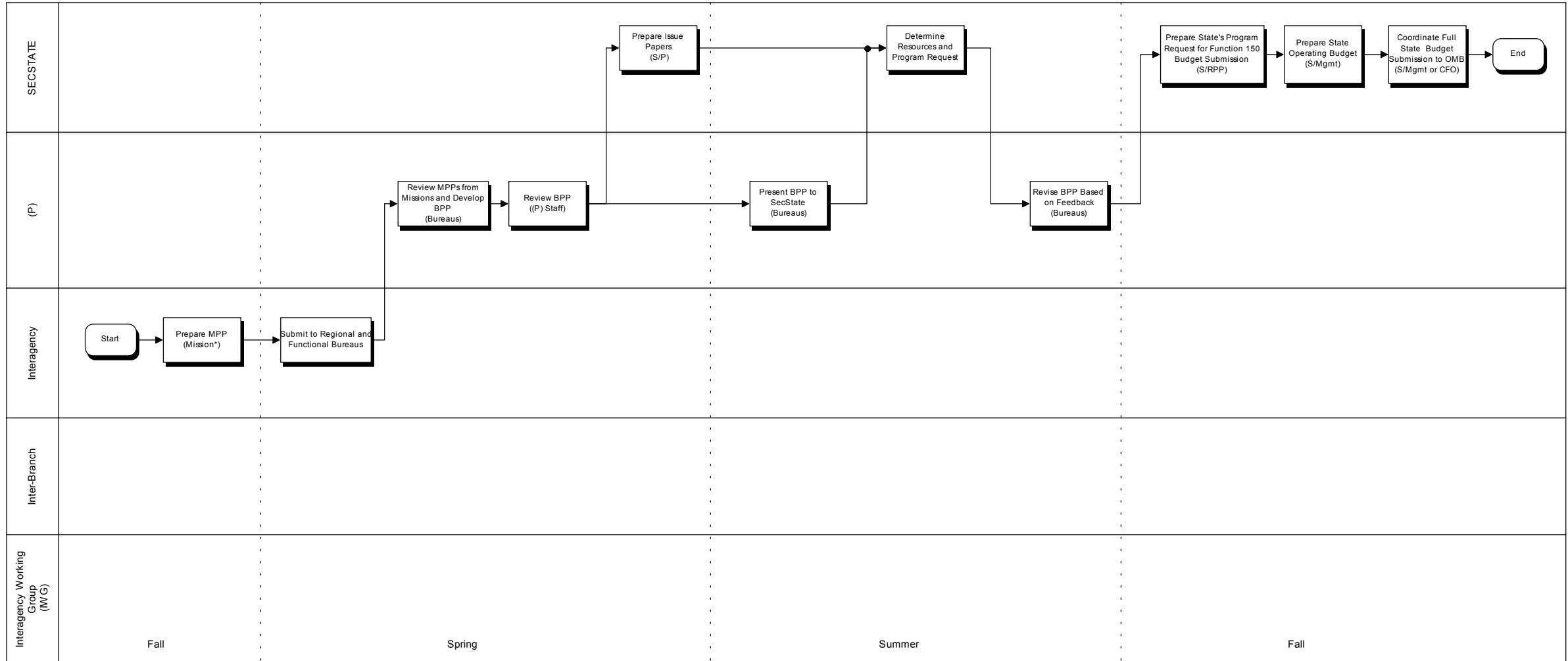
APPENDICES

DoS(S/P) - Key Process - (Formal) - Policy, Guidance, and Regulation - Management of Priority Policy Issues



* Includes representatives from other agencies within the mission

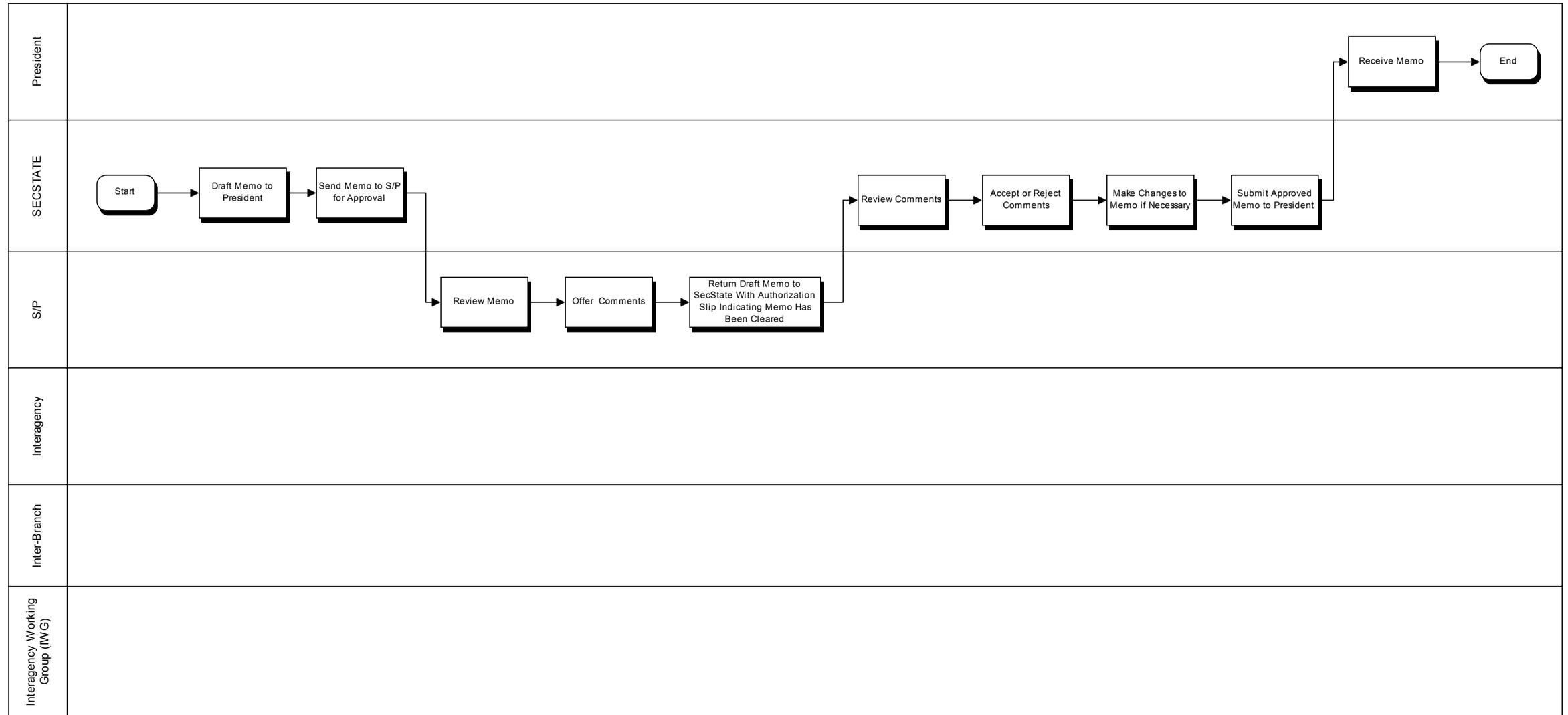
DoS(S/P) - Key Process - (Formal) - Planning - MPP and BPP Evaluation and Integration: Function 150



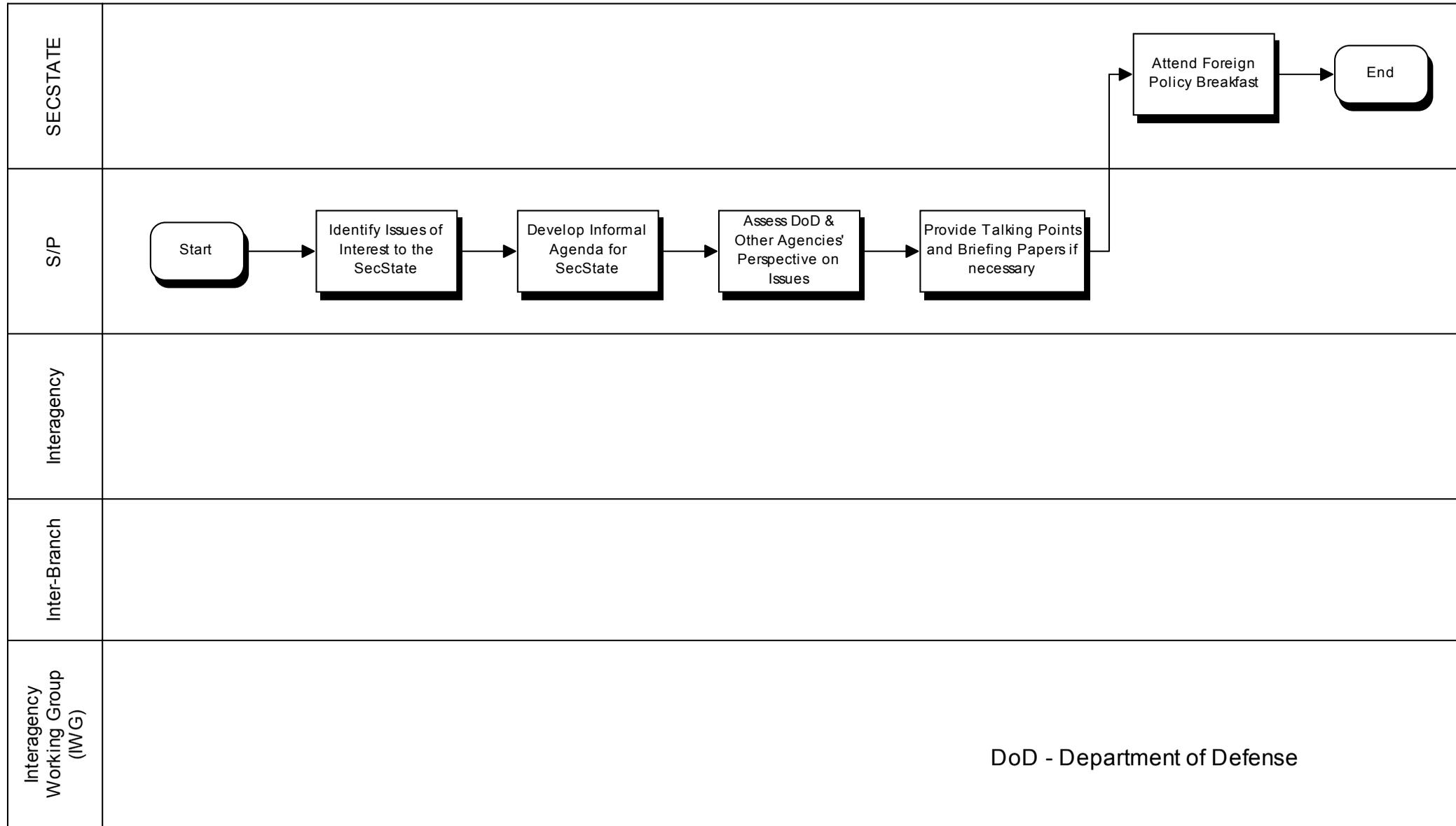
* Includes representatives from other agencies within the mission

BPP - Bureau Performance Plan
 CFO - Chief Financial Officer
 MPP - Mission Performance Plan
 OMB - Office of Management & Budget
 S/Mgmt - Office of the Secretary, Management
 S/P - Office of the Secretary, Policy Planning
 S/RPP - Office of the Secretary, Resources, Plans, and Policy

DoS(S/P) - Key Process - (Formal) - Observation, Orientation, and Oversight - Presidential Correspondence Clearance



DoS(S/P) - Key Process - (Informal) - Foreign Policy Breakfasts



ORGANIZATIONAL DESCRIPTION

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)



Prepared for the U.S. Commission on National Security/21st Century

EXECUTIVE SUMMARY

U.S. Agency for International Development (USAID)

Overview

The U.S. Agency for International Development (USAID) is an independent Agency first established under the Foreign Assistance Act of 1961 that reports to and receives guidance from the Secretary of State. Its mission is to contribute to U.S. national security by helping developing countries achieve economic and political stability through economic development programs, education and training assistance, democracy building, population and environmental programs. USAID also administers humanitarian assistance in response to natural disasters or crises, with the objective of helping countries transition from crisis situations to stability. USAID works both bilaterally and in conjunction with other U.S. Government Agencies, international organizations, non-governmental organizations (NGOs), and private voluntary organizations (PVOs). USAID receives funding for operating and programmatic expenses from the International Affairs section of the President's Budget (also known as Function 150) and it closely coordinates its programs and budget request with the Department of State. Its Administrator and Deputy Administrator participate in the National Security Council Principals Committee (NSC/PC) and Deputies Committee (NSC/DC) respectively, and USAID Assistant Administrators, who head the Agency's regional and functional Bureaus, represent the Agency at Interagency Working Groups (IWGs).

Organization

USAID is led by a Presidentially-appointed Administrator and Deputy Administrator, who report to the Secretary of State. Six offices and bureaus that share management-related responsibilities report directly to the Administrator and Deputy Administrator, as do the Inspector General and the Office of Security. The Agency's assistance programs are administered by four regional and two functional bureaus that also report directly to the Deputy Administrator and Administrator: the Bureau for Africa, the Bureau for Asia and the Near East, the Bureau for Latin America and the Caribbean, the Bureau for Europe and Eurasia, the Bureau for Global Programs, and the Bureau for Humanitarian Response. The Bureaus supervise the work of USAID field missions who manage the assistance programs in specific countries or regions. USAID field representatives are located either in separate missions, in U.S. diplomatic missions, or collocated with international or development organizations, depending on the scope of the program and whether it is a bilateral or multilateral effort. The Agency currently operates in four regions of the world: Sub-Saharan Africa, Asia and the Near East, Latin America and the Caribbean, and Europe and Eurasia.

Major Organizational Products

USAID's primary products are assistance programs in six areas:

- Economic growth and agricultural development;
- Population, health, and nutrition;

- Environment;
- Democracy and governance;
- Education and training;
- Humanitarian assistance.

Role in Formal and Informal National Security Processes

USAID’s role in national security is illustrated below:

		Strategy Development	Policy, Guidance, and Regulations	Planning	Mission Execution	Observation, Orientation, and Oversight	Preparation	Resourcing
Products	Comments on NSS	✓						
	Comments on IASP	✓						
	USAID Strategic Plan		✓					
	R4s and CSPs		✓	✓				✓
	BBBs			✓				✓
	Comments on MPPs			✓		✓		✓
	Comments on BPPs			✓		✓		✓
	Assistance programs				✓			
	Professional and technical training						✓	
	USAID Budget							✓
Roles	NSC/PC membership (Administrator)		✓	✓				
	NSC/DC membership (Deputy Administrator)		✓	✓				
	IWG membership (Assistant Administrators)		✓	✓				
	Participation in annual BPP presentations (Adminstrator)					✓		✓
	Representation at international donor meetings				✓			

Notes: NSS = *National Security Strategy*; IASP = *International Affairs Strategic Plan*; R4s = *Results Reports and Resource Requests*; CSPs = *Country Strategic Programs*; BBBs = *Bureau Budget Submissions*; MPPs = *Mission Performance Plans*; BPPs = *Bureau Performance Plans*; NSC/PC = *National Security Council Principals Committee*; NSC/DC = *National Security Council Deputies Committee*; IWG = *Interagency Working Group*.

Strategy Development. USAID reviews the draft *National Security Strategy* and provides comments to the State Department's Office of Policy Planning, which integrates the comments with the State Department input. USAID can influence the development of U.S. international security strategy to the extent that it contributes to the *International Affairs Strategic Plan* (IASP), a document produced by the Department of State that relates the objectives of U.S. Agencies involved in international affairs to specific U.S. national interests.

Policy, Guidance, Regulation. USAID develops broad policy guidelines for its assistance programs in the *USAID Strategic Plan*. The *Plan* describes the goals to be achieved through assistance programs, such as encouraging economic growth in disadvantaged economies and strengthening democratic institutions. USAID further communicates its policy goals to its field missions through two additional documents: the Results Reports and Resource Requests (R4s) and the *Country Strategic Plan* (CSP), which describe the programmatic objectives for the year ahead. Finally, USAID provides policy input at the interagency level through the Administrator's participation in the NSC/PC, the Deputy Administrator's representation at the NSC/DC, and the Assistant Administrators' participation in IWGs.

Planning. USAID conducts planning through the preparation of R4s and CSPs and through the integration of the information from R4s and CSPs into USAID's Bureau Budget Submissions (BBBs). USAID Bureaus further coordinate their assistance programs with the Department of State by reviewing the latter's *Mission Performance Plans* (MPPs), which USAID representatives at U.S. Missions abroad participate in writing, and *Bureau Performance Plans* (BPPs). USAID's Administrator, Deputy Administrator, and Assistant Administrators also participate in interagency planning in their capacity as representatives on the NSC/PC, NSC/DC, and IWGs.

Observation, Orientation, Oversight. USAID coordinates its programmatic plan with the Department of State by reviewing the latter's MPPs and BPPs and ensuring that its R4s and CSPs reflect U.S. policy priorities as established in the *International Affairs Strategic Plan*. USAID also exercises some oversight of the preparation of the International Affairs Budget, of which the USAID budget is part, by ensuring that USAID is represented during the State Department's annual presentations of BPPs to the Secretary of State.

Mission Execution. USAID participates in mission execution by implementing assistance programs after a crisis or as crisis prevention. USAID senior officials also engage in negotiations with other donor nations or multilateral organizations as part of crisis prevention or crisis management efforts.

Preparation. USAID is involved in preparation to the extent that it assesses the training needs of its technical staff and implements necessary training programs.

Resourcing. USAID participates in the preparation of the International Affairs Budget, which funds U.S. assistance programs, including defense assistance programs.

Observations

Good Performance in Delivering Assistance. The General Accounting Office (GAO) has evaluated USAID's performance and coordination with other U.S. Government Agencies in providing rule of law assistance to five Latin American countries, and has concluded the

programs are achieving their objectives and are well coordinated at the field level and at the interagency level.¹

Role of USAID in Future Security Context. To the extent that the U.S. will continue to confront multidimensional security challenges, with humanitarian, socioeconomic and environmental components, assistance programs will be a critical component of crisis prevention and crisis management. USAID should therefore be fully integrated into the national security planning process. It is not clear the extent to which that now occurs beyond the effort to tie USAID planning with State's planning process.

¹ General Accounting Office. Foreign Assistance: U.S. Role of Law Assistance to Five Latin American Countries. Washington, DC: GAO, August 4, 1999. GAO/NSIAD-99-195.

ORGANIZATIONAL DESCRIPTION

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)

1. Legal Specifications, Authorizations, and Responsibilities.

A. Background: During the Clinton Administration, the organization of the U.S. Government for foreign assistance policy-making and implementation changed by Executive Order and legislation. The Foreign Assistance Act of 1961 originally established U.S. foreign assistance policy, and an Executive Order by President Kennedy designated USAID as the Agency to administer it. In 1979, Executive Order 12163 established the International Development Cooperation Agency (IDCA) as an independent Agency to coordinate U.S. development assistance policy, making USAID a component of IDCA. In 1998, the Foreign Affairs Reform and Restructuring Act (P.L. 105-77) abolished IDCA and confirmed USAID as an independent Agency, but placed it under the direct authority and policy guidance of the Secretary of State. Thus, the Secretary now reviews and approves USAID's strategic plan and annual performance plan, annual budget submission, resource allocations, and any reprogrammings.²

B. Authorizing Statute: Title 22, Chapter 32, Section 2151 of the U.S. Code, as amended, provides authority for U.S. foreign assistance programs and for the organization of the U.S. Government for such programs.

C. Department Directives: USAID Automated Directive System (ADS) Functional Series 100 describes USAID's organization, functions, and management. ADS Series 200 provides guidance regarding the management of assistance programs.³

D. Interagency Directives: Executive Order 12163, as amended on March 31, 1999, redelegates economic assistance authorities from the IDCA to the Secretary of State. The Secretary of State, in turn, delegates to USAID the authorities to carry out its mission, including the authority to receive appropriations, to develop policies, and to implement and manage economic assistance programs.⁴

2. Missions/Functions/Purposes.

A. Major Responsibilities:⁵ USAID implements U.S. foreign economic and humanitarian assistance programs to help receiving countries achieve sustainable development. In doing so, it works with the people and governments of receiving countries, U.S. businesses, non-governmental organizations (NGOs), private voluntary organizations (PVOs), academic institutions, other U.S. Government Agencies, and international organizations, including international financial institutions. USAID assistance programs focus the following six functional areas: [Key process relation: Strategy Development; Policy, Guidance and

² Reorganization Plan and Report Submitted by President Clinton to the Congress on December 30, 1998, Pursuant to Section 1601 of the Foreign Affairs Reform and Restructuring Act of 1998, as Contained in Public Law 105-277.

³ ADS is located on the USAID website at <http://www.info.usaid.gov/pubs/ads/>.

⁴ Reorganization Plan and Report.

⁵ Information in this paragraph is drawn from "This is USAID" on the USAID website, at <http://www.info.usaid.gov/about/> and from USAID Strategic Plan, no date available, at http://www.info.usaid.gov/pubs/strat_plan/.

Regulation; Observation, Orientation, and Oversight; Planning; Mission Execution; Preparation; Resourcing.]

- (1) Economic growth and agricultural development;
- (2) Population, health, and nutrition;
- (3) Environment;
- (4) Democracy and governance;
- (5) Education and training; and
- (6) Humanitarian assistance.

The Agency operates in four geographic regions:

- (1) Sub-Saharan Africa;
- (2) Asia and the Near East;
- (3) Latin America and the Caribbean; and
- (4) Europe and Eurasia.

B. Subordinate Agencies: None.

C. Major Products: The Agency’s primary products are development assistance programs in the six functional areas detailed in Paragraph 2.A. USAID prepares Results Reports and Budget Resource Requests (R4s) and *Country Strategic Plans* (CSPs) to describe program needs and request funding for the programs it administers.

3. Vision and Core Competencies.

A. Vision: USAID’s mission statement states that USAID “contributes to U.S. national interests through the results it delivers by supporting the people of developing and transitional countries in their efforts to achieve enduring economic and social progress and to participate more fully in resolving the problems of their countries and the world.”⁶

B. Core Competencies: USAID’s core competencies are the identification of development problems, the formulation of effective solutions to those problems, and the coordination of bilateral and multilateral assistance to help receiving countries implement development solutions.⁷

⁶ USAID Strategic Plan.

⁷ USAID Strategic Plan.

4. Organizational Culture.

A. Values: There is no statement of values specific to USAID. According to one source, USAID emphasizes commitment to sustainable development and humanitarian assistance. This source noted that in the past, USAID sought to isolate its mission of foreign assistance from the national security process. The source noted, however, that this mindset is changing and USAID now views itself as having an important role in U.S. national security. This shift is having an impact on the priorities of the organization. According to the source, while in the past USAID designed its assistance programs to achieve long-term goals, it now emphasizes programs that can have an impact in the medium- and short-term.⁸

B. Leadership Traditions: An Administrator and a Deputy Administrator lead USAID under the direct authority and guidance of the Secretary of State.⁹ Both positions are political appointments of the President, and nominees are confirmed by the Senate.

C. Staff Attributes: USAID staff is characterized by a commitment to economic development and humanitarian assistance. A majority of professional staff have direct experience working in developing countries and in crisis environments.¹⁰ The majority of USAID employees are from the Civil Service. Approximately one fourth of USAID staff are members of the USAID Foreign Service and rotate from overseas positions to Washington approximately every three years.¹¹

D. Strategy: In its *Strategic Plan*, USAID has identified seven specific goals, to which it ties its specific assistance efforts:¹²

- (1) Encouraging economic growth and agricultural development;
- (2) Strengthening democracy and good governance;
- (3) Building human capacity through education and training;
- (4) Stabilizing world population and protecting human health;
- (5) Protecting the world's environment for long-term sustainability;
- (6) Relieving suffering associated with natural or man-made disasters and reestablishing the conditions for political and/or economic development; and
- (7) Remaining a premier bilateral development agency.

⁸ Interview with USAID official, November 18, 1999.

⁹ [Reorganization Plan and Report](#).

¹⁰ Interview with USAID official, November 18, 1999.

¹¹ Interview with USAID official, November 18, 1999.

¹² [USAID Strategic Plan](#).

E. Organizational Structure: USAID’s organization is illustrated in the figure below.

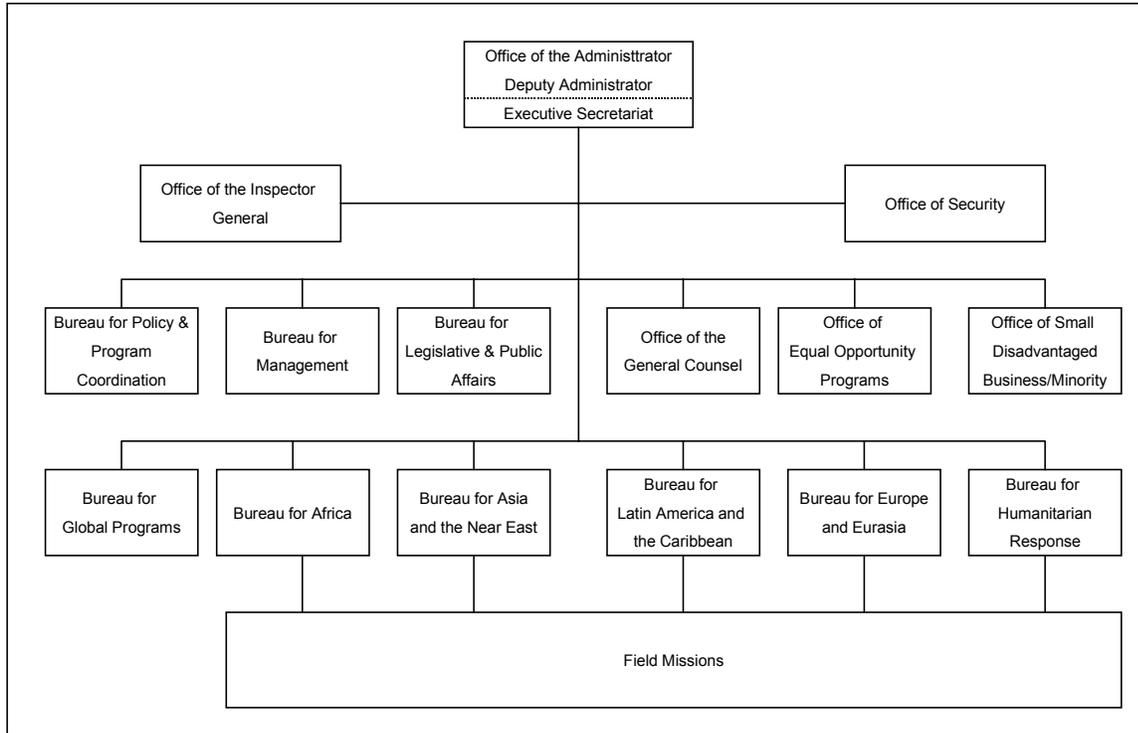


Figure 1: USAID Organization Chart¹³

USAID is headed by an Administrator and a Deputy Administrator, supported by an Executive Secretariat. Twelve offices and bureaus report directly to the Administrator and Deputy Administrator, as do the Inspector General and the Office of Security. In addition, USAID is represented overseas by field offices that administer specific assistance programs.

(1) The Administrator and Deputy Administrator provide overall guidance to USAID. The Administrator reports directly to the Secretary of State and takes policy guidance from her. The Executive Secretariat provides staff support for the Administrator and Deputy Administrator and “facilitates and expedites” the Agency’s internal decision-making process.¹⁴

(2) The Inspector General is responsible for ensuring the integrity of the Agency’s operations and activities by carrying out audits and appraisals.

(3) The Office of Security is responsible for the security of the USAID and USAID operations worldwide and liaises with the State Department’s Intelligence and Research Bureau and Bureau of Diplomatic Security.

(4) Bureau for Policy and Program Coordination is responsible for integrating policy and program priorities and for ensuring that the USAID budget allocations reflect the Administration’s priorities.

¹³ This chart was current as of January 1999. Source: USAID website, at: <http://www.info.usaid.gov/about/usaidthart.htm>.

¹⁴ The information in this and following paragraphs is drawn from: USAID. Administrative Directive System Chapter 101: Agency Programs and Functions. Functional Series 100: Organizational and Executive Management.

(5) Bureau for Management provides program and management support for USAID, including personnel management, accounting, and finance.

(6) Bureau for Legislative and Public Affairs supports USAID in its relations with the Congress and the public.

(7) Office of the General Counsel serves as USAID's source of legal advice.

(8) Office of Equal Opportunity Programs formulates and administers policy related to employment matters.

(9) Office Of Small And Disadvantaged Business Utilization/Minority Resource Center formulates and administers policies to increase the participation of small and disadvantaged enterprises in USAID's activities and programs.

(10) Bureau for Global Programs formulates and implements programs that address global problems and are scientific and technical in nature.

(11) Bureau for Africa directs and oversees USAID's activities in Africa.

(12) Bureau for Asia and the Near East supervises Agency activities in Asia and the Near East.

(13) Bureau for Latin America and the Caribbean supervises Agency activities in both regions.

(14) Bureau for Europe and Eurasia supervises Agency activities in this region.

(15) Bureau for Humanitarian Response supervises food assistance and international disaster assistance programs and programs administered by non-governmental voluntary organizations. It is also involved with international programs focused on effecting political change during crises and transitions.

(16) Field Missions represent USAID in countries and regions where it administers aid programs. The type of USAID presence varies according to the programs being delivered. In cases where the assistance is substantial or involves more than one type of assistance, USAID is represented by a Bilateral Country Mission. Where the program is less expansive in scope, USAID may be represented at the regional level by a Multi-Country Mission. Occasionally, a USAID program is carried out by international development organizations where the USAID presence consists of a small USAID contingent, or where other U.S. Government Agencies may be present.

5. Formal National Security Process Involvement. The figure below describes USAID’s role in the seven key national security processes.

		Strategy Development	Policy, Guidance, and Regulations	Planning	Mission Execution	Observation, Orientation, and Oversight	Preparation	Resourcing
Products	Comments on NSS	✓						
	Comments on IASP	✓						
	USAID Strategic Plan		✓					
	R4s and CSPs		✓	✓				✓
	BBBs			✓				✓
	Comments on MPPs			✓		✓		✓
	Comments on BPPs			✓		✓		✓
	Assistance programs				✓			
	Professional and technical training						✓	
	USAID Budget							✓
Roles	NSC/PC membership (Administrator)		✓	✓				
	NSC/DC membership (Deputy Administrator)		✓	✓				
	IWG membership (Assistant Administrators)		✓	✓				
	Participation in annual BPP presentations (Administrator)					✓		✓
	Representation at international donor meetings				✓			

A. Strategy Development:

(1) Major Activities: USAID reviews the draft *National Security Strategy* and provides comments to the State Department’s Office of Policy Planning, which integrates the comments with the State Department input. USAID contributes to drafting the *International Affairs Strategic Plan* (IASP) and uses the IASP as the basis for the *USAID Strategic Plan*.

(2) Stakeholders: USAID, State Department, U.S. Missions abroad, assistance-receiving countries.

(3) Key USAID Processes: *USAID Strategic Plan* preparation.

(4) Associated Higher-Level Processes: IASP preparation.

(5) Associated Lower-Level Processes: R4s and CSPs preparation.

B. Policy, Guidance, Regulation:

(1) Major Activities: USAID prepares the *USAID Strategic Plan* as a guide for USAID field missions in assembling the R4s and CSPs. The USAID Administrator influences national security policy through his participation in meetings of the National Security Council Principals Committee (NSC/PC).¹⁵ The Deputy Administrator participates in the NSC Deputies Committee (NSC/DC).¹⁶ Assistant Administrators of USAID Bureaus participate in Interagency Working Groups (IWGs) depending on the issue. During the U.S. response to the crisis in Rwanda, for example, USAID participated in an IWG that also included members from the Central Intelligence Agency, the Defense Intelligence Agency, and the Intelligence and Research Bureau in the Department of State.¹⁷

(2) Stakeholders: USAID, NSC/PC members, NSC/PC members, U.S. Missions abroad, other U.S. Government Agencies involved in assistance programs, assistance-receiving countries.

(3) Key USAID Processes: None.

(4) Associated Higher-Level Processes: IASP preparation, *Mission Performance Plans* (MPPs) and *Bureau Performance Plans* (BPPs) preparation.

(5) Associated Lower-Level Processes: R4s and CSP preparation.

C. Planning:

(1) Major Activities: USAID influences planning through the Administrator's participation in the NSC/PC, the Deputy Administrator's participation in the NSC/DC, and the Assistant Administrator's participation in Interagency Working Groups. USAID prepares annual R4s, CSPs, and Bureau Budget Submissions (BBSs) that lay out USAID program priorities for the year ahead. USAID staff at U.S. Missions abroad participate in the preparation of MPPs and USAID Bureaus participate in developing State Department BPPs. The USAID Administrator participates in the Secretary's annual review of BPPs.¹⁸

(a) R4 and CSP Preparation:¹⁹ (See Appendix 1 for process map.) USAID prepares R4s and CSPs to identify program priorities for the year ahead, to report on the performance of the programs in the year past, and to gather information that is used in the budget request. The process begins with the State Department's preparation of the IASP, to which USAID contributes. The plan informs USAID in formulating its own *Strategic Plan*, to which the State Department contributes. USAID Bureaus then prepare the planning guidance for the R4s and the CSPs. USAID Mission Directors use this guidance to prepare their respective R4s and CSPs, coordinating with the Ambassadors, who concur with the products. Mission Directors also draw from their R4s and CSPs to contribute to the MPPs to harmonize the programmatic

¹⁵ Interview with USAID official, November 18, 1999.

¹⁶ Interview with USAID official, November 18, 1999.

¹⁷ Interview with USAID official, November 18, 1999.

¹⁸ Reorganization Plan and Report.

¹⁹ This information is drawn from U.S. Agency for International Development, Bureau for Policy and Program Coordination. U.S. Agency for International Development Annual Performance Plan for FY 2000. February 28, 1999, pg. 9.

and budget proposals. USAID Bureaus then review the R4s and CSPs and provide feedback to Embassies and USAID Missions on MPPs, R4s, and CSPs. Bureaus also work with their State Department counterparts in assembling the State Department's BPPs and USAID's BBSs.

(b) MPP and BPP Preparation: (See Appendix 2 for process map.)

MPPs are developed in the fall by the U.S. Missions abroad under the leadership of the Ambassador. The MPP sets priorities for the work of the Mission in the year ahead, identifies the resource needs of the Mission, and provides information about the international activities of all U.S. Government Agencies represented at the Mission. USAID representatives at the Mission include in the MPP information about the assistance programs to be carried out by the Mission in the year ahead, including program goals and objectives, drawing from the R4s and CSP for this input.²⁰ The MPP is then sent to the relevant geographic and functional Bureaus at the Department of State, which begin drafting BPPs in February. BPPs are based on MPPs but are broader in scope, as they translate the Mission plans into regional goals for the State Department. BPPs also justify the Bureau's budget request for the fiscal year ahead. USAID Bureaus provide input to the State Bureaus as they draft their BPPs.

(c) BPP Review: In the Summer, the State Department's Office of Resources, Plans, and Policy (S/RPP) and the Policy Planning Staff (S/P) review the BPPs and write issue papers for the Secretary of State highlighting specific policy challenges or issues. In July, State's Bureaus brief their BPPs to the Secretary. These sessions include the USAID Administrator, representatives from the Office of Management and Budget (OMB), and other U.S. Government Agencies with an interest in the topics at hand. Bureaus revise their BPPs based on the feedback from these presentations and S/RPP works during the fall to prepare State's program request for the Function 150 budget submission.

(2) Stakeholders: USAID Bureaus, U.S. Missions abroad and USAID Mission Directors, State Department Bureaus, Secretary of State, S/P, S/RPP, OMB, assistance-receiving countries.

(3) Key USAID Processes: R4, CSP, BBS preparation.

(4) Associated Higher-Level Processes: MPP and BPP preparation, IASP preparation, USAID Strategic Plan preparation, Function 150 Budget preparation.

(5) Associated Lower-Level Processes: None.

D. Mission Execution:

(1) Major Activities: The USAID Administrator represents the U.S. Government in contacts with development officials of other donor nations, at Organization for Economic Cooperation and Development (OECD) Development Assistance Committee Meetings, and in development-related matters with international financial institutions.²¹ USAID administers assistance programs either directly, in cooperation with other U.S. Government Agencies, through NGOs or PVOs, or through multilateral development agencies.

²⁰ GAO/NSIAD-99-195.

²¹ Reorganization Plan and Report.

(2) Stakeholders: USAID, U.S. Missions abroad, other U.S. Government Agencies involved in specific assistance programs, multilateral organizations, NGOs, PVOs, recipient countries.

(3) Key USAID Processes: R4s and CSPs.

(4) Associated Higher-level Processes: MPPs and BPPs, Function 150 Budget preparation process.

(5) Associated Lower-level Processes: None.

E. Observation, Orientation, Oversight:

(1) Major Activities: USAID coordinates assistance programs with the State Department and other U.S. Government Agencies by providing input to MPPs and BPPs. USAID also coordinates with the Department of State in the latter's preparation of the International Affairs Budget request by observing the State Department Bureaus' presentations of their BPPs to the Secretary.

(a) MPP and BPP: See Paragraph 5.C.(1)(b).

(b) BPP Review: See Paragraph 5.C.(1)(c).

(2) Stakeholders: USAID Bureaus, U.S. Missions abroad and USAID Mission Directors, State Department Bureaus, Secretary of State, S/P, S/RPP, OMB, assistance-receiving countries.

(3) Key USAID Processes: R4s and CSP preparation.

(4) Associated Higher-level Processes: MPP and BPP preparation, Function 150 Budget request preparation.

(5) Associated Lower-level Processes: None.

F. Preparation:

(1) Major Activities: USAID works jointly with State to develop professional and technical training programs for its staff.²²

(2) Stakeholders: USAID professional staff, assistance-receiving countries.

(3) Key USAID Processes: None.

(4) Associated Lower-level Processes: None.

²² Reorganization Plan and Report.

(5) Associated Higher-level Processes: USAID budget request preparation, Function 150 budget request preparation

G. Resourcing:

(1) Major Activities: (See Appendix 3 for process map.) USAID assembles its budget request and coordinates with the Department of State in assembling the International Affairs Budget request. USAID prepares its budget request based on information contained in the R4s and CSPs. The process begins with the State Department's preparation of the International Affairs Strategic Plan, to which USAID contributes. The plan informs USAID in formulating its own Strategic Plan, to which State contributes. USAID Bureaus then prepare the planning guidance for the R4s and the CSPs, which identify program priorities for the year ahead. USAID Mission Directors use this guidance to prepare their respective R4s and CSPs, coordinating with the Ambassadors, who concur with the products. USAID Bureaus then review the R4s and CSPs and produce BBBs. The Bureau for Policy and Program Coordination (PPC) and the Bureau for Management (M) review the Bureau Budget Submissions and prepare the USAID budget request.²³ USAID presents its budget to OMB at yearly sessions held at USAID. S/RPP attends these sessions. Following this presentation, USAID presents its budget to the Secretary of State for approval.²⁴

(2) Stakeholders: USAID Bureaus, U.S. Missions and USAID Mission Directors, State Department, Secretary of State, S/RPP, OMB, assistance-receiving countries.

(3) Key USAID Processes: R4 and CSP preparation

(4) Associated Higher-Level Processes: MPP and BPP preparation, International Affairs Budget preparation, President's Budget preparation.

(5) Associated Lower-Level Processes: None.

6. Informal National Security Process Involvement.

USAID coordinates closely with the Department of State. A great deal of this interaction occurs in informal exchanges among regional and functional Bureaus at USAID and State. Heavy coordination also occurs at U.S. Missions abroad between USAID and other members of the country team. USAID also works with the Department of Defense (DoD), particularly on issues related to Africa. According to a source, a military officer is detailed from DoD to the USAID Bureau for Africa. The State Department has also detailed a Foreign Service Officer to the USAID Africa Bureau.²⁵

²³ ADS Chapter 201: Managing for Results: Strategic Planning. Functional Series 200: USAID Program Assistance.

²⁴ Interview with USAID official, November 18, 1999.

²⁵ Interview with USAID official, November 18, 1999.

7. Funding and Personnel.

A. Authorization and Appropriations: Relevant authorizing committees are the Senate Foreign Relations Committee and the House International Relations Committee. Relevant appropriating committees are the Senate Foreign Operations Appropriations Subcommittee and the House Foreign Operations Appropriations Subcommittee.

B. Funding Sources: Funding for USAID comes in the form of foreign operations appropriations. The USAID budget request is part of the International Affairs portion of the President's Budget, also known as Function 150.

C. Budget: USAID's Fiscal Year 2000 total budget request for programs and operating expenses is for \$ 7.2 billion. The table below shows USAID's appropriated levels for FY1998 and FY 1999, and budget request for FY 2000.²⁶

	FY 1998 (appropriated levels)	FY 1999 (appropriated levels)	FY 2000 (budget request)
USAID Operating Expenses	\$478,858,000	\$492,650,000	\$507,739,000
Total USAID Budget	\$6,976,892,000	\$7,092,731,000	\$7,212,000,000

D. Manpower: USAID personnel numbers 2,500. Of this number, 650 staff are USAID Foreign Service Officers.

8. Observations.

A. Good Performance in Delivering Assistance: GAO has evaluated USAID's performance and coordination with other U.S. Government Agencies in providing rule of law assistance to five Latin American countries, and has concluded the programs are achieving their objectives and are well coordinated at the field level and at the interagency level.²⁷

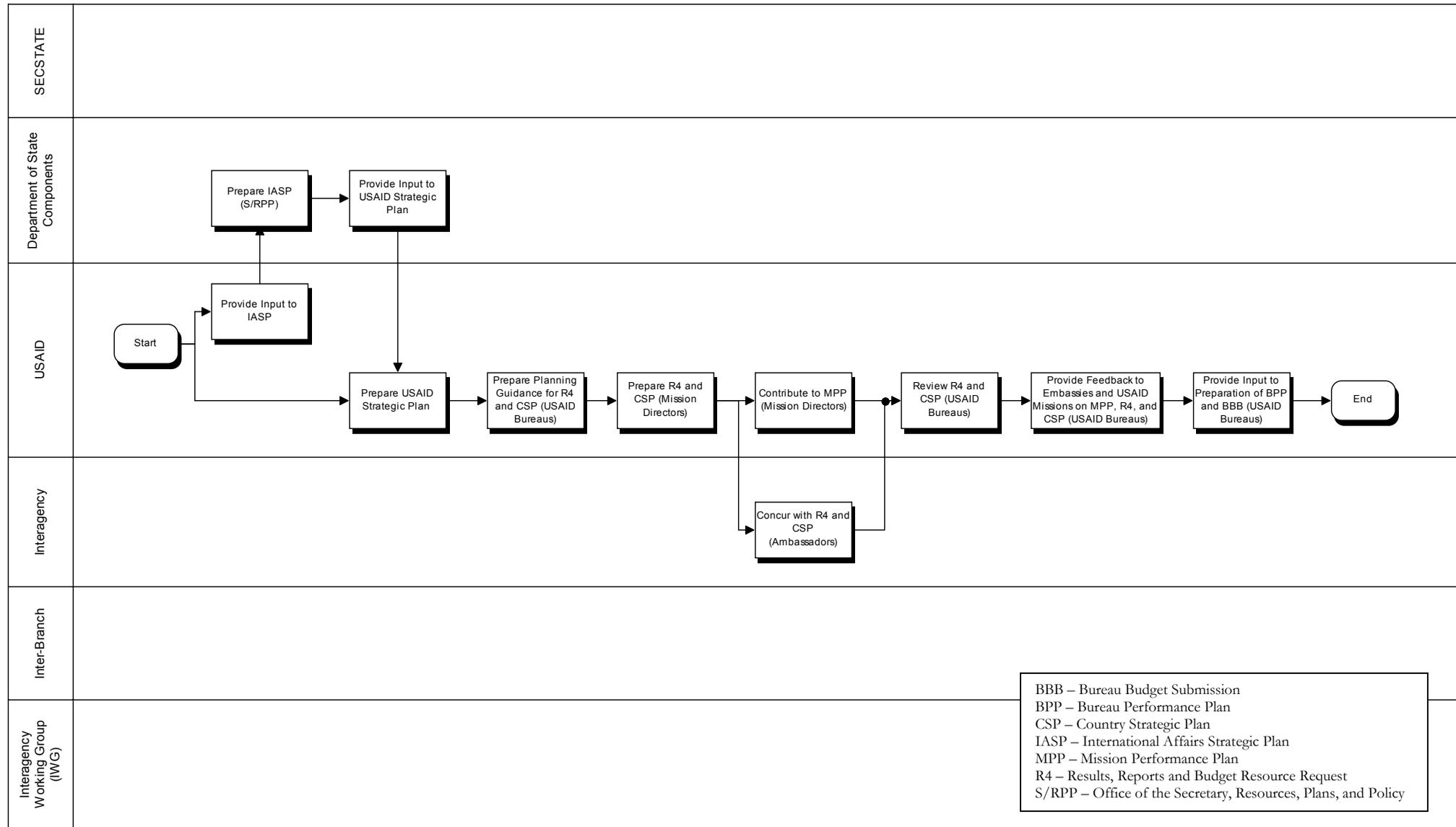
B. Role of USAID in Future Security Context: To the extent that the U.S. will continue to confront multidimensional security challenges, with humanitarian, socioeconomic and environmental components, assistance programs will be a critical component of crisis prevention and crisis management. USAID should therefore be fully integrated into the national security planning process. From a review of the literature and the limited interviews conducted, it is not clear the extent to which such integration occurs today beyond the connection between USAID planning and State's planning process.

²⁶ U.S. Agency for International Development. Summary of USAID Fiscal Year 2000 Budget Request. <http://www.info.usaid.gov/pubs/cp2000/cp00bud.html>.

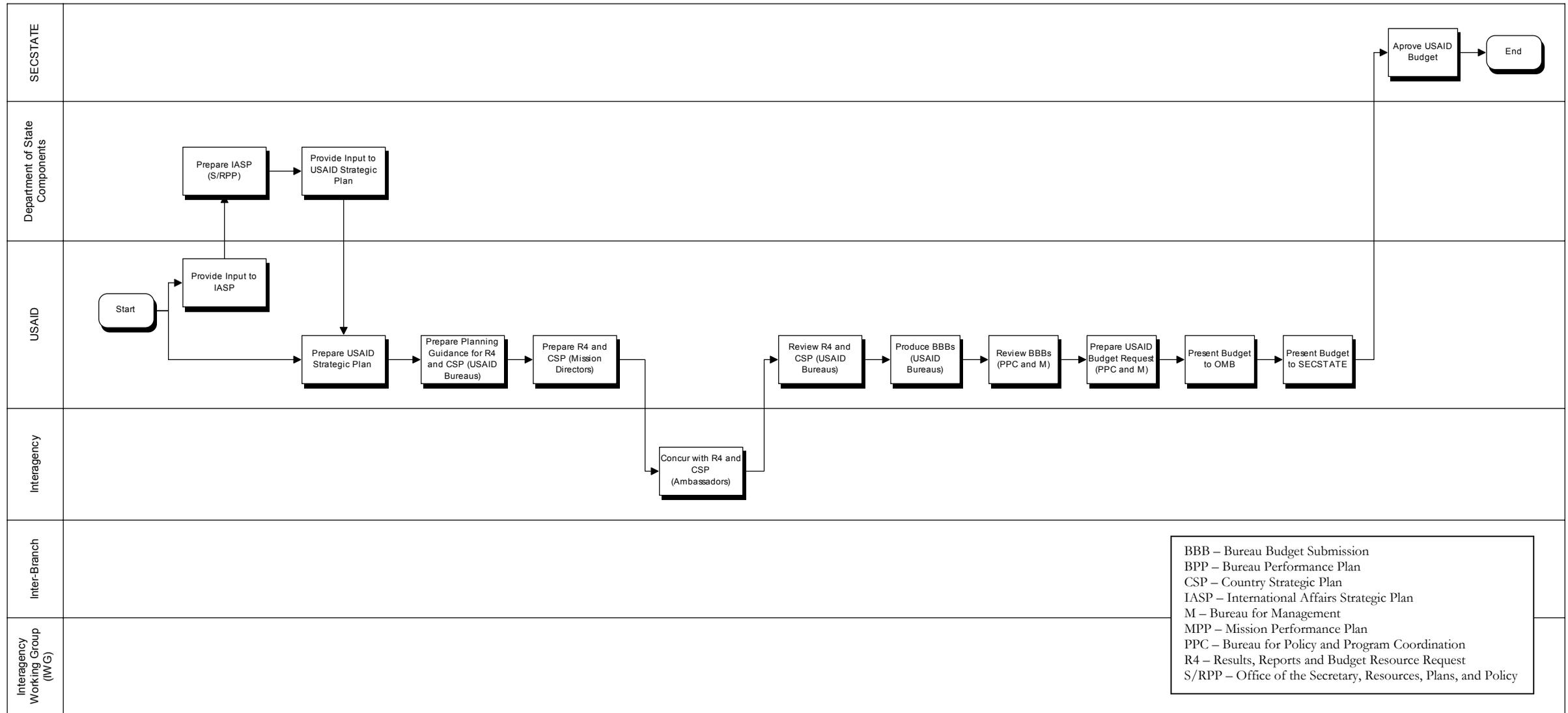
²⁷ General Accounting Office. Foreign Assistance: U.S. Role of Law Assistance to Five Latin American Countries. Washington, DC: GAO, August 4, 1999. GAO/NSIAD-99-195.

APPENDICES

USAID - Key Process - (Formal) – Planning – Preparation of R4 and CSP



USAID - Key Process - (Formal) – Resourcing



ORGANIZATIONAL DESCRIPTION
BUREAU OF EUROPEAN AFFAIRS (EUR)



Prepared for the U.S. Commission on National Security/21st Century

EXECUTIVE SUMMARY

Bureau Of European Affairs (EUR)

Overview

The Bureau of European Affairs (EUR) is the largest Bureau within the Department of State. It oversees the development, coordination, and implementation of policy relating to U.S. interests in Western Europe, Central and Eastern Europe, the Balkans, and the Baltics. EUR is also responsible for policy relating to European and transatlantic organizations, such the European Union (EU), the Organization for Security and Cooperation in Europe (OSCE), the Western European Union (WEU), the North Atlantic Treaty Organization (NATO), and the Organization on Economic Cooperation and Development (OECD). EUR also supports interagency teams, led by Special Envoys, overseeing the implementation of the Dayton Accords and Kosovo reconstruction. EUR's core competencies are regional expertise, analysis, and diplomacy. Its current area of focus relates to:

- Adapting the new security environment in Europe;
- Developing a new, comprehensive relationship with Europe;
- Implementing the Dayton Accords;
- Promoting stability in the Aegean region and a settlement in Cyprus
- Supporting a political settlement in Northern Ireland;
- Promoting regional cooperation in Southeast Europe; and
- Promoting regional cooperation in Northern Europe.

Organization

EUR is led by an Assistant Secretary of State, one of 24 such positions authorized by Title 22 of the U.S. Code. The Assistant Secretary is appointed by the President and confirmed by the Senate. The Assistant Secretary and four Deputy Assistant Secretaries oversee the work of 14 offices and desks organized along regional lines. EUR also supports five special coordinators and advisors to the Secretary for specific regional issues, and two interagency teams, headed by a Special Advisor, for Bosnia Implementation and Kosovo Implementation, and a Task Force for Military Stabilization in the Balkans. EUR reports to the Under Secretary of State for Political Affairs (P), although it is directly responsible to the Secretary of State on issues within its regional area of responsibility. EUR is staffed by Foreign Service Officers (FSOs) and Civil Service employees, with a preponderance of FSOs.

Major Organizational Products

EUR's primary product is regional analysis and policy recommendations to the Secretary of State. The form of such analysis and recommendation varies according to need. It may take

the form of background papers or talking points. It may be conveyed in presentations or informal briefings to the Secretary, her staff, or in discussions with P or P staff. EUR also provides guidance to U.S. Missions within its regional area of responsibility and to other Bureaus and desks with the Department of State formally by writing and coordinating guidance cables. EUR officials lead or participate in diplomatic missions within their regional area of expertise.

EUR is also a major source of interagency coordination, through its participation in Interagency Working Group (IWG) meetings, interagency teams staffing special envoys in negotiations or crisis management, or through informal contact with counterpart organizations in the Office of the Secretary of Defense, the Joint Staff, the NSC, the Department of Treasury, and other U.S. Government Agencies.

EUR coordinates on drafts of the *National Security Strategy* as part of the State Department’s input; it also reviews and comments on the *International Affairs Strategic Plan* (IASP). Finally, EUR assembles the annual *Bureau Performance Plan* (BPP), a document outlining the Bureau’s programmatic priorities for the year ahead.

Role in Formal and Informal National Security Processes

The matrix below summarizes the Bureau’s key roles in national security:

		Strategy Development	Policy, Guidance, and Regulations	Planning	Mission Execution	Observation, Orientation, and Oversight	Preparation	Resourcing
Product	Advice to S	✓	✓	✓	✓	✓		✓
	Guidance to Desks and Missions		✓			✓		
	Diplomatic Missions				✓			
	Interagency Coordination	✓	✓	✓		✓		
	NSS	✓						
	IASP	✓		✓				
	BPP			✓		✓		✓
Roles	Advisor to S	✓	✓	✓	✓	✓		✓
	Special Envoy Team Member	✓			✓			
	IWG Chair	✓	✓	✓		✓		

Strategy Development. EUR contributes to the development of strategy by providing comments on drafts of the *National Security Strategy* (NSS) by providing comments to the Office of Policy Planning, which coordinates the State Department’s input to the document in its drafting stages. EUR also contributes comments to the *International Affairs Strategic Plan* (IASP) while in draft. In addition, EUR contributes to developing strategy with respect to emerging regional issues, both in support of the NSC committee structure and as a participant in interagency teams supporting Special Envoys in specific negotiations and crisis management cases.

Policy, Guidance, and Regulation. EUR supports the development and coordination of policy through its participation in the NSC committee structure and interagency teams staffing. EUR also provides policy guidance to regional Missions by authoring and coordinating guidance cables.

Planning. EUR influences program planning through its review of the regional *Mission Performance Plans* (MPPs) and formulation of its *Bureau Performance Plan* (BPP) and the *Post Reporting Plan*. It participates in contingency planning through the formal interagency process, by coordinating with OSD, the Joint Staff, and the NSC staff.

Mission Execution. EUR officials lead or participate in diplomatic missions concerning their regional area of expertise. EUR personnel have staffed a number of interagency teams supporting the work of Special Envoys in negotiations or crisis management.

Observation, Orientation, and Oversight. EUR provides oversight of the work of U.S. Missions in its area of responsibility through its annual review of MPPs and the *Post Reporting Plan*. It provides guidance in the preparation of the State Department's International Affairs Budget request in its BPP and to U.S. Missions in its area of responsibility by releasing guidance cables. Finally, EUR provides orientation to other U.S. national security Agencies through its participation in interagency deliberations both as a member of IWGs and as a participant in interagency teams supporting Special Envoys in specific negotiations or diplomatic assignments.

Preparation. EUR is not involved in preparation.

Resourcing. EUR participates in the process to assemble the State Department's budget by drafting a BPP and presenting the Bureau's budget to the Secretary of State.

Observations

State Department regional Bureaus are influential players on national security matters both within the State Department and the interagency because of their role in shaping and implementing U.S. foreign policy in specific regions of the world. Although Bureaus fall under the oversight of Under Secretaries of State, they are in many cases as influential or more in shaping policy. First, regional expertise resides in the regional and country desks that make up the Bureaus. Second, Bureaus are the main point of contact with U.S. Missions overseas, which implement foreign policy. Third, Bureaus control larger budgets than Under Secretaries, whose 12-15 person staffs are small compared to the Bureaus. Finally, Bureaus are empowered to report directly to the Secretary of State on issues within their area of competence.

Among the regional Bureaus, EUR is particularly influential on security matters because its policy responsibility extends to three key security-related international organizations, NATO, OSCE, and the EU. Additionally, it is the regional Bureau with the among the largest budget and personnel resources

A. Weak link between policy and resources: The Department has recently undertaken several initiatives to improve policy coordination across regions and functions. It has developed an *International Affairs Strategic Plan* (IASP), which ties international affairs programs to stated national security goals and objectives. It has also strengthened the process by which Missions and Bureaus produce integrated program plans, by requiring that the annual *Mission*

Performance Plans (MPPs) and *Bureau Performance Plans* (BPPs) directly relate to the goals and objectives stated in the IASP.

Despite these improvements, program planning remains a low priority within the Department. MPPs and BPPs serve primarily to support the annual budget request and are rarely used to guide mid-course program planning and resource allocations adjustments. The causes for this appear to be both structural and cultural.

(1) No prioritizing of policy objectives: First, the Department does not prioritize foreign policy interests and objectives across regions and functions. Without such a statement of policy priorities, the Department's planning efforts cannot be completely effective, because there is no meaningful way to evaluate the allocation of resources among and within bureaus, as well as between the Department and other international affairs Agencies of the U.S. Government.

(2) Lack of emphasis on management and planning: Planning also suffers from a lack of emphasis within the Department on program and resource management. The interviews conducted revealed that senior policy officials at the State Department spend a majority of their time on policy issues and operational tasks rather than on management. Even at senior levels, officials function as action officers to the next higher level. While this practice ensures the quality of information flowing to the Secretary from the desks, it also encumbers senior officials and constrains them in dedicating their attention to management issues.

B. Interagency coordination on non-traditional security issues. The national security environment of the 21st century will continue to require close interagency coordination among a greater number of actors. Currently, interagency coordination occurs both as a result of the formal committee structure of the NSC and on an informal basis among officials of different Departments and Agencies. Current and former participants in this system indicated that this coordination process works well, especially on traditional security issues, where Agencies have been cooperating for some time and officials have developed personal contacts and communicate frequently with each other.

The system appears less effective for the coordination of non-traditional security issues, particularly those that cut across the economic and security policy arenas and those issues that involve Agencies that have had traditionally a domestic focus. In these cases, there appears to be greater reliance on formal coordination mechanisms, such as the establishment of *ad hoc* Interagency Working Groups, with fewer informal, personal contacts supporting the formal process.

C. Improving workforce management and planning: The national security environment of 21st century will require expertise in functional areas such as finance and economics, military and environmental issues, and program management, as well as regional expertise and skill in political analysis. The State Department is staffed by strong regional experts and political analysts, but despite recent efforts to increase training in program management and to accentuate functional areas, the Department's culture and personnel system do not facilitate the development of strong functional and program management skills among personnel. This situation creates a potential gap between U.S. foreign policy and diplomatic resources and emerging national security requirements.

The personnel system within the Department does not provide clear incentives for Foreign Service and Civil Service personnel to develop functional skills or pursue assignments in other Departments and Agencies that could strengthen interagency knowledge and relationships. Career advancement within the Department still emphasizes working in regional bureaus and assignments abroad. Assignments in functional bureaus are less rewarding for personnel, who can move laterally, but find it more difficult to move upward within the Department and to obtain senior assignments abroad. In addition, with a few exceptions, such as attending the National War College, Foreign Service officers and State Department Civil Service employees are not rewarded in their career for taking temporary assignments in other Agencies.

The Department should build incentives in its personnel system for pursuing non-traditional career paths, as well as developing management and planning skills. One area of opportunity for the Department in improving workforce skills is to develop a mechanism to encourage continuous professional development, such as the “training float” concept used by the Military Services to keep a certain percentage of their personnel in professional development and training programs at all times.

ORGANIZATIONAL DESCRIPTION

BUREAU OF EUROPEAN AFFAIRS (EUR)

1. Legal Specifications, Authorizations, and Responsibilities.

A. Authorizing Statute: There is no statute that specifically creates the Bureau of European Affairs. Title 22, Chapter 38, Section 2651a of the U.S. Code authorizes the Secretary of State to administer the Department and to make all necessary rules and regulations to carry out the Department's functions. The law, however, limits the number of officials who may carry the title of Assistant Secretary of State, who lead Bureaus, thus implicitly limiting the number of Bureaus as well. The law specifies that there may be no more than 24 Assistant Secretaries of State, each to be nominated by the President. The position of Assistant Secretary for European Affairs was established by Congress in 1949.

B. Department Directives: Section 1 FAM 110 of the *Foreign Affairs Manual* addresses the responsibilities of the regional Bureaus within the State Department by describing the responsibilities of the each key officials within the Bureaus, including the Assistant Secretary, the Deputy Assistant Secretaries, and Office Directors.

C. Interagency Directives: Presidential Decision Directive (PDD) 2, which establishes the Clinton Administration's National Security Council organization, establishes an interagency coordinating role for Assistant Secretaries of State on foreign policy issues. Assistant Secretaries of State may chair Interagency Working Groups. PDD 2 authorizes a system of Interagency Working Groups (IWG), under the Direction of a sub-Cabinet level Deputies Committee, to meet regularly "to review and coordinate the implementation of Presidential decisions" of a national security nature.¹ PDD 2 specifies that IWGs dealing with foreign policy issues should be chaired at the Assistant Secretary Level by the Department of State.

2. Missions/Functions/Purposes.

A. Major Responsibilities: EUR is "responsible for developing, coordinating, and implementing U.S. foreign policy on a variety of issues that deal with national security, economic prosperity, democracy, human rights, protection of the environment, halting the proliferation of weapons of mass destruction, and combating terrorism and international crime."²

B. Subordinate Agencies: None.

3. Vision and Core Competencies.

A. Vision: There is no statement of vision for EUR.

B. Core Competencies: There is no statement of core competencies for EUR. Interviews with EUR staff indicate that regional expertise, policy analysis, and diplomacy are

¹ The National Security Council, Presidential Decision Directive 2, The White House, January 20, 1993.

² Statement from the website of the Bureau of European Affairs, <http://www.state.gov/www/region/eur/index.html>.

areas of proficiency. The EUR website identifies the following as issue areas for “policy objectives and implementation:”³

- (1) Adapting to the new security environment in Europe;
- (2) Developing a new, comprehensive relationship with Europe;
- (3) Implementing the Dayton Accords;
- (4) Promoting stability in the Aegean region and a settlement in Cyprus;
- (5) Supporting a political settlement in Northern Ireland;
- (6) Promoting regional cooperation in Southeast Europe; and
- (7) Promoting regional cooperation in Northern Europe.

4. Organizational Culture.

A. Values: There is no statement of values for EUR. The Department of State *Strategic Plan* articulates seven key values or “guiding principles,” for all State employees:⁴

(1) **Impact**—defined as advancing the interests of American people domestically and overseas.

(2) **Expertise**—in foreign language and culture, in regional and technical issues, and management ability and international experience.

(3) **Discipline**—defined as the commitment to execute U.S. policy setting aside personal views.

(4) **Dissent**—defined as the ability to express divergent views constructively.

(5) **Diversity**—defined as interest in achieving a “merit-based” workforce “reflective of the American people.”

(6) **Partnership**—defined as commitment to integrate the different skills contributed by the Civil Service, Foreign Service, and foreign national workforce.

(7) **Commitment**—to preserving U.S. leadership and to the effective conduct of international relations.

B. Leadership Traditions: The Bureau of European Affairs is led by an individual holding the rank of Assistant Secretary, the fourth highest level of authority within the Department of State. Assistant Secretaries are appointed by the President and confirmed by the Senate. The position of Assistant Secretary for European Affairs, established by Congress in

³ <http://www.state.gov/www/regions/eur/#po>

⁴ U.S. Department of State, *Strategic Plan*, September 1997.

1949, has been filled most frequently by career Foreign Service Officers (15 of 20 individuals filling this position have been FSOs). The current Assistant Secretary is a career Foreign Service Officer holding the rank of Ambassador.

C. Staff Attributes: EUR personnel, which includes Foreign Service Officers as well as a smaller contingent of Civil Service personnel, was described in interviews as “ambitious” and “workaholic.”⁵ EUR attracts personnel with interest and experience in national security issues, partly because of EUR’s responsibility for policy relating to the North Atlantic Treaty Organization (NATO), Organization on Cooperation and Security in Europe (OSCE), and Western European Union. A number of EUR personnel have worked in U.S. Missions to these multilateral institutions, as well as on the NSC staff and on Congressional staffs.

D. Strategy: There is no statement of strategy for the Bureau of European Affairs.

E. Organizational Structure:

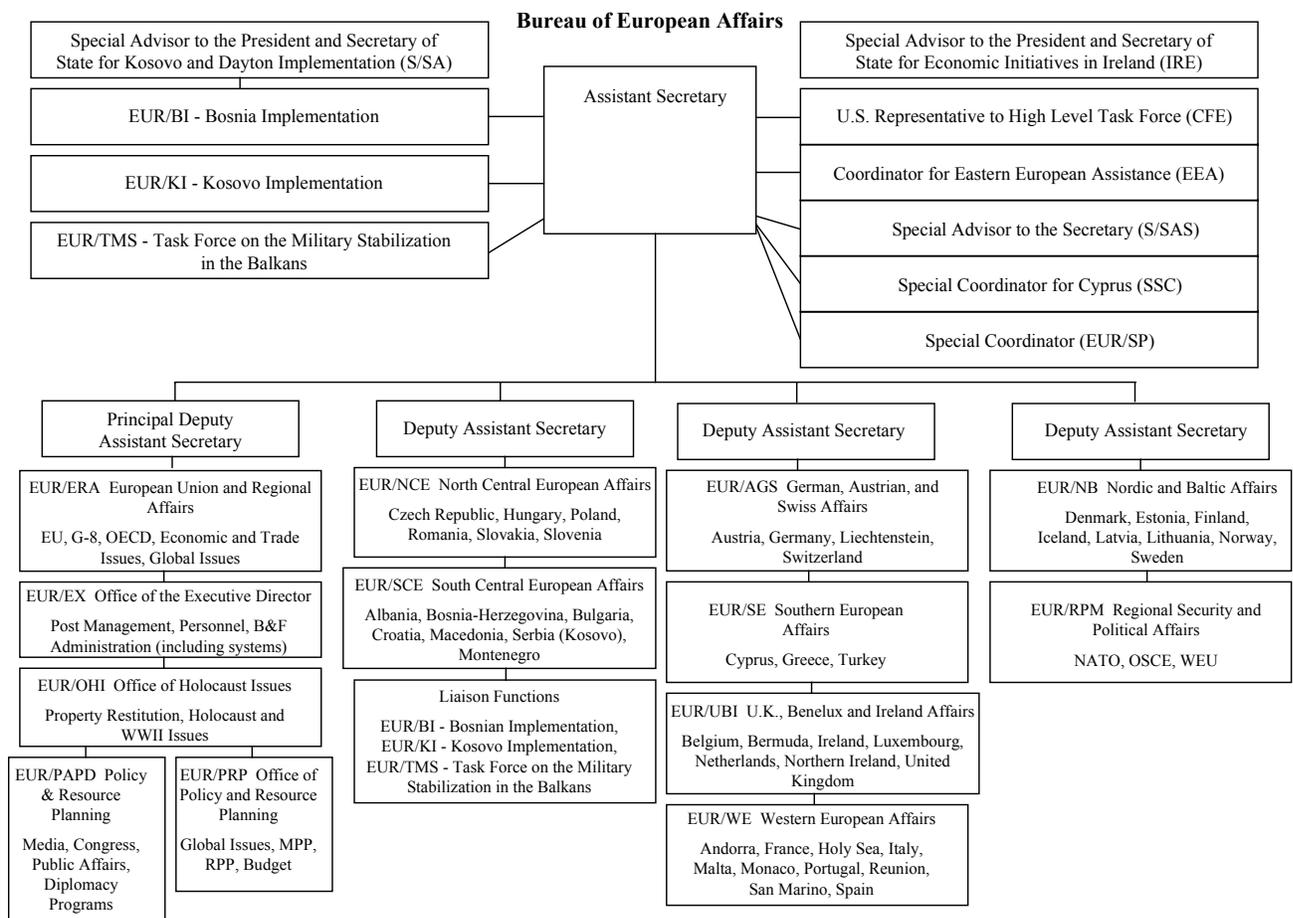


Figure 1: Organizational Structure of EUR

⁵ Interview with State Department official, May 11, 2000.

The Bureau of European Affairs is led by an Assistant Secretary of State and four Deputy Assistant Secretaries. The Assistant Secretary and the Deputies oversee the work of 14 offices and desks responsible for policy relating to specific countries, regions, or management issues. The offices and desks are:

(1) Office of European Regional Affairs (EUR/ERA): responsible for issues relating to the European Union, G-8, Organization on Economic Cooperation and Development (OECD), and trade and global issues.

(2) Office of the Executive Director (EUR/EX): responsible for management of personnel and foreign posts issues.

(3) Office of Holocaust Issues (EUR/OHI): responsible for issues relating to property restitution to Holocaust victims.

(4) Office of Public Affairs and Diplomacy (EUR/PAPD): responsible for media and Congressional relations and diplomacy programs.

(5) Office of Policy and Resource Planning (EUR/PRP): responsible for managing the *Mission Performance Plan* and *Bureau Performance Plan* processes and for the preparation of the Bureau's annual budget request.

(6) North Central European Affairs (EUR/NCE): responsible for issues relating to the Czech Republic, Hungary, Poland, Romania, Slovakia, and Slovenia.

(7) South Central European Affairs (EUR/SCE): responsible for issues relating to Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Macedonia, Serbia, and Montenegro.

(8) Liaison Function (EUR/BI, EUR/KI, EUR/TMS): responsible for coordination of issues relating to the implementation of accords in Bosnia, Kosovo, and relating to the Task Force for the Military Stabilization in the Balkans.

(9) German, Austrian and Swiss Affairs (EUR/AGS): responsible for issues relating to Germany, Austria, Switzerland, and Lichtenstein.

(10) Southern European Affairs (EUR/SE): responsible for issues relating to Cyprus, Greece, and Turkey.

(11) U.K., Benelux, and Ireland Affairs (EUR/UBI): responsible for issues relating to Belgium, Bermuda, Ireland, the Netherlands, Northern Ireland, and the United Kingdom.

(12) Western European Affairs (EUR/WE): responsible for issues relating to Andorra, France, the Holy See, Italy, Malta, Monaco, Portugal, Reunion, San Marino, and Spain.

(13) Nordic and Baltic Affairs (EUR/NB): responsible for issues relating to Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, and Sweden.

(14) Regional Security and Political Affairs (EUR/RPM): responsible for issues relating to NATO, OSCE, and the WEU.

5. Formal National Security Process Involvement.

		Strategy Development	Policy, Guidance, and Regulations	Planning	Mission Execution	Observation, Orientation, and Oversight	Preparation	Resourcing
Product	Advice to S	✓	✓	✓	✓	✓		✓
	Guidance to Desks and Missions		✓			✓		
	Diplomatic Missions				✓			
	Interagency Coordination	✓	✓	✓		✓		
	NSS	✓						
	IASP	✓		✓				
	BPP			✓		✓		✓
Roles	Advisor to S	✓	✓	✓	✓	✓		✓
	Special Envoy Team Member	✓			✓			
	IWG Chair	✓	✓	✓		✓		

Figure 2: Bureau’s Relation to Key National Security Processes

A. Strategy Development:

(1) Major Activities: EUR contributes to the development of the *National Security Strategy* (NSS) by providing comments to the Office of Policy Planning, which coordinates the State Department’s input to the document in its drafting stages. EUR also contributes comments to the *International Affairs Strategic Plan* (IASP) while in draft. The IASP is a document produced by the State Department that lists the objectives of the U.S. Government for its international affairs activities. It is used to frame the efforts of all U.S. Agencies involved in international affairs activities. It is also used as a departure point for the State Department’s program planning effort. EUR is also involved in developing strategy with respect to emerging regional issues, both in support of the NSC committee structure and as a participant in interagency teams supporting Special Envoys in specific negotiations and crisis management cases. EUR is currently supporting the Special Advisor to the President and Secretary of State for Kosovo and Dayton Implementation.

(2) Stakeholders: EUR, Office of the Secretary of State, Office of Policy Planning, NSC.

(3) Key EUR processes: None.

(4) Associated Higher-Level Processes: Development of NSS, development of IASP.

(5) Associated Lower-Level Processes: None.

B. Policy, Guidance and Regulation:

(1) Major Activities: EUR supports the development and coordination of policy through its participation in the NSC committee structure and interagency teams staffing. EUR also provides guidance to regional Missions through guidance cables.

(a) Interagency Coordination: The Bureau provides input to policy-making through membership in IWGs. The Bureau is represented in IWGs by the Assistant Secretary for European Affairs, Deputy Assistant Secretaries, and other officials at lower levels as appropriate. For example, the Bureau co-chairs with the NSC a Standing Executive Committee for the Balkans, which meets daily, often using video teleconferencing capabilities. IWGs report issues to higher levels of the NSC committee structure (i.e., the NSC Deputies Committee (NSC/DC) and the NSC Principals Committee (NSC/PC)) as necessary. In the word of one IWG member, “when tough issues arise, the process ‘tightens up’ and decisions are made at higher levels.”⁶ (For more information on the NSC/PC and NSC/DC, see Volume I.)

(b) Interagency Teams/Special Envoys. EUR supports interagency coordination and development of policy through its participation in interagency teams staffing Special Envoys.⁷ During crises, or to respond to rapidly developing situations, the Clinton Administration has often relied on Special Envoys and Emissaries to conduct on-the-ground negotiations. Special Envoys are assisted by a small number of personnel representing State, DoD, the NSC and other Agencies as appropriate. This model was employed, for example, to guide the negotiation and implementation of the Dayton Accords, Kosovo reconstruction, promotion of a settlement on the Cyprus question, and in Northern Ireland.

According to a senior official who participated in such interagency teams, this structure allowed timely decision-making during fast-moving negotiations because the Special Envoy could report directly to and receive guidance from members of the NSC/DC and NSC/PC. At the same time, the interagency team supporting the Envoy could link back to their respective Agencies to keep their chain of command apprised of developments. The interagency composition of the team also ensured that different Agency perspectives could be taken into account during the formulation of positions during negotiations “on the ground.” In the view of the official interviewed, interagency teams are effective tools to overcome stovepipes and ensure integrated and more efficient decision making and policy implementation.

(c) Guidance Cables. The guidance cable process is illustrated in Appendix 1. Bureaus communicate guidance to U.S. Missions abroad in cable format. Cables are typically drafted by Desk Officers in the Bureaus and are reviewed and approved, or “cleared,” horizontally within State and through other Agencies of the U.S. Government with a stake in the issue, and vertically through the Bureau’s Assistant Secretary. (The NSC staff, OSD, and the Joint Staff frequently clear on State Department guidance cables.) The clearance level of a guidance cable depends on its content. Routine guidance cables are sent to the Missions directly by the Bureaus and are signed by the Assistant Secretary in charge. Cables conveying important policy changes or addressing issues of greater policy relevance are cleared

⁶ Interview with State Department Official, April 28, 2000.

⁷ Such interagency teams are not the same as Interagency Working Groups (IWGs), in that they are specifically constituted to support a special coordinator.

vertically within State through the Under Secretary for Political Affairs (P), the Deputy Secretary (D), and the Secretary (S), and are sent to the Mission under the Secretary's signature.

(2) Stakeholders: NSC/PC, NSC/DC, Bureaus, Missions, NSC staff, DoD, Joint Staff, other U.S. Government Agencies.

(3) Key EUR Processes: None.

(4) Associated Higher-Level Processes: Deliberations of the NSC/DC and NSC/PC.

(5) Associated Lower-Level Processes: Drafting of guidance requests by Missions.

C. Planning:

(1) Major Activities: EUR influences program planning through its review of the regional *Mission Performance Plans* (MPPs) and formulation of its *Bureau Performance Plan* (BPP) and the *Post Reporting Plan*.

(a) MPPs and BPPs. The MPP and BPP process is depicted in Appendix 2. MPPs are strategic documents prepared by staff of U.S. diplomatic Missions abroad under the direction of the Chief of Mission. The MPP sets priorities for the work of the Mission in the year ahead, identifies the resource needs of the Mission, and provides information about the international activities of all U.S. Government Agencies represented at the Mission. BPPs are based on MPPs but are broader in scope, as they translate the Mission plans into regional goals for the Department. MPPs and BPPs serve as the basis for assembling State's program request for the Function 150 budget category. Both documents also are utilized by the Office of Resources, Plans, and Policy (S/RPP) within the Office of the Secretary of State (S) to evaluate the disposition of assets and allocated resources when a crisis or emergency requires a reallocation of funds.

Missions begin assembling MPPs in the fall and typically forward them to the Bureaus in February. Beginning in February, the Bureaus analyze the information received from all the Missions within their region of competence and prepare BPPs. Bureaus use BPPs to justify budget requests for the fiscal year ahead in yearly presentations to the Secretary of State, which typically occur in July. These sessions include members of the Secretary's staff, such as the Office of Policy Planning and S/RPP, as well as staffers from the Office of Management and Budget (OMB). Bureaus revise their BPPs based on the feedback from these presentations and S/RPP works during the fall to prepare State's program request for the Function 150 budget submission.⁸

(b) Post Reporting Plan: The *Post Reporting Plan* is a document assembled by each U.S. Mission abroad that informs the State Department of the issues about which the Mission expects to report in the year ahead. This information is provided in cable

⁸ The Office of the Under Secretary of State for Management (M) prepares a request for State's operating funds as part of the Function 150 budget submission. According to our sources, the two processes are separate and MPPs are not used in the preparation of the operating funds budget request.

format to the Department and is reviewed by the Bureaus and by the Under Secretary for Political Affairs (P). According to State Department sources, this document is considered “more useful” than the MPP by Bureaus and P.

(2) Major Stakeholders: S, S/RPP, P, Bureaus, Missions, OMB.

(3) Key EUR Processes: None.

(4) Associated Higher-Level Processes: IASP preparation, Function 150 Budget preparation, President’s Budget preparation.

(5) Associated Lower-Level Processes: MPP preparation.

D. Mission Execution:

(1) Major Activities: EUR participates in mission execution by conducting or supporting diplomatic missions and negotiations relevant to its regional area of responsibility. The Assistant Secretary for European Affairs and other EUR officials, for example, participate in bilateral negotiations with their regional counterparts and in multilateral negotiations in forums such as the North Atlantic Treaty Organization (NATO) and the Organization for Security and Cooperation in Europe (OSCE). EUR staff also support Special Envoys as members of interagency teams (see Paragraph B.(1)(b)).

(2) Major Stakeholders: Desks, Missions, DoD, NSC staff, other U.S. Departments and Agencies.

(3) Key EUR Processes: There are no specific EUR processes associated with these activities. Diplomatic missions are event-driven, although those meetings associated with the schedules of international organizations, such as the United Nations (UN) General Assembly, held yearly in the fall, and NATO Ministerial Meetings held twice a year, are generally predictable. The substance and purpose of these sessions, however, will vary according to the evolving agenda of the organizations.

(4) Associated Higher-Level Processes: Interagency coordination through NSC/PC, NSC/DC, and IWG meetings.

(5) Associated Lower-Level Processes: None.

E. Observation, Orientation, Oversight:

(1) Major Activities: EUR also provides oversight of the work of U.S. Missions in its area of responsibility through its annual review of MPPs and the *Post Reporting Plan*. It provides guidance in the preparation of the State Department’s International Affairs Budget request in its BPP and to U.S. Missions in its area of responsibility by releasing guidance cables. Finally, EUR provides orientation to other U.S. national security Agencies through its participation in interagency deliberations both as a member of IWGs and as a participant in interagency teams supporting Special Envoys in specific negotiations or diplomatic assignments.

(a) MPPs and BPPs. See Paragraph C.(1)(c) above.

(b) Cable Guidance. See Paragraph B.(1)(c) above

(c) *Post Reporting Plan.* See Paragraph C.(1)(b) above.

(2) Major Stakeholders: Bureaus, Missions, other Under Secretaries, Deputy Secretary of State.

(3) Key EUR Processes: None.

(4) Associated Higher-Level Processes: IASP preparation.

(5) Associated Lower-Level Processes: MPP preparation.

F. Preparation: EUR is not involved in preparation.

G. Resourcing:

(1) Activities: EUR participates in the process to assemble the State Department's budget by drafting a BPP and presenting the Bureau's budget to the Secretary of State. See Paragraph C.(1)(c) above.

(2) Major Stakeholders: Bureaus, Missions, S/RPP, S, OMB.

(3) Key EUR Processes: Preparation of the BPP.

(4) Associated Higher-Level Processes: Function 150 budget preparation, President's Budget preparation.

(5) Associated Lower-Level Processes: MPP preparation.

6. Informal National Security Process Involvement.

The processes described above are supplemented by informal contacts among officials within State and in the interagency. EUR officials engage in frequent communication by phone and in person with counterparts in the State Department and other U.S. Departments, particularly the Defense Department and the NSC. One official characterized this exchange as particularly well established when issues fall in traditional areas of national security, such as arms control, or in cases with potential for the introduction of U.S. troops. In cases where national security policy involves "non-traditional security issues," in the words of one interlocutor, the informal communication process is less developed.⁹ An official interviewed indicated stovepipes still exist in the area where economic policy and national security policy intersect. Although in the words of one official, the State Department and the Treasury Department have begun to work more closely together, there are still stovepipes that exist among the major players in bringing economic resources to bear on security problems. Interlocutors indicated, for example, that

⁹ Interview with State Department official, April 28, 2000.

although the interface between the NSC and the National Economic Council is good at senior levels, coordination at the lower levels of these two organizations is not as good.

EUR also supports senior State Department officials in their participation in informal interagency discussions, including the weekly lunches between the Secretary of State, the Secretary of Defense, and the National Security Advisor (the ABC lunch) and the weekly foreign policy breakfasts between the Secretary of State, the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, the Director of Central Intelligence, and the U.S. Representative to the United Nations.

A. The Albright-Berger-Cohen (ABC) Breakfasts/Lunches. This process is illustrated in Appendix 3. The Secretary of State participates in weekly meetings with the National Security Advisor and the Secretary of Defense to address emerging national security issues, resolve interagency matters, and coordinate with her counterparts. The NSC staff prepares and distributes the agenda for these meetings. Because only the principals can attend these meetings, the principals are responsible for relaying any information and taskings from the meetings to their staff.

B. Foreign Policy Breakfasts. This process is depicted in Appendix 4. The Breakfasts involve the Secretary of State, the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, the U.S. Representative to the United Nations, the Director of Central Intelligence. These meetings are more informal than the ABC meetings: there is no agenda and no staff attend. The Secretary receives background memoranda from S/P in preparation for these meetings that outline the issue and the positions of the other Agencies represented.¹⁰ Occasionally, issues addressed at the breakfasts will result in taskings for the staffs of the principals involved. The primary objective of the meetings, however, is to provide a forum for coordination at the highest level.

7. Funding and Personnel.

A. Authorization and Appropriations: Relevant authorizing committees for the Department of State are the House International Relations Committee and the Senate Foreign Relations Committee.¹¹ Relevant appropriating committees are the House and Senate Subcommittees on Commerce, State, and the Judiciary. The House and Senate Appropriations Subcommittee on Foreign Operations, Agriculture and Rural Development, and Labor, Health, and Human Services and Education appropriate additional funds for international affairs programs and activities carried out by the State Department as well as other U.S. Government Departments and Agencies and some international organizations.

B. Funding Sources: EUR is funded through the Diplomatic and Consular Programs appropriations in the International Affairs section of the Federal Budget, also known as Function 150. Additional funds flow to the State Department from the collection of fees from visa applications, license applications for defense-related exports, and commercial services.

¹⁰ Interview with S/P staff, October 21, 1999.

¹¹ Congress has not passed authorizing legislation for international affairs Agencies and programs since 1994, when HR 2333, The Foreign Relations Authorization Act for Fiscal Years 1994 and 1995, was signed into law (P.L.103-236). Authorization for State Department programs and activities has thus occurred through the passage of yearly appropriations legislation.

Funding for the State Department represents approximately 25 percent of the total Function 150 request of the President's FY 2000 Budget.¹² Function 150 also supports international activities and programs carried out by three other Cabinet Departments, seven independent Agencies, three foundations, and a number of international organizations.

C. Budget: The FY 2000 budget request for the Diplomatic and Consular Programs category, which includes funding for EUR is \$2.6 billion. This category includes funding for all State Department salaries, operating expenses, and infrastructure in Washington and at diplomatic and consular posts worldwide. Of this sum, \$208,296,000 is allocated for activities related to "Policy Formulation and Executive Direction," a category that includes the work of the Secretary, the Deputy Secretary, the Under Secretaries, the Assistant Secretaries and other Bureau heads, the chiefs of diplomatic Missions and their staffs.¹³

D. Manpower: Manpower figures for EUR were not available.

8. Observations.

A. Weak link between policy and resources: The Department has recently undertaken several initiatives to improve policy coordination across regions and functions. It has developed the IASP, which ties international affairs programs to stated national security goals and objectives. It has also strengthened the process by which Missions and Bureaus produce integrated program plans, by requiring that the annual MPPs and BPPs directly relate to the goals and objectives stated in the IASP.

Despite these improvements, program planning remains a low priority within the Department. MPPs and BPPs serve primarily to support the annual budget request and are rarely used to guide mid-course program planning and resource allocations adjustments. The causes for this appear to be both structural and cultural.

(1) No prioritizing of policy objectives: First, the Department does not prioritize foreign policy interests and objectives across regions and functions. Without such a statement of policy priorities, the Department's planning efforts cannot be completely effective, because there is no meaningful way to evaluate the allocation of resources among and within bureaus, as well as between the Department and other international affairs Agencies of the U.S. Government.

(2) Lack of emphasis on management and planning: Planning also suffers from a lack of emphasis within the Department on program and resource management. The interviews conducted revealed that senior policy officials at the State Department spend a majority of their time on policy issues and operational tasks rather than on management. Even at senior levels, officials function as action officers to the next higher level. While this practice ensures the quality of information flowing to the Secretary from the desks, it also encumbers senior officials and constrains them in dedicating their attention to management issues.

¹² Office of Finance and Management Planning, "Budget in Brief," U.S. Department of State, Washington, DC, February 1, 1999, <http://www.state.gov/www/budget/2000/00summary.html>.

¹³ Office of Finance and Management Planning, "Budget in Brief," U.S. Department of State, Washington, DC, February 1, 1999, <http://www.state.gov/www/budget/2000/00stateprog1.html>

B. Interagency coordination on non-traditional security issues. The national security environment of the 21st century will continue to require close interagency coordination among a greater number of actors. Currently, interagency coordination occurs both as a result of the formal committee structure of the NSC and on an informal basis among officials of different Departments and Agencies. Current and former participants in this system indicated that this coordination process works well, especially on traditional security issues, where Agencies have been cooperating for some time and officials have developed personal contacts and communicate frequently with each other.

The system appears less effective for the coordination of non-traditional security issues, particularly those that cut across the economic and security policy arenas and those issues that involve Agencies that have had traditionally a domestic focus. In these cases, there appears to be greater reliance on formal coordination mechanisms, such as the establishment of *ad hoc* Interagency Working Groups, with fewer informal, personal contacts supporting the formal process.

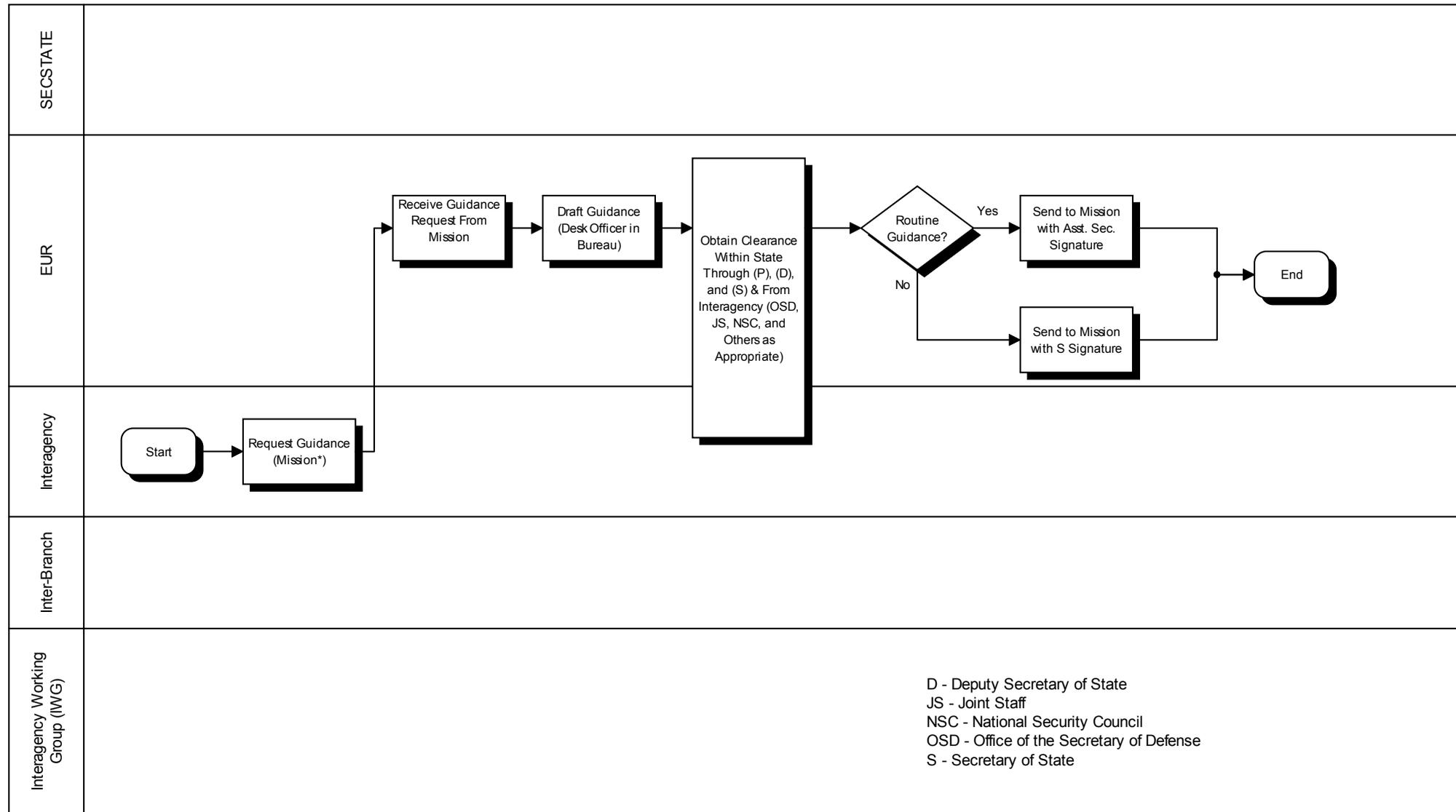
C. Improving workforce management and planning: The national security environment of 21st century will require expertise in functional areas such as finance and economics, military and environmental issues, and program management, as well as regional expertise and skill in political analysis. The State Department is staffed by strong regional experts and political analysts, but despite recent efforts to increase training in program management and to accentuate functional areas, the Department's culture and personnel system do not facilitate the development of strong functional and program management skills among personnel. This situation creates a potential gap between U.S. foreign policy and diplomatic resources and emerging national security requirements.

The personnel system within the Department does not provide clear incentives for Foreign Service and Civil Service personnel to develop functional skills or pursue assignments in other Departments and Agencies that could strengthen interagency knowledge and relationships. Career advancement within the Department still emphasizes working in regional bureaus and assignments abroad. Assignments in functional bureaus are less rewarding for personnel, who can move laterally, but find it more difficult to move upward within the Department and to obtain senior assignments abroad. In addition, with a few exceptions, such as attending the National War College, Foreign Service officers and State Department Civil Service employees are not rewarded in their career for taking temporary assignments in other Agencies.

The Department should build incentives in its personnel system for pursuing non-traditional career paths, as well as developing management and planning skills. One area of opportunity for the Department in improving workforce skills is to develop a mechanism to encourage continuous professional development, such as the "training float" concept used by the Military Services. The military's training float is a surplus number of personnel above the operational force requirements to cover critical positions while still allowing personnel the opportunity for training and education. The training float system allows the Services to keep a certain percentage of their personnel in professional development and training programs at all times with minimum effect on the mission.

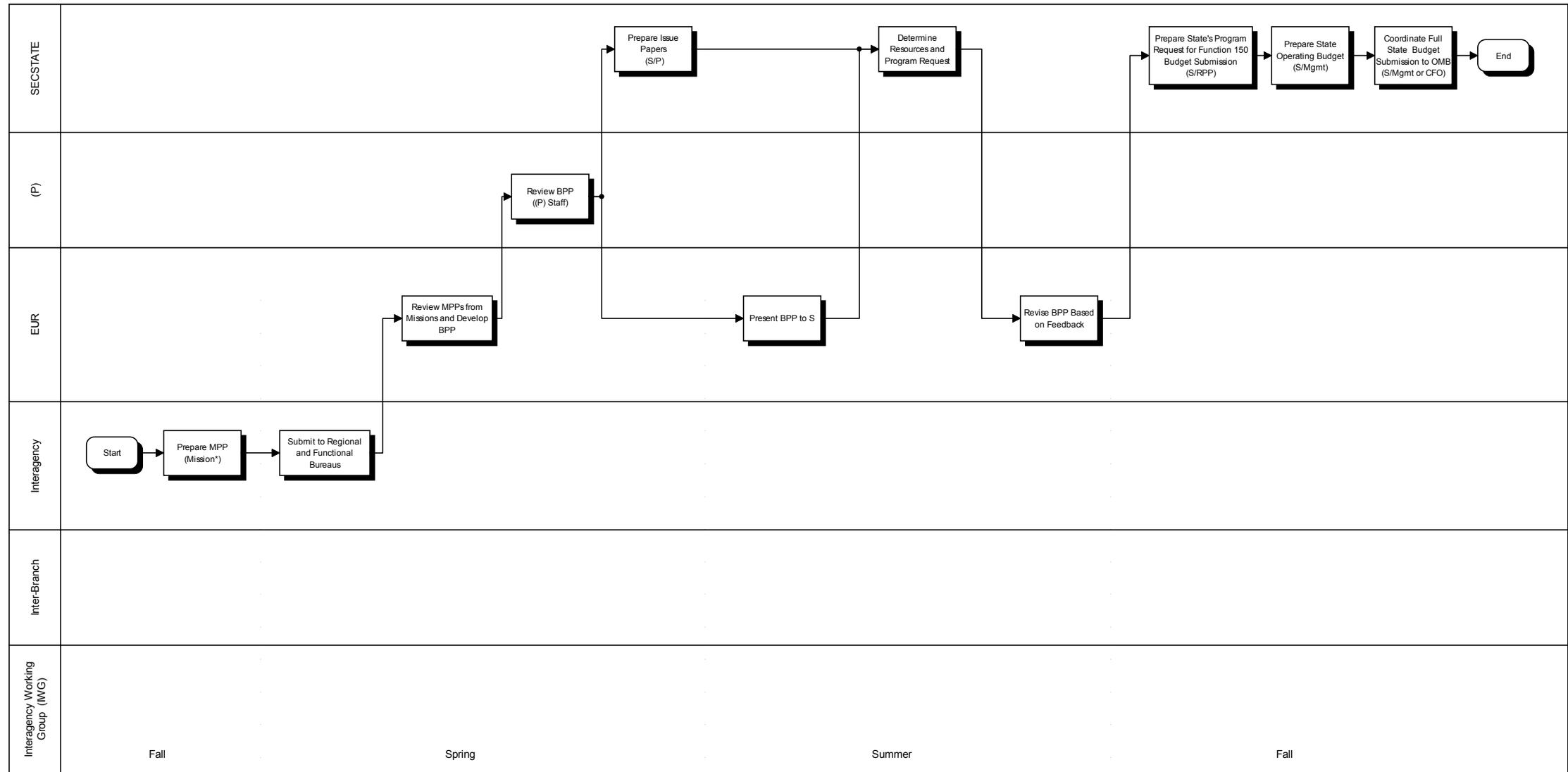
APPENDICES

EUR Bureau – Key Process – (Formal) – Policy, Guidance, and Regulation – Guidance Cables



* Includes representatives from other agencies within the mission

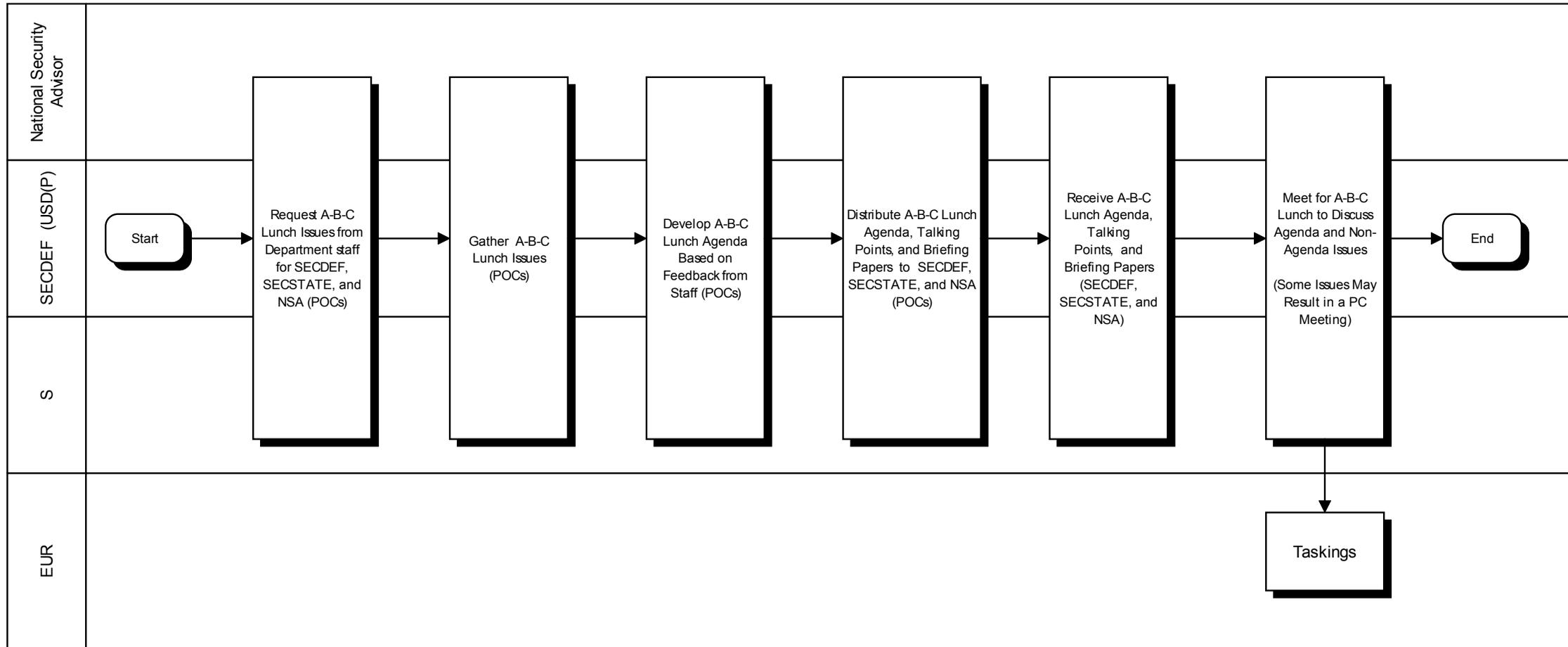
EUR Bureau – Key Process – (Formal) – Policy, Guidance, and Regulation – BPP Presentations - 150



* Includes representatives from other agencies within the mission

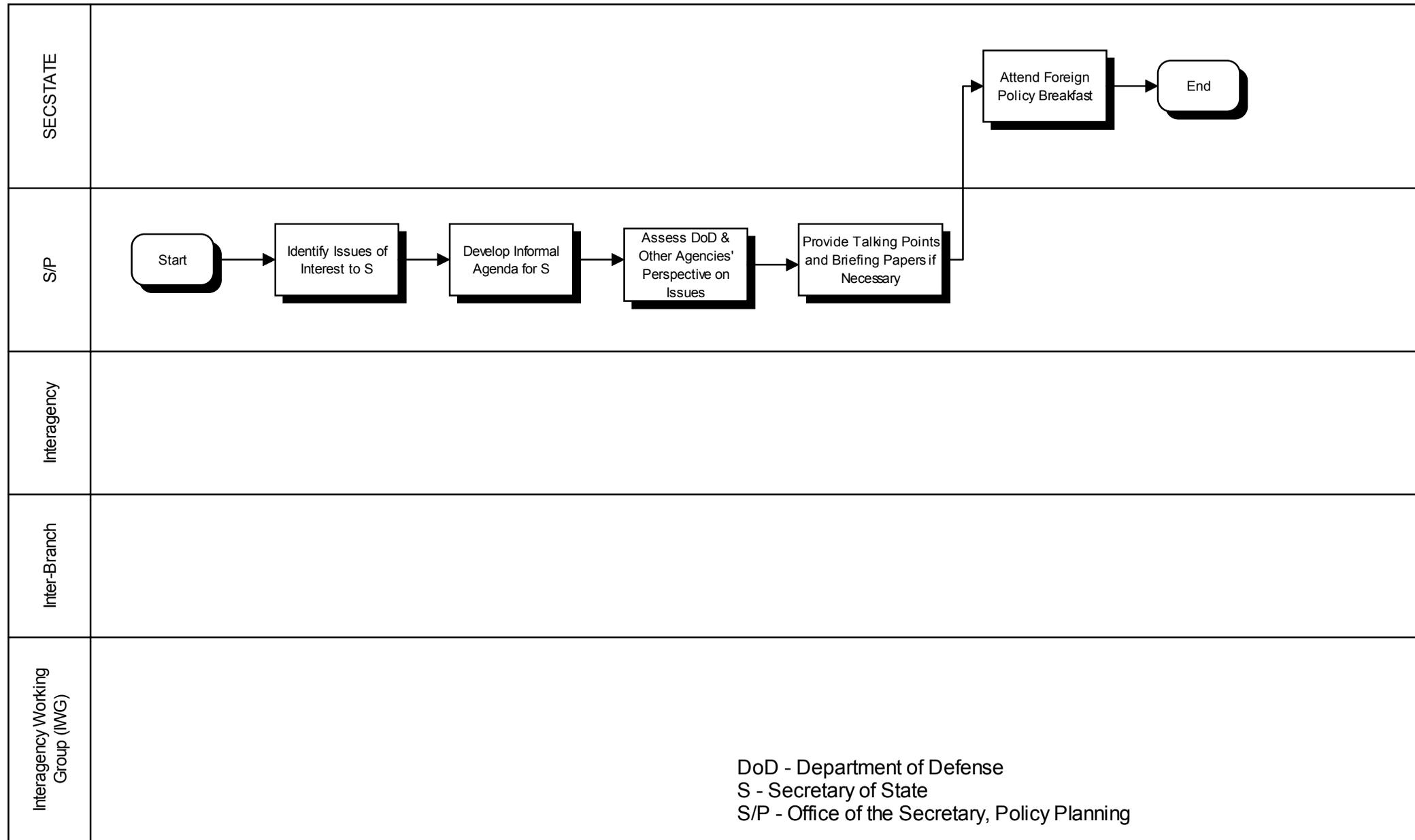
BPP - Bureau Performance Plan
 CFO - Chief Financial Officer
 MPP - Mission Performance Plan
 OMB - Office of Management & Budget
 S/Mgmt - Office of the Secretary, Management
 S/P - Office of the Secretary, Policy Planning
 S/RPP - Office of the Secretary, Resources, Plans, and Policy
 S - Secretary of State
 P - Under Secretary of State for Political Affairs

EUR – Key Process – (Informal) – The Albright-Berger-Cohen (A-B-C) Breakfast/Lunch



A-B-C - Albright-Berger-Cohen
 PC - Principals Committee
 POC - Point of Contact
 S - Secretary of State

EUR Bureau – Key Process – (Informal) – Policy, Guidance, and Regulation – Foreign Policy Breakfast



ORGANIZATIONAL DESCRIPTION

BUREAU OF NEAR EASTERN AFFAIRS (NEA)



Prepared for the U.S. Commission on National Security/21st Century

EXECUTIVE SUMMARY

Bureau of Near Eastern Affairs (NEA)

Overview

The Bureau of Near Eastern Affairs (NEA) oversees policy development and implementation with regard to the countries in the Near East, North Africa, and the Arabian Peninsula. While NEA is not directly involved in the policy and negotiations of the Middle East Peace Process, it does support the Special Middle East Coordinator and participates in bilateral negotiations with regional counterparts and in multilateral negotiations in forums such as those that evolved out of the 1991 Madrid Conference. These include the U.S.-Jordan-Israel Trilateral Economic Committee; the U.S.-Israel-Palestinian Trilateral Committee; and the Multilateral Working Groups that cover issues on arms control and regional security, water resources, environment, economic development, and refugees.

Organization

The Assistant Secretary of State for Near Eastern Affairs heads the Bureau and is one of 24 Assistant Secretaries authorized by Title 22 of the U.S. Code. The Assistant Secretary is appointed by the President and confirmed by the Senate. The Assistant Secretary, Principal Deputy Assistant Secretary and two Deputy Assistant Secretaries oversee the work of 11 offices and desks organized along regional lines. NEA reports to the Under Secretary of State for Political Affairs (P), although the Bureau is directly responsible to the Secretary of State on issues within its regional area of responsibility. NEA is primarily staffed by Foreign Service Officers (FSOs) with a small contingent of Civil Service personnel.

Major Organizational Products

NEA's primary product is regional analysis and policy recommendations to the Secretary of State. The form of such analysis and recommendation varies according to need. It may take the form of background papers or talking points. It may be conveyed in presentations or informal briefings to the Secretary, her staff, or in discussions with P or P staff. NEA also provides guidance to U.S. Missions within its regional area of responsibility and to other Bureaus and desks with the Department of State formally by writing and coordinating guidance cables. NEA officials lead or participate in diplomatic missions within their regional area of expertise.

NEA is involved in interagency coordination by means of its participation in Interagency Working Group (IWG) meetings, interagency negotiations on regional issues or crisis management, or through informal contact with counterpart organizations in the Office of the Secretary of Defense, the Joint Staff, the National Security Council, and other U.S. Government Agencies.

NEA coordinates on drafts of the *National Security Strategy* (NSS) as part of the State Department's input; it also reviews and comments on the *International Affairs Strategic Plan* (IASP). Finally, NEA assembles the annual *Bureau Performance Plan* (BPP), a document outlining the Bureau's programmatic priorities for the year ahead.

Role in Formal and Informal National Security Processes

The matrix below summarizes the Bureau's key roles in national security:

		Strategy Development	Policy, Guidance, and Regulations	Planning	Mission Execution	Observation, Orientation, and Oversight	Preparation	Resourcing
Products	Advice to S	✓	✓	✓	✓	✓		✓
	Guidance to Desks and Missions		✓			✓		
	Diplomatic Missions				✓			
	Interagency Coordination	✓	✓	✓		✓		
	NSS	✓						
	IASP			✓	✓			
	BPP			✓		✓		✓
Roles	Advisor to S	✓	✓	✓	✓			✓
	IWG Chair	✓	✓	✓		✓		

Strategy Development. NEA contributes to the development of the NSS by providing comments to the Office of Policy Planning, which coordinates the State Department's input to the document in its drafting stages. Additionally, NEA contributes comments to the IASP while in draft. NEA also is involved in developing strategy with respect to emerging regional issues in support of the National Security Council (NSC) committee structure.

Policy, Guidance, and Regulation. NEA supports the development and coordination of policy through its participation in the NSC committee structure and interagency teams staffing. NEA also provides guidance to regional Missions through guidance cables.

Planning. NEA influences program planning through its review of the regional *Mission Performance Plans* (MPPs) and formulation of its *Bureau Performance Plan* (BPP) and the *Post Reporting Plan*. NEA also uses a process similar to that described in Presidential Decision Directive (PDD) 56 to conduct internal contingency planning.

Mission Execution. NEA participates in mission execution by directing or supporting diplomatic missions and in negotiations relevant to its regional area of responsibility.

Observation, Orientation, and Oversight. NEA provides oversight of the work of U.S. Missions in its area of responsibility through its annual review of MPPs and the *Post Reporting Plan*. It provides guidance in the preparation of the State Department's International Affairs Budget request in its BPP and to U.S. Missions in its area of responsibility by releasing guidance cables. Finally, NEA provides orientation to other U.S. national security Agencies through its participation in interagency deliberations as a member of IWGs and as a participant in interagency teams supporting specific negotiations or diplomatic assignments.

Preparation. NEA is not involved in preparation.

Resourcing: NEA participates in the process to assemble the State Department's budget by drafting a BPP and presenting the Bureau's budget to the Secretary of State.

Observations

Regional Bureaus are instrumental in shaping policy in their regions of responsibility and on specific issues because of their regional expertise and they coordinate policy implementation with the Missions overseas. Additionally, Bureaus have more manpower and funding than Under Secretaries and are allowed to report directly to the Secretary on issues in their area of expertise. For these reasons, the Bureaus are influential players on national security matters both within the State Department and the interagency.

A. Weak link between policy and resource management: The State Department has undertaken efforts to link policy objectives to resource allocation by devising the IASP and instituting the MPP and BPP processes, which directly relate to the goals and objectives stated in the IASP. Nevertheless, program planning remains a low priority, and is performed unevenly across the Department, with some Bureaus putting greater emphasis on it than others.

This appears to stem partly from the lack of prioritization of foreign policy objectives across regions and functions and partly from a general de-emphasis on management and planning. Without any statement of foreign policy priorities across regions and functions, planning efforts are difficult because there is no guide to effectively determine the allocation of resources as policy requirements change. Meanwhile, interviews revealed that State Department mid- and senior-level policy officials continue to function as policy advisors to the next higher level, spending a majority of their time on policy issues and operational tasks rather than on program and resource management. While this practice ensures quality information flowing to the Secretary from the desks, it also constrains senior officials from dedicating their attention to management issues and assuring proper resources are available to achieve policy objectives.

B. Interagency coordination on non-traditional security issues: The NSC committee structure establishes a formal process to address and coordinate national security issues among a number of actors within the interagency. Informal processes have evolved from this structure as officials within the interagency have developed personal contacts and relationships through extensive cooperation on traditional security issues. However, as the national security environment of the 21st century requires close coordination between a number of non-traditional actors, the system appears to be less effective. In addressing those economic and security issues that involve agencies with a traditionally domestic focus, the formal structure, such as the establishment of *ad hoc* Interagency Working Groups, is important in guiding coordination especially as there are fewer informal, personal contacts supporting the formal process.

C. Personnel skills diversification: The changing security environment increasingly requires State Department personnel to be proficient in areas such as finance, economics, military, and environmental issues and program management, in addition to being regional and political experts. Despite recent efforts to increase training in program management and raise the profile of functional issues, the Department's culture and personnel system provide few incentives for staff to develop functional and program management expertise.

Career advancement for State Department personnel is still based upon work within regional bureaus and assignments overseas. While personnel in functional bureaus can move

laterally, it is more difficult for them to advance within the Department or attain senior positions at overseas posts. As a result, there are no clear advantages for Foreign Service and Civil Service personnel to expand their knowledge and experience in functional areas or pursue. In addition, with few exceptions, such as attending the National War College, there are no career benefits for Foreign Service and Civil Service personnel to accept training assignments or temporary assignments at other agencies that could enhance their functional skills.

To better prepare Department personnel, incentives should be put in place within the personnel system to promote non-traditional career paths, as well as to develop management and planning skills. Supporting professional development activities would improve personnel skills. An example would be to institute the “training float” concept used by the Military Services. This concept establishes a surplus number of personnel above the operational force requirements to cover critical positions while still allowing personnel the opportunity for training and education. The training float system allows the Services to maintain a percentage of personnel in professional development and training programs at all times with minimum effect on the mission.

ORGANIZATIONAL DESCRIPTION

BUREAU OF NEAR EASTERN AFFAIRS (NEA)

1. Legal Specifications, Authorizations, and Responsibilities.

A. Authorizing Statute: There is no statute that specifically creates the Bureau of Near Eastern Affairs. Title 22, Chapter 38, Section 2651a of the U.S. Code authorizes the Secretary of State to administer the Department and to make all necessary rules and regulations to carry out the Department's functions. The law, however, limits the number of officials who may carry the title of Assistant Secretary of State, who lead Bureaus, thus implicitly limiting the number of Bureaus as well. The law specifies that there may be no more than 24 Assistant Secretaries of State, each to be nominated by the President.

B. Department Directives: Section 1 FAM 110 of the *Foreign Affairs Manual* addresses the responsibilities of the regional Bureaus within the State Department by describing the responsibilities of the key officials within the Bureaus, including the Assistant Secretaries, the Deputy Assistant Secretaries, and Office Directors. Section 1 FAM 160 specifically addresses the responsibilities of the Bureau of Near Eastern Affairs.

C. Interagency Directives: Presidential Decision Directive (PDD) 2, which establishes the Clinton Administration's National Security Council organization, establishes an inter agency coordinating role for Assistant Secretaries of State on foreign policy issues. PDD 2 authorizes a system of Interagency Working Groups (IWG), under the direction of a sub-Cabinet level Deputies Committee, to meet regularly "to review and coordinate the implementation of Presidential decisions" of a national security nature.¹ PDD 2 specifies that IWGs dealing with foreign policy issues should be chaired at the Assistant Secretary level by the Department of State.

2. Missions/Functions/Purposes.

A. Major Responsibilities: NEA "deals with U.S. foreign policy and U.S. diplomatic relations with the countries in the Near East and North Africa regions."²

B. Subordinate Agencies: None.

3. Vision and Core Competencies.

A. Vision: There is no statement of vision for NEA.

B. Core Competencies: There is no statement of core competencies for NEA.

4. Organizational Culture.

A. Values: There is no statement of values for NEA. The Department of State *Strategic Plan* articulates seven key values or "guiding principles," for all State employees:³

¹ The National Security Council, Presidential Decision Directive 2, The White House, January 20, 1993.

² Department of State, Bureau of Near Eastern Affairs web site (<http://www.state.gov/www/regions/nea/index.html>).

(1) **Impact**—defined as advancing the interests of American people domestically and overseas.

(2) **Expertise**—in foreign language and culture, in regional and technical issues, and management ability and international experience.

(3) **Discipline**—defined as the commitment to execute U.S. policy setting aside personal views.

(4) **Dissent**—defined as the ability to express divergent views constructively.

(5) **Diversity**—defined as interest in achieving a “merit-based” workforce “reflective of the American people.”

(6) **Partnership**—defined as commitment to integrate the different skills contributed by the Civil Service, Foreign Service, and foreign national workforce.

(7) **Commitment**—to preserving U.S. leadership and to the effective conduct of international relations.

B. Leadership Traditions: The Bureau of Near Eastern Affairs is led by an individual holding the rank of Assistant Secretary, the fourth highest level of authority within the Department of State. Assistant Secretaries are appointed by the President and confirmed by the Senate. The position of Assistant Secretary for Near Eastern Affairs was originally established as the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs by Congress in 1949. The position has been filled most frequently by career Foreign Service Officers (FSOs) (15 of 18 individuals filling this position have been FSOs). The current Assistant Secretary is a career Foreign Service Officer holding the rank of Ambassador.

C. Staff Attributes: NEA personnel, which includes mostly FSOs along with a smaller contingent of Civil Service personnel, were described in interviews as ambitious and able to manage multiple issues simultaneously. NEA attracts personnel with a particular interest in the region and the issues that are managed by the Bureau. Due to relatively limited personnel resources, NEA staff have the opportunity to contribute and participate at high levels. Managers encourage and support staff to take the initiative in developing their ideas and policy issues.⁴

D. Strategy: There is no statement of strategy for the Bureau of Near Eastern Affairs.

³ U.S. Department of State, Strategic Plan, September 1997.

⁴ Interview with State Department official, June 7, 2000.

E. Organizational Structure:

Bureau of Near Eastern Affairs

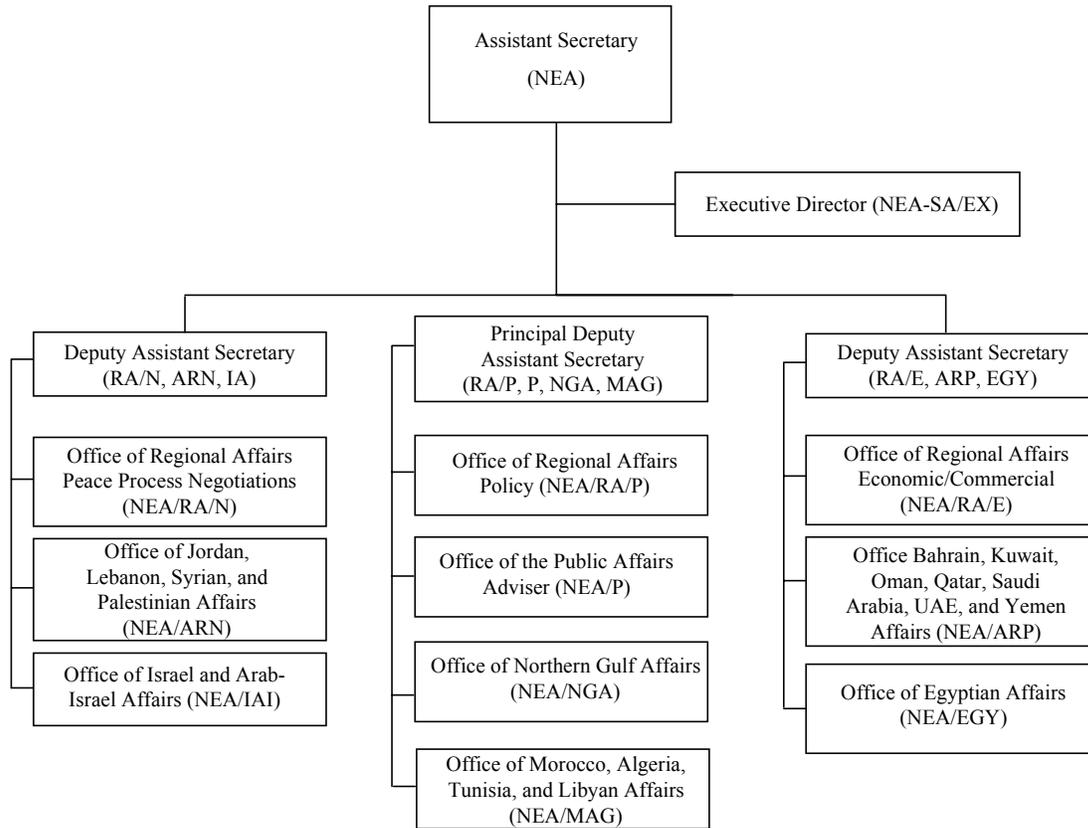


Figure 1: Organizational Structure of NEA

The Bureau of Near Eastern Affairs is led by an Assistant Secretary of State, a Principal Deputy Assistant Secretary and two Deputy Assistant Secretaries. The Assistant Secretary and the Deputies oversee the work of 11 offices and desks responsible for policy relating to specific countries, regions, or management issues. The offices and desks are:

(1) The Office of Regional Affairs Peace Process Negotiations (NEA/RA/N) is responsible for issues relating to peace negotiations other than those negotiations handled by the Special Middle East Coordinator (SMEC). The SMEC has sole responsibility in directing policy with regard to the Arab-Israeli peace negotiations and reports directly to the President and Secretary of State. Regional Affairs staff are not staff to the SMEC but provide technical expertise to the SMEC, for example, on issues such as the technical aspects related to water rights questions. While NEA staff are not directly involved in managing the Middle East Peace Process negotiations, they closely follow the process and address other regional issues on the fringe of the overarching peace negotiations framework.

(2) The Office of the Executive Director (NEA-SA/EX) is responsible for management of administrative, personnel, and foreign posts issues.

(3) **The Office of Regional Affairs Policy (NEA/RA/P)** is responsible for coordinating policy issues in the region.

(4) **The Office of Regional Affairs Economic/Commercial (NEA/RA/E)** is responsible for economic and commercial issues in the region.

(5) **The Office of the Public Affairs Adviser (NEA/P)** is responsible for media and Congressional relations and diplomacy programs.

(6) **The Office of Jordan, Lebanon, Syrian, and Palestinian Affairs (NEA/ARN)** is responsible for issues relating to Jordan, Lebanon, Syria, and Palestine.

(7) **The Office of Israel and Arab-Israel Affairs (NEA/IAI)** is responsible for Israel and Arab-Israeli related issues other than the Middle East Peace Process negotiations.

(8) **The Office of Northern Gulf Affairs (NEA/NGA)** is responsible for issues relating to Iran and Iraq.

(9) **The Office of Morocco, Algeria, Tunisia, and Libyan Affairs (NEA/MAG)** is responsible for issues relating to Morocco, Algeria, Tunisia, and Libya.

(10) **The Office of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, UAE, and Yemen Affairs (NEA/ARP)** is responsible for issues relating to Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates, and Yemen.

(11) **The Office of Egyptian Affairs (NEA/EGY)** is responsible for issues relating to Egypt.

5. Formal National Security Process Involvement.

		<i>Strategy Development</i>	<i>Policy, Guidance, and Regulations</i>	<i>Planning</i>	<i>Mission Execution</i>	<i>Observation, Orientation, and Oversight</i>	<i>Preparation</i>	<i>Resourcing</i>
Products	Advice to S	✓	✓	✓	✓	✓		✓
	Guidance to Desks and Missions		✓			✓		
	Diplomatic Missions				✓			
	Interagency Coordination	✓	✓	✓		✓		
	NSS	✓						
	IASP			✓	✓			
	BPP			✓		✓		✓
Roles	Advisor to S	✓	✓	✓	✓			✓
	IWG Chair	✓	✓	✓		✓		

Figure 2: Bureau’s Relation to Key National Security Processes

A. Strategy Development:

(1) Major Activities: NEA contributes to the development of the *National Security Strategy* (NSS) by providing comments to the Office of Policy Planning, which coordinates the State Department's input to the document in its drafting stages. Additionally, NEA contributes comments to the *International Affairs Strategic Plan* (IASP) while in draft. The IASP provides a "comprehensive framework for U.S. foreign policy goals"⁵ linking international affairs programs to U.S. national security objectives. The IASP applies to all Agencies involved in international affairs activities and is used specifically by the State Department as a guide in its program planning effort. NEA also is involved in developing strategy with respect to emerging regional issues in support of the National Security Council (NSC) committee structure except for those issues related to the Middle East Peace Process. All strategy issues concerning Middle East Peace are managed separately by the Special Middle East Coordinator.

(2) Stakeholders: NEA, Office of the Secretary of State, Office of Policy Planning, NSC.

(3) Key NEA processes: None.

(4) Associated Higher-Level Processes: Development of NSS, development of IASP.

(5) Associated Lower-Level Processes: None.

B. Policy, Guidance and Regulation:

(1) Major Activities: NEA supports the development and coordination of policy through its participation in the NSC committee structure and interagency teams staffing. NEA also provides guidance to regional Missions through guidance cables.

(a) Interagency Coordination: The Bureau provides input to policy-making through membership in Interagency Working Groups (IWGs). The Bureau is represented in IWGs by three Deputy Assistant Secretaries and the Assistant Secretary for Near Eastern Affairs when necessary, as well as other officials at lower levels as appropriate. NEA frequently uses the IWG process, as many issues require close coordination with the Department of Defense. One example is the Strategic Group for the Gulf, which addresses Persian Gulf-related issues. Sub-IWGs also are used to coordinate on interagency issues that are not pressing so as to call for an IWG.⁶ For example, there is a sub-IWG on issues relating to assistance for Kurds in northern Iraq.

One State Department official noted that other agencies do not have the staff resources and proficiency on Mideast issues as NEA does; therefore, other agencies look to NEA, by way of IWGs, for their expertise on the region. The interlocutor described NEA as most often the lead Agency or chair of IWGs for Middle East issues.⁷

⁵ U.S. Department of State web site (http://www.state.gov/www/budget/stratplan_index.html).

⁶ Interview with State Department official, May 31, 2000.

⁷ Interview with State Department official, June 7, 2000.

Often, NEA develops an issue as much as possible within the Bureau and across functional bureaus before taking it to an IWG. NEA applies this process, especially for issues they believe to be sensitive, in order to alleviate possible information leaks. Frequent meetings with the Under Secretary of State for Policy (P) and staff from the NSC and the Department of Defense (DoD) generate informal IWGs. The meetings with P provide a means to safeguard internally sensitive issues while generating decisions quickly.

The NSC committee structure chain begins with IWGs with the next higher level being the NSC Deputies Committee (NSC/DC) then the NSC Principals Committee (NSC/PC). (See Volume I for more information on the NSC/DC and NSC/PC.) IWGs report issues to higher levels of the NSC committee structure (i.e., the NSC/DC and the NSC/PC) as necessary. In the words of one IWG member, “when tough issues arise, the process ‘tightens up’ and decisions are made at higher levels.”⁸ However, NEA staff believe IWGs have proven to work well on Middle East issues. Consensus is often formed at the IWG level alleviating the need to elevate issues to the Deputies or Principals.

(b) Guidance Cables. The guidance cable process is illustrated in Appendix 1. Bureaus communicate guidance to U.S. Missions abroad in cable format. Cables are typically drafted by Desk Officers in the Bureaus and are reviewed and approved, or “cleared,” horizontally within State and through other Agencies of the U.S. Government with a stake in the issue, and vertically through the Bureau’s Assistant Secretary. (The NSC staff, Office of the Secretary of Defense (OSD), and the Joint Staff frequently clear on State Department guidance cables.) The clearance level of a guidance cable depends on its content. Routine guidance cables are sent to the Missions directly by the Bureaus and are signed by the Assistant Secretary in charge. Cables conveying important policy changes or addressing issues of greater policy relevance are cleared vertically within State through the Under Secretary of State for Political Affairs (P), the Deputy Secretary of State (D), and the Secretary of State (S), and are sent to the Mission under the Secretary’s signature.

(2) Stakeholders: NSC/PC, NSC/DC, P, Bureaus, Missions, NSC staff, DoD, Joint Staff, other U.S. Government Agencies.

(3) Key NEA Processes: None.

(4) Associated Higher-Level Processes: Deliberations of the NSC/DC and NSC/PC.

(5) Associated Lower-Level Processes: Drafting of guidance requests by Missions.

C. Planning:

(1) Major Activities: NEA influences program planning through its review of the regional *Mission Performance Plans* (MPPs) and formulation of its *Bureau Performance Plan* (BPP) and the *Post Reporting Plan*. NEA also uses a process similar to that described in PDD 56 to conduct internal contingency planning.

⁸ Interview with State Department official, April 28, 2000.

(a) MPPs and BPPs. The MPP and BPP process is depicted in Appendix 2. MPPs are strategic documents prepared by staff of U.S. diplomatic Missions abroad under the direction of the Chief of Mission. The MPP sets priorities for the work of the Mission in the year ahead, identifies the resource needs of the Mission, and provides information about the international activities of all U.S. Government Agencies represented at the Mission. BPPs are based on MPPs but are broader in scope, as they translate the Mission plans into regional goals for the Department. MPPs and BPPs serve as the basis for assembling State's program request for the Function 150 budget category. Both documents also are utilized by the Office of Resources, Plans, and Policy (S/RPP) within the Office of the Secretary of State (S) to evaluate the disposition of assets and allocated resources when a crisis or emergency requires a reallocation of funds.

Missions begin assembling MPPs in the fall and typically forward them to the Bureaus in February. Beginning in February, the Bureaus analyze the information received from all the Missions within their region of competence and prepare BPPs. Bureaus use BPPs to justify budget requests for the fiscal year ahead in yearly presentations to the Secretary of State, which typically occur in July. These sessions include members of the Secretary's staff, such as the Office of Policy Planning and S/RPP, as well as staffers from the Office of Management and Budget (OMB). Bureaus revise their BPPs based on the feedback from these presentations and S/RPP works during the fall to prepare State's program request for the Function 150 budget submission.⁹

(b) Post Reporting Plan: The *Post Reporting Plan* is a document assembled by each U.S. Mission abroad that informs the State Department of the issues about which the Mission expects to report in the year ahead. This information is provided in cable format to the Department and is reviewed by the Bureaus and by the Under Secretary for Political Affairs (P). According to State Department sources, this document is considered "more useful" than the MPP by the Bureaus and P.

(c) Contingency Planning: NEA makes an effort to address how the Bureau would need to shift focus due to a significant change in the region by utilizing the process outlined in PDD 56.¹⁰ This forward thinking is applied by NEA in determining other organizations that would be involved (i.e., international organizations, non-governmental organizations, other countries) and where U.S. efforts would not duplicate others' efforts and have the most value added.

(2) Major Stakeholders: S, S/RPP, P, Bureaus, Missions, OMB.

(3) Key NEA Processes: None.

(4) Associated Higher-Level Processes: IASP preparation, Function 150 Budget Preparation, President's Budget Preparation.

⁹ The Office of the Under Secretary of State for Management (M) prepares a request for State's operating funds as part of the Function 150 budget submission. According to our sources, the two processes are separate and MPPs are not used in the preparation of the operating funds budget request.

¹⁰ Interview with State Department official, June 7, 2000.

(5) Associated Lower-Level Processes: MPP preparation.

D. Mission Execution:

(1) Major Activities: NEA participates in mission execution by conducting or supporting diplomatic missions, and in negotiations relevant to its regional area of responsibility excluding those specifically managed by the Special Middle East Coordinator. The Assistant Secretary for Near Eastern Affairs and other NEA officials, for example, participate in bilateral negotiations with their regional counterparts and in multilateral negotiations in forums such as those that evolved out of the 1991 Madrid Conference including the U.S.-Jordan-Israel Trilateral Economic Committee; the U.S.-Israel-Palestinian Trilateral Committee; and the Multilateral Working Groups that cover issues on arms control and regional security, water resources, environment, economic development, and refugees.

Additionally, NEA staff are involved in mission execution through relations with foreign diplomats and foreign embassy staff in Washington, DC.

(2) Major Stakeholders: Desks, Missions, DoD, NSC staff, other U.S. Departments and Agencies.

(3) Key NEA Processes: There are no specific NEA processes associated with these activities. Diplomatic missions are event-driven, although those meetings associated with the schedules of international organizations, such as the United Nations (UN) General Assembly, held yearly in the fall are generally predictable. The substance and purpose of these sessions, however, will vary according to the evolving agenda of the organizations.

(4) Associated Higher-Level Processes: Interagency coordination through NSC/PC, NSC/DC, and IWG meetings.

(5) Associated Lower-Level Processes: None.

E. Observation, Orientation, Oversight:

(1) Major Activities: NEA provides oversight of the work of U.S. Missions in its area of responsibility through its annual review of MPPs and the *Post Reporting Plan*. It provides guidance in the preparation of the State Department's International Affairs Budget request in its BPP and to U.S. Missions in its area of responsibility by releasing guidance cables. Finally, NEA provides orientation to other U.S. national security Agencies through its participation in interagency deliberations as a member of IWGs and as a participant in interagency teams supporting specific negotiations or diplomatic assignments.

(a) MPPs and BPPs. See Paragraph C.(1)(a) above.

(b) Cable Guidance. See Paragraph B.(1)(b) above

(c) *Post Reporting Plan*. See Paragraph C.(1)(b) above.

(2) Major Stakeholders: Bureaus, Missions, other Under Secretaries, Deputy Secretary of State.

(3) Key NEA processes: None.

(4) Associated Higher-Level Processes: IASP preparation.

(5) Associated Lower-Level Processes: MPP preparation.

F. Preparation: NEA is not involved in preparation.

G. Resourcing:

(1) Activities: NEA participates in the process to assemble the State Department's budget by drafting a BPP and presenting the Bureau's budget to the Secretary of State. See Paragraph C.(1)(a) above.

(2) Major Stakeholders: Bureaus, Missions, S/RPP, S, OMB.

(3) Key NEA Processes: Preparation of the BPP.

(4) Associated Higher-Level Processes: Function 150 budget preparation, President's Budget preparation.

(5) Associated Lower-Level Processes: MPP preparation.

6. Informal National Security Process Involvement.

The processes described above are supplemented by informal contacts among officials within State and in the interagency. NEA officials engage in frequent communication by phone, secure video teleconferencing and in person with counterparts in the State Department and other U.S. Departments, particularly the Defense Department and the NSC. One official characterized this exchange as particularly well established when issues fall in traditional areas of national security or in cases with potential for the introduction of U.S. troops. In cases where national security policy involves "non traditional security issues," in the words of one interlocutor, the informal communication process is less developed.¹¹ An official interviewed indicated stovepipes still exist in the area where economic policy and national security policy intersect.

Informal contacts and coordination within and outside the State Department are personality driven, as one interlocutor described. Experience working in the interagency propels the use of the interagency structure. Interagency cooperation also is facilitated when counterparts in the State Department, DoD, and the NSC have developed personal relationships and maintained close informal contact.

NEA also supports senior State Department officials in their participation in informal interagency discussions, including the weekly lunches between the Secretary of State, the Secretary of Defense, and the National Security Advisor (the Albright-Berger-Cohen (ABC) lunch) and the weekly foreign policy breakfasts between the Secretary of State, the Secretary of

¹¹ Interview with State Department official, April 28, 2000.

Defense, the Chairman of the Joint Chiefs of Staff, the Director of Central Intelligence, and the U.S. Representatives to the United Nations.

A. The Albright-Berger-Cohen (ABC) Breakfasts/Lunches. This process is illustrated in Appendix 3. The Secretary of State participates in weekly meetings with the National Security Advisor and the Secretary of Defense to address emerging national security issues, resolve interagency matters, and coordinate with her counterparts. The NSC staff prepares and distributes the agenda for these meetings. Because only the principals can attend these meetings, the principals are responsible for relaying any information and taskings from the meetings to their staff.

B. Foreign Policy Breakfasts. This process is depicted in Appendix 4. The Breakfasts involve the Secretary of State, the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, the U.S. Representative to the United Nations, and the Director of Central Intelligence. These meetings are more informal than the ABC meetings: there is no agenda and no staff attend. The Secretary receives background memoranda from S/P in preparation for these meetings that outline the issues and the positions of the other Agencies represented.¹² Occasionally, issues addressed at the breakfasts will result in taskings for the staffs of the principals involved. The primary objective of the meetings, however, is to provide a forum for coordination at the highest level.

7. Funding and Personnel.

A. Authorization and Appropriations: Relevant authorizing committees for the Department of State are the House International Relations Committee and the Senate Foreign Relations Committee.¹³ Relevant appropriating committees are the House and Senate Subcommittees on Commerce, State, and the Judiciary. The House and Senate Appropriations Subcommittee on Foreign Operations, Agriculture and Rural Development, and Labor, Health, and Human Services and Education appropriate additional funds for international affairs programs and activities carried out by the State Department as well as other U.S. Government Departments and Agencies and some international organizations.

B. Funding Sources: NEA is funded through the Diplomatic and Consular Programs appropriations in the International Affairs section of the Federal Budget, also known as Function 150. Additional funds flow to the State Department from the collection of fees from visa applications, license applications for defense-related exports, and commercial services.

Funding for the State Department represents approximately 25 percent of the total Function 150 request of the President's FY 2000 Budget.¹⁴ Function 150 also supports international activities and programs carried out by three other Cabinet Departments, seven independent Agencies, three foundations, and a number of international organizations.

¹² Interview with S/P staff, October 21, 1999.

¹³ Congress has not passed authorizing legislation for international affairs Agencies and programs since 1994, when HR 2333, The Foreign Relations Authorization Act for Fiscal Years 1994 and 1995, was signed into law (P.L.103-236). Authorization for State Department programs and activities has thus occurred through the passage of yearly appropriations legislation.

¹⁴ Office of Finance and Management Planning, "Budget in Brief," U.S. Department of State, Washington, DC, February 1, 1999, <http://www.state.gov/www.budget/2000/00summary.html>.

C. Budget: The FY 2000 budget request for the Diplomatic and Consular Programs category, which includes funding for NEA is \$2.6 billion. This category includes funding for all State Department salaries, operating expenses, and infrastructure in Washington and at diplomatic and consular posts worldwide. Of this sum, \$208,296,000 is allocated for activities related to “Policy Formulation and Executive Direction,” a category that includes the work of the Secretary, the Deputy Secretary, the Under Secretaries, the Assistant Secretaries and other Bureau heads, the chiefs of diplomatic Missions and their staffs.¹⁵ NEA has an annual budget of \$62 million.¹⁶

D. Manpower: Manpower in the NEA Bureau consists of 46 Washington-based professionals.¹⁷ The Office of the Executive Director consists of 31 staff who divide their time between NEA and the Bureau of South Asian Affairs.

8. Observations.

A. Weak link between policy and resource management: The State Department has undertaken efforts to link policy objectives to resource allocation by devising the IASP and instituting the MPP and BPP processes, which directly relate to the goals and objectives stated in the IASP. Nevertheless, program planning remains a low priority, and is performed unevenly across the Department, with some Bureaus putting greater emphasis on it than others.

This appears to stem partly from the lack of prioritization of foreign policy objectives across regions and functions and partly from a general de-emphasis on management and planning. Without any statement of foreign policy priorities across regions and functions, planning efforts are difficult because there is no guide to effectively determine the allocation of resources as policy requirements change. Meanwhile, interviews revealed that State Department mid- and senior-level policy officials continue to function as policy advisors to the next higher level, spending a majority of their time on policy issues and operational tasks rather than on program and resource management. While this practice ensures quality information flowing to the Secretary from the desks, it also constrains senior officials from dedicating their attention to management issues and assuring proper resources are available to achieve policy objectives.

B. Interagency coordination on non-traditional security issues: The NSC committee structure establishes a formal process to address and coordinate national security issues among a number of actors within the interagency. Informal processes have evolved from this structure as officials within the interagency have developed personal contacts and relationships through extensive cooperation on traditional security issues. However, as the national security environment of the 21st century requires close coordination between a number of non-traditional actors, the system appears to be less effective. In addressing those economic and security issues that involve Agencies with a traditionally domestic focus, the formal structure, such as the establishment of *ad hoc* Interagency Working Groups, is important in guiding coordination especially as there are fewer informal, personal contacts supporting the formal process.

¹⁵ Office of Finance and Management Planning, “Budget in Brief,” U.S. Department of State, Washington, DC, February 1, 1999, <http://www.state.gov/www/budget/2000/00stateprog1.html>

¹⁶ Bureau of Near Eastern Affairs, Statement by Assistant Secretary Martin S. Indyk. Regional [Mission Performance Plans](http://www.iawg.gov/info/planning/mpps/nea.html) (<http://www.iawg.gov/info/planning/mpps/nea.html>).

¹⁷ Bureau of Near Eastern Affairs, Statement by Assistant Secretary Martin S. Indyk. Regional [Mission Performance Plans](http://www.iawg.gov/info/planning/mpps/nea.html) (<http://www.iawg.gov/info/planning/mpps/nea.html>).

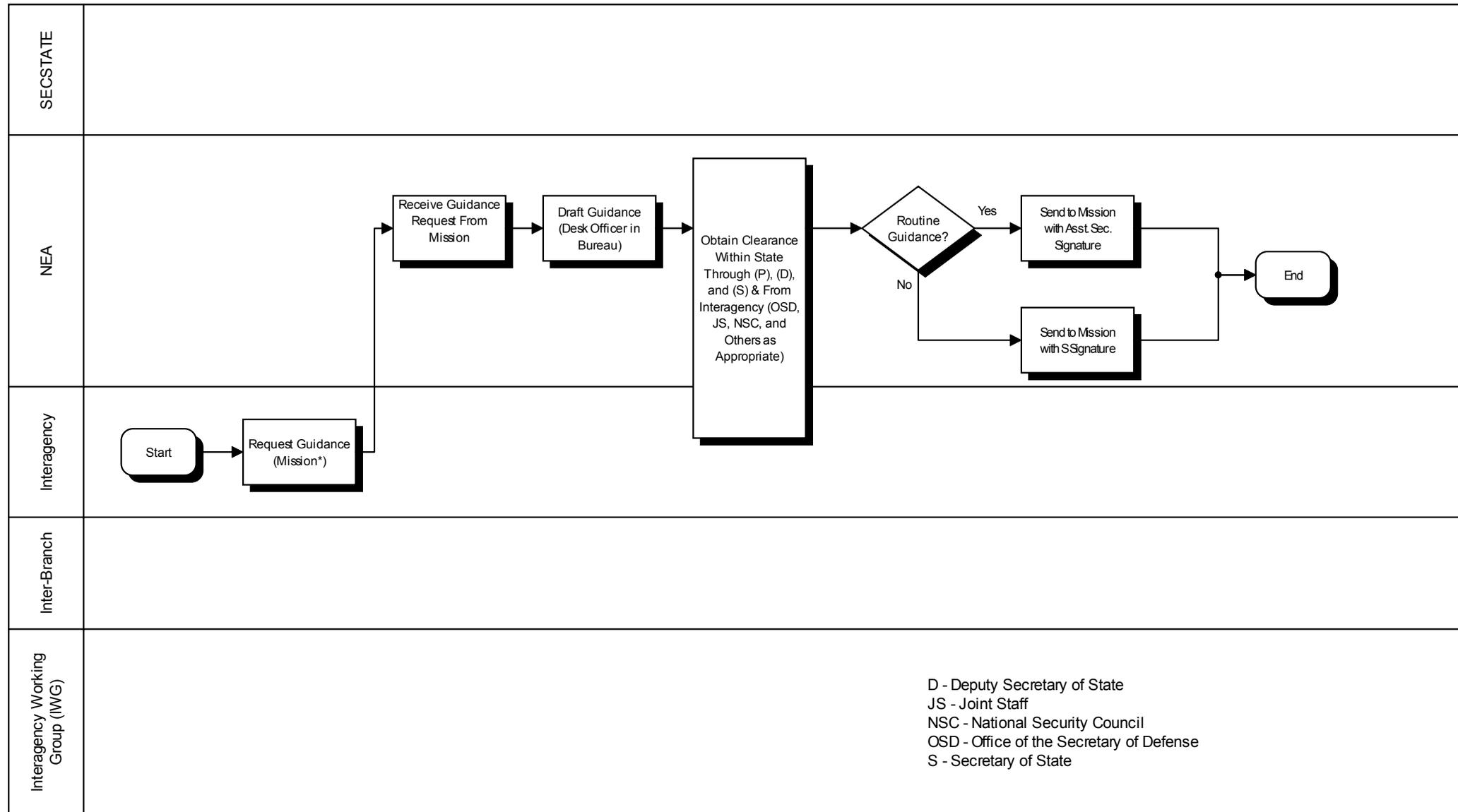
C. Personnel skills diversification: The changing security environment increasingly requires State Department personnel to be proficient in areas such as finance, economics, military, and environmental issues and program management, in addition to being regional and political experts. Despite recent efforts to increase training in program management and raise the profile of functional issues, the Department's culture and personnel system provide few incentives for staff to develop functional and program management expertise.

Career advancement for State Department personnel is still based upon work within regional bureaus and assignments overseas. While personnel in functional bureaus can move laterally, it is more difficult for them to advance within the Department or attain senior positions at overseas posts. As a result, there are no clear advantages for Foreign Service and Civil Service personnel to expand their knowledge and experience in functional areas or pursue. In addition, with few exceptions, such as attending the National War College, there are no career benefits for Foreign Service and Civil Service personnel to accept training assignments or temporary assignments at other Agencies that could enhance their functional skills.

To better prepare Department personnel, incentives should be put in place within the personnel system to promote non-traditional career paths, as well as to develop management and planning skills. Supporting professional development activities would improve personnel skills. An example would be to institute the "training float" concept used by the Military Services. This concept establishes a surplus number of personnel above the operational force requirements to cover critical positions while still allowing personnel the opportunity for training and education. The training float system allows the Services to maintain a percentage of personnel in professional development and training programs at all times with minimum effect on the mission.

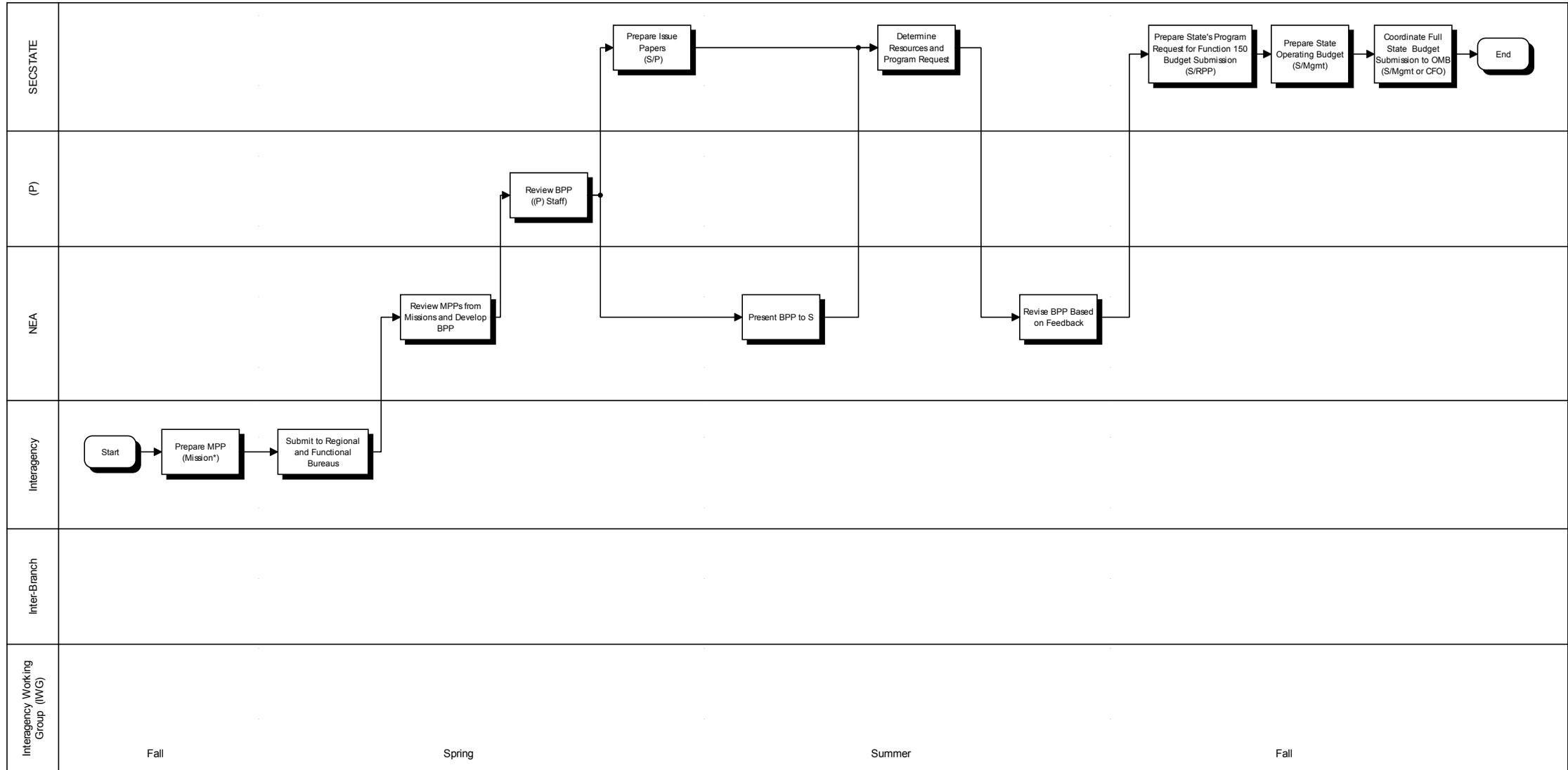
APPENDICES

NEA Bureau – Key Process – (Formal) – Policy, Guidance, and Regulation – Guidance Cables



* Includes representatives from other agencies within the mission

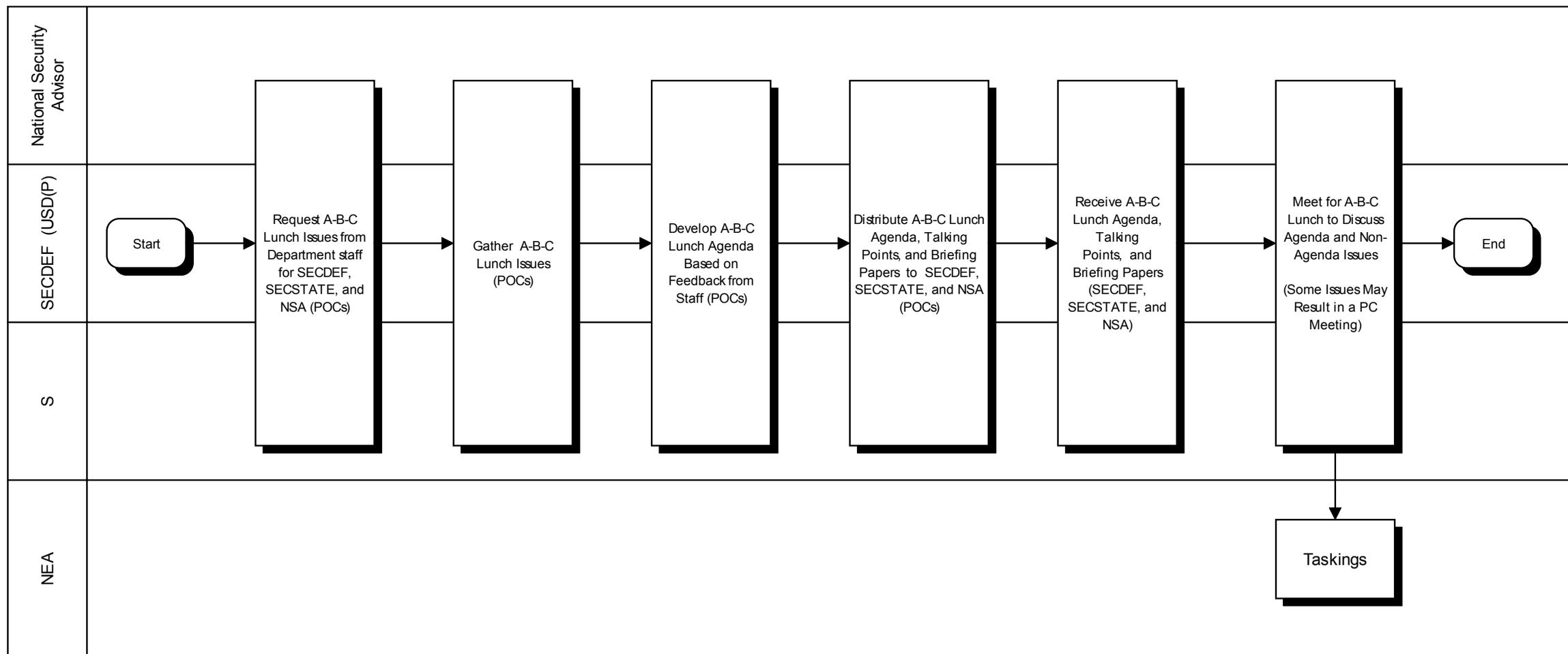
NEA Bureau – Key Process – (Formal) – Policy, Guidance, and Regulation – BPP Presentations: Function 150



* Includes representatives from other agencies within the mission

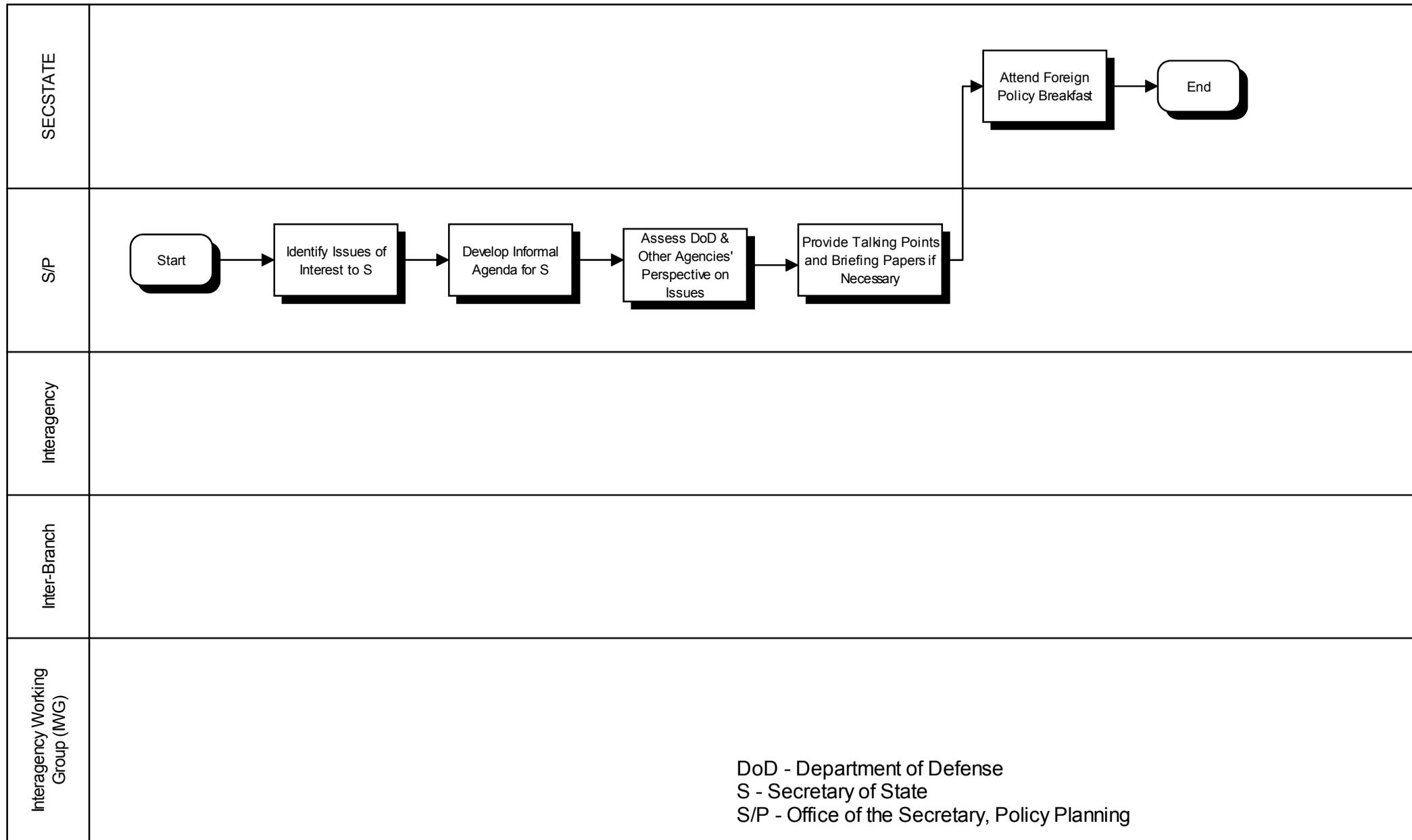
BPP - Bureau Performance Plan
 CFO - Chief Financial Officer
 MPP - Mission Performance Plan
 OMB - Office of Management & Budget
 S/Mgmt - Office of the Secretary, Management
 S/P - Office of the Secretary, Policy Planning
 S/RPP - Office of the Secretary, Resources, Plans, and Policy
 S - Secretary of State
 P - Under Secretary of State for Political Affairs

NEA – Key Process – (Informal) – The Albright-Berger-Cohen (A-B-C) Breakfast/Lunch



A-B-C - Albright-Berger-Cohen
 PC - Principals Committee
 POC - Point of Contact
 S - Secretary of State

NEA Bureau – Key Process – (Informal) – Foreign Policy Breakfast



ORGANIZATIONAL DESCRIPTION

BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS (EAP)



Prepared for the U.S. Commission on National Security/21st Century

EXECUTIVE SUMMARY

Bureau of East Asian and Pacific Affairs (EAP)

Overview

The Bureau of East Asian and Pacific Affairs (EAP) was the first geographical division established by the Department of State and was originally named the Division of Far Eastern Affairs. EAP is responsible for formulating and implementing policy relating to U.S. relations with countries in East Asia, Southeast Asia, and the Pacific. EAP also promotes U.S. policy in the region by supporting U.S. participation in regional forums such as Asia Pacific Economic Cooperation (APEC) and the Association of Southeast Asian Nations (ASEAN) Regional Forum.

Organization

The Assistant Secretary of State for East Asian and Pacific Affairs heads the Bureau and is one of 24 Assistant Secretaries authorized by Title 22 of the U.S. Code. The Assistant Secretary is appointed by the President and confirmed by the Senate. The Assistant Secretary is assisted by a Principal Deputy Assistant Secretary and two Deputy Assistant Secretaries, who oversee the work of 14 offices and desks responsible for policy relating to specific countries, regions, forums or management issues. EAP falls under the Under Secretary of State for Political Affairs (P), although the Bureau reports directly to the Secretary of State on issues within its regional area of responsibility. EAP is primarily staffed by Foreign Service Officers (FSOs) with a small contingent of Civil Service personnel.

Major Organizational Products

EAP's primary product is regional analysis and policy recommendations to the Secretary of State. The format of such analysis and recommendations varies according to need. It may take the form of background papers or talking points. It may be conveyed in presentations or informal briefings to the Secretary, her staff, or in discussions with P or P staff. EAP also provides guidance to U.S. Missions within its regional area of responsibility and to other Bureaus and desks within the Department of State. EAP officials lead or participate in diplomatic missions within their regional area of expertise.

EAP is involved in interagency coordination by means of its participation in Interagency Working Group (IWG) meetings, interagency negotiations on regional issues or crisis management, or through informal contact with counterpart organizations in the Office of the Secretary of Defense, the Joint Staff, the National Security Council, and other U.S. Government Agencies.

EAP supports the Department's review of the *National Security Strategy* (NSS); it also reviews and comments on the *International Affairs Strategic Plan* (IASP). Finally, EAP assembles the annual *Bureau Performance Plan* (BPP), a document outlining the Bureau's programmatic priorities for the year ahead.

Role in Formal and Informal National Security Processes

The matrix below summarizes the Bureau's key roles in national security:

		Strategy Development	Policy, Guidance, and Regulations	Planning	Mission Execution	Observation, Orientation, and Oversight	Preparation	Resourcing
Products	Advice to S	✓	✓	✓	✓	✓		✓
	Guidance to Desks and Missions		✓			✓		
	Diplomatic Missions				✓			
	Interagency Coordination	✓	✓	✓		✓		
	NSS	✓						
	IASP	✓		✓	✓			
	BPP			✓		✓		✓
Roles	Advisor to S	✓	✓	✓	✓			✓
	IWG Chair	✓	✓	✓		✓		

Strategy Development. EAP contributes to the development of the NSS by providing comments to the Office of Policy Planning, which coordinates the State Department's input to the document in its drafting stages. Additionally, EAP contributes comments to the *International Affairs Strategic Plan* (IASP) while in draft. EAP also is involved in developing strategy with respect to emerging regional issues in support of the National Security Council (NSC) committee structure.

Policy, Guidance, and Regulation. EAP supports the development and coordination of policy through its participation in the NSC committee structure and interagency meetings and teams staffing. EAP also provides guidance to regional Missions through guidance cables.

Planning. EAP influences program planning through its review of the regional *Mission Performance Plans* (MPPs) and formulation of its *Bureau Performance Plan* (BPP) and the *Post Reporting Plan*.

Mission Execution. EAP participates in mission execution by directing or supporting diplomatic missions and in negotiations relevant to its regional area of responsibility.

Observation, Orientation, and Oversight. EAP provides oversight of the work of U.S. Missions in its area of responsibility through its annual review of MPPs and the *Post Reporting Plan*. It provides guidance in the preparation of the State Department's International Affairs Budget request in its BPP and to U.S. Missions in its area of responsibility by releasing guidance cables. Finally, EAP provides orientation to other U.S. national security Agencies through its participation in interagency deliberations as a member of IWGs and as a participant in interagency teams supporting specific negotiations or diplomatic assignments.

Preparation. EAP is not involved in preparation.

Resourcing. EAP participates in the process to assemble the State Department's budget by drafting a BPP and presenting the Bureau's budget to the Secretary of State.

Observations

Regional Bureaus are instrumental in shaping and implementing policy because of their relationship with Missions overseas. Bureaus are influential players within the State Department especially relative to the Under Secretaries because they control more manpower and funding. In addition, they report directly to the Secretary on issues in their area of expertise.

A. Weak link between policy and resource management: The State Department has undertaken efforts to link policy objectives to resource allocation by devising the IASP and instituting the MPP and BPP processes, which directly relate to the goals and objectives stated in the IASP. Nevertheless, program planning remains a low priority, and is performed unevenly across the Department, with some Bureaus putting greater emphasis on it than others.

This appears to stem partly from the lack of prioritization of foreign policy objectives across regions and functions and partly from a general de-emphasis on management and planning. Without any statement of foreign policy priorities across regions and functions, planning efforts are difficult because there is no guide to effectively determine the allocation of resources as policy requirements change. Meanwhile, interviews revealed that State Department mid- and senior-level policy officials continue to function as policy advisors to the next higher level, spending a majority of their time on policy issues and operational tasks rather than on program and resource management. While this practice ensures quality information flowing to the Secretary from the desks, it also constrains senior officials from dedicating their attention to management issues and assuring proper resources are available to achieve policy objectives.

B. Interagency Structure.

(1) Interagency coordination on non-traditional security issues: The NSC committee structure establishes a formal process to address and coordinate national security issues among a number of actors within the interagency. Informal, personal contacts support the formal coordination process and are often extremely important in policy development and coordination. The informal coordination process is less effective in cases where an issue requires coordination from Agencies that do not routinely participate in the national security interagency process. In these cases, formal structures such as *ad hoc* Interagency Working Groups are important in guiding coordination because there may be fewer informal, personal contacts among participants.

(2) Interagency working groups: The interagency process is designed to bring together relevant agencies to communicate their positions on particular issues and generate a cohesive policy direction. Interviews, however, revealed that IWGs tend to function more often as a caucus than a decision-making body. The State Department typically is represented at IWGs by more than one Bureau. As a result, a coordinated Department position is not revealed in the interagency process until higher levels (i.e., NSC/DC, NSC/PC meetings).

C. Changing role of Bureau staff: Regional bureaus have increasingly assumed the role of program managers as Economic Support Funds (ESF) and Development Assistance

programs have come under their charge. Traditionally, it has been the role of the U.S. Agency for International Development (USAID) to manage these programs (See Chapter 7 in this Volume for additional information); however, smaller programs are now being assigned to the regional bureaus. This requires Bureau staff to take on the added role of program managers as well as requiring senior officials to be more involved in overseeing and managing funds.

In managing development programs, Bureau staff closely coordinate with functional bureaus and interact with Departments and Agencies with whom they typically have not associated. For example, some development programs require bureaus to coordinate on regional issues with the Department of Labor, the Environmental Protection Agency (EPA), the Centers for Disease Control (CDC), and the National Oceanic and Atmospheric Administration (NOAA), to name a few.

D. Personnel skills diversification: The changing security environment increasingly requires State Department personnel to be proficient in areas such as finance, economics, military, and environmental issues and program management, in addition to being regional and political experts. Despite recent efforts to increase training in program management and raise the profile of functional issues, the Department's culture and personnel system provide few incentives for staff to develop functional and program management expertise.

Career advancement for State Department personnel is still based upon work within regional bureaus and assignments overseas. While personnel in functional bureaus can move laterally, it is more difficult for them to advance within the Department or attain senior positions at overseas posts. As a result, there are no clear advantages for Foreign Service and Civil Service personnel to expand their knowledge and experience in functional areas. In addition, with few exceptions, such as attending the National War College, there are no career benefits for Foreign Service and Civil Service personnel to accept training assignments or temporary assignments at other Agencies that could enhance their functional skills.

To better prepare Department personnel, incentives should be put in place within the personnel system to promote non-traditional career paths, as well as to develop management and planning skills. An example would be to institute the "training float" concept used by the Military Services. This concept establishes a surplus number of personnel above the operational force requirements to cover critical positions while still allowing personnel the opportunity for training and education. The training float system allows the Services to maintain a percentage of personnel in professional development and training programs at all times with minimum effect on the mission.

ORGANIZATIONAL DESCRIPTION

BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS (EAP)

1. Legal Specifications, Authorizations, and Responsibilities.

A. Authorizing Statute: There is no statute that specifically creates the Bureau of East Asian and Pacific Affairs (EAP). Title 22, Chapter 38, Section 2651a of the U.S. Code authorizes the Secretary of State to administer the Department and to make all necessary rules and regulations to carry out the Department's functions. The law, however, limits the number of officials who may carry the title of Assistant Secretary of State, who lead Bureaus, thus implicitly limiting the number of Bureaus as well. The law specifies that there may be no more than 24 Assistant Secretaries of State, each to be nominated by the President.

B. Department Directives: Section 1 FAM 110 of the *Foreign Affairs Manual* addresses the responsibilities of the regional Bureaus within the State Department by describing the responsibilities of the each key officials within the Bureaus, including the Assistant Secretary, the Deputy Assistant Secretaries, and Office Directors. Section 1 FAM 130 specifically addresses the responsibilities of the Bureau of East Asian and Pacific Affairs.

C. Interagency Directives: Presidential Decision Directive (PDD) 2, which established the Clinton Administration's National Security Council organization, creates an interagency coordinating role for Assistant Secretaries of State on foreign policy issues. PDD 2 authorizes a system of Interagency Working Groups (IWG), under the Direction of a sub-Cabinet level Deputies Committee, to meet regularly "to review and coordinate the implementation of Presidential decisions" of a national security nature.¹ PDD 2 specifies that IWGs dealing with foreign policy issues should be chaired at the Assistant Secretary level by the Department of State.

2. Missions/Functions/Purposes.

A. Major Responsibilities: EAP "deals with U.S. foreign policy and U.S. relations with the countries in the Asia-Pacific region."²

B. Subordinate Agencies: None.

3. Vision and Core Competencies.

A. Vision: There is no statement of vision for EAP.

B. Core Competencies: There is no statement of core competencies for EAP.

¹ The National Security Council, Presidential Decision Directive 2, The White House, January 20, 1993.

² Statement from the website of the Bureau of East Asian and Pacific Affairs, <http://www.state.gov/www/region/eap/index.html>.

4. Organizational Culture.

A. Values: There is no statement of values for EAP. The Department of State *Strategic Plan* articulates seven key values or “guiding principles,” for all State employees:³

(1) **Impact**—defined as advancing the interests of American people domestically and overseas.

(2) **Expertise**—in foreign language and culture, in regional and technical issues, and management ability and international experience.

(3) **Discipline**—defined as the commitment to execute U.S. policy setting aside personal views.

(4) **Dissent**—defined as the ability to express divergent views constructively.

(5) **Diversity**—defined as interest in achieving a “merit-based” workforce “reflective of the American people.”

(6) **Partnership**—defined as commitment to integrate the different skills contributed by the Civil Service, Foreign Service, and foreign national workforce.

(7) **Commitment**—to preserving U.S. leadership and to the effective conduct of international relations.

B. Leadership Traditions: EAP is led by an individual holding the rank of Assistant Secretary, the fourth highest level of authority within the Department of State. Assistant Secretaries are appointed by the President and confirmed by the Senate. Being the first geographical division established in the Department of State in 1908, the Division of Far Eastern Affairs was upgraded to a Bureau in 1949 when the number of Assistant Secretaries in the Department increased from six to ten. Under a departmental administrative action in 1966, the Bureau’s title changed to the Bureau of East Asian and Pacific Affairs. The position of Assistant Secretary for East Asian and Pacific Affairs has been filled most frequently by non-career appointees (nine of 22 individuals filling this position have been Foreign Service Officers).⁴

C. Staff Attributes: EAP staff consist mostly of Foreign Service Officers with a small contingent of Civil Service. Staff have been described as “quick and agile people” who possess both functional and regional expertise.⁵ The Bureau actively recruits specialists in the languages in the region. Staff continuously rotate to new assignments every two to three years.

D. Strategy: There is no statement of strategy for the Bureau of East Asian and Pacific Affairs.

³ U.S. Department of State, *Strategic Plan*, September 1997.

⁴ U.S. Department of State, “Principal Officers of the Department of State: Assistant Secretary of State for East Asian and Pacific Affairs.” (http://www.state.gov/www/about_state/history/officers/aseap.html)

⁵ Interview with State Department official, August 18, 2000.

E. Organizational Structure:

Bureau of East Asian and Pacific Affairs

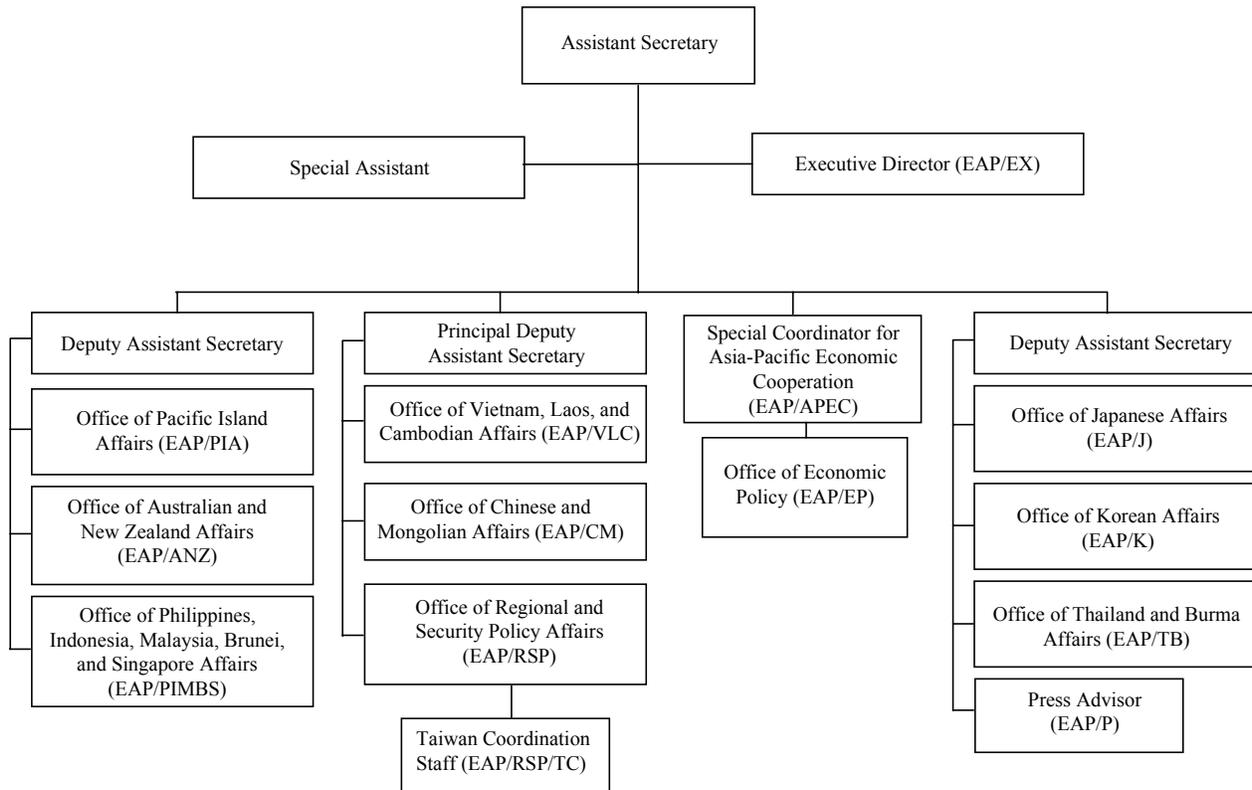


Figure 1: Organizational Structure of EAP

The Bureau of East Asian and Pacific Affairs is led by an Assistant Secretary, a Principal Deputy Assistant Secretary, and two Deputy Assistant Secretaries. The Assistant Secretary and the Deputies oversee the work of 14 offices and desks responsible for policy relating to specific countries, regions, forums or management issues. The offices and desks are:⁶

(1) Executive Director (EAP/EX) – responsible for management of administrative, personnel, financial, and foreign posts issues.

(2) Press Adviser (EAP/P) – responsible for advising on public affairs and information matters.

(3) The Special Coordinator for Asia-Pacific Economic Cooperation (EAP/APEC) – responsible for issues relating to APEC.

(4) The Office of Economic Policy (EAP/EP) – responsible for coordinating regional economic policies and programs.

⁶ Foreign Affairs Manual, 1 FAM 130.

(5) The Office of Australian and New Zealand Affairs (EAP/ANZ) – responsible for the countries of Australia and New Zealand.

(6) The Office of Thailand and Burma Affairs (EAP/TB) – responsible for the countries of Thailand and Burma.

(7) The Office of Philippines, Indonesia, Malaysia, Brunei, and Singapore Affairs (EAP/PIMBS) – responsible for the countries of Brunei, Indonesia, Malaysia, Philippines, and Singapore.

(8) The Office of Japanese Affairs (EAP/J) – responsible for Japanese affairs and “provides policy advice on Japanese economic and political issues to the Secretary of State and other senior U.S. Administration officials.”⁷

(9) The Office of Korean Affairs (EAP/K) – responsible for Korean affairs.

(10) The Office of Vietnam, Laos, and Cambodian Affairs (EAP/VLC) – responsible for the countries of Cambodia, Laos, and Vietnam.

(11) The Office of Pacific Island Affairs (EAP/PIA) – responsible for the countries and Freely Associated States of Cook Island, Federated States of Micronesia, Fiji, Kiribati, Nauru, Niue, Palau, Papua New Guinea, Republic of Marshall Islands, Solomon Islands, Tonga, Tuvalu, Vanuatu, and Western Samoa.

(12) The Office of Chinese and Mongolian Affairs (EAP/CM) – responsible for the countries of China and Mongolia.

(13) The Office of Regional and Security Policy Affairs (EAP/RSP) – responsible for all regional security and political issues concerning multi-countries.

(14) The Taiwan Coordination Staff (EAP/RSP/TC) – responsible for Taiwan affairs.

⁷ State Department web site, Bureau of East Asian Affairs (<http://www.state.gov/www/regions/eap/japan/index.html>).

5. Formal National Security Process Involvement.

		Strategy Development	Policy, Guidance, and Regulations	Planning	Mission Execution	Observation, Orientation, and Oversight	Preparation	Resourcing
Products	Advice to S	✓	✓	✓	✓	✓		✓
	Guidance to Desks and Missions		✓			✓		
	Diplomatic Missions				✓			
	Interagency Coordination	✓	✓	✓		✓		
	NSS	✓						
	IASP	✓		✓	✓			
	BPP			✓		✓		✓
Roles	Advisor to S	✓	✓	✓	✓			✓
	IWG Chair	✓	✓	✓		✓		

Figure 2: Bureau’s Relation to Key National Security Processes

A. Strategy Development:

(1) Major Activities: EAP contributes to the development of the *National Security Strategy* (NSS) by providing comments to the Office of Policy Planning, which coordinates the State Department’s input to the document in its drafting stages. Additionally, EAP contributes comments to the *International Affairs Strategic Plan* (IASP) while in draft. The IASP provides a “comprehensive framework for U.S. foreign policy goals”⁸ linking international affairs programs to U.S. national security objectives. The IASP applies to all Agencies involved in international affairs activities and is used specifically by the State Department as a guide in its program planning effort. EAP also is involved in developing strategy with respect to emerging regional issues in support of the National Security Council (NSC) committee structure.

(2) Stakeholders: EAP, Office of the Secretary of State (S), Office of Policy Planning, NSC.

(3) Key EAP processes: None.

(4) Associated Higher-Level Processes: Development of NSS, development of IASP.

(5) Associated Lower-Level Processes: None.

⁸ U.S. Department of State web site (http://www.state.gov/www/budget/stratplan_index.html).

B. Policy, Guidance and Regulation:

(1) Major Activities: EAP supports the development and coordination of policy through its participation in the NSC committee structure and interagency meetings and teams staffing. EAP also provides guidance to regional Missions through guidance cables.

(a) Interagency Coordination: The Bureau provides input to policy-making through participation in Interagency Working Groups (IWGs). The Bureau is represented in IWGs by three Deputy Assistant Secretaries and the Assistant Secretary for East Asian and Pacific Affairs when necessary, as well as other officials at lower levels as appropriate. For example, EAP officials participate in such interagency groups as the Humanitarian Demining Program in Asia, the China Trade Relations Working Group and the Interagency Working Group on Trafficking. Bureau officials play a lead role in the Asian Regional Initiative Against Trafficking of Women and Children along with officials from the President's Interagency Council on Women and NSC staff.

The NSC committee structure chain begins with IWGs with the next higher level being the NSC Deputies Committee (NSC/DC) then the NSC Principals Committee (NSC/PC). (See Volume I for a detailed description of the NSC/DC and NSC/PC.) IWGs report issues to higher levels within the NSC committee structure (i.e., the NSC/DC and the NSC/PC) as necessary. In the words of one IWG member, "when tough issues arise, the process 'tightens up' and decisions are made at higher levels."⁹

(b) EAP Weekly Meetings: The Assistant Secretary of the Bureau chairs two weekly meetings which serve a coordinating function. One weekly meeting includes EAP Bureau staff and representatives from the interagency. Typically staff from the Office of International Security Affairs (ISA) at the Department of Defense and the Joint Staff attend as well as other interagency staff as appropriate. The second weekly meeting includes only State Department staff and serves to coordinate issues across bureaus.

(c) Guidance Cables. The guidance cable process is illustrated in Appendix 1. Bureaus communicate guidance to U.S. Missions abroad in cable format. Cables are typically drafted by Desk Officers in the Bureaus and are reviewed and approved, or "cleared," horizontally within State and through other Agencies of the U.S. Government with a stake in the issue, and vertically through the Bureau's Assistant Secretary. (The NSC staff, Office of the Secretary of Defense (OSD), and the Joint Staff frequently clear on State Department guidance cables.) The clearance level of a guidance cable depends on its content. Routine guidance cables are sent to the Missions directly by the Bureaus and are signed by the Assistant Secretary in charge. Cables conveying important policy changes or addressing issues of greater policy relevance are cleared vertically within State through the Under Secretary of State for Political Affairs (P), the Deputy Secretary of State (D), and the Secretary of State (S), and are sent to the Mission under the Secretary's signature.

(2) Stakeholders: NSC/PC, NSC/DC, P, Bureaus, Missions, NSC staff, Department of Defense (DoD), Joint Staff, other U.S. Government Agencies.

(3) Key EAP Processes: None.

⁹ Interview with State Department official, April 28, 2000.

(4) Associated Higher-Level Processes: Deliberations of the NSC/DC and NSC/PC.

(5) Associated Lower-Level Processes: Drafting of guidance requests by Missions.

C. Planning:

(1) Major Activities: EAP influences program planning through its review of the regional *Mission Performance Plans* (MPPs) and formulation of its *Bureau Performance Plan* (BPP) and the *Post Reporting Plan*.

(a) MPPs and BPPs. The MPP and BPP process is depicted in Appendix 2. MPPs are strategic documents prepared by staff of U.S. diplomatic Missions abroad under the direction of the Chief of Mission. The MPP sets priorities for the work of the Mission in the year ahead, identifies the resource needs of the Mission, and provides information about the international activities of all U.S. Government Agencies represented at the Mission. BPPs are based on MPPs but are broader in scope, as they translate the Mission plans into regional goals for the Department. MPPs and BPPs serve as the basis for assembling State's program request for the Function 150 budget category. Both documents also are utilized by the Office of Resources, Plans, and Policy (S/RPP) within the Office of the Secretary of State (S) to evaluate the disposition of assets and allocated resources when a crisis or emergency requires a reallocation of funds.

Missions begin assembling MPPs in the fall and typically forward them to the Bureaus in February. Beginning in February, the Bureaus analyze the information received from all the Missions within their region of competence and prepare BPPs. Bureaus use BPPs to justify budget requests for the fiscal year ahead in yearly presentations to the Secretary of State, which typically occur in July. These sessions include members of the Secretary's staff, such as the Office of Policy Planning and S/RPP, as well as staffers from the Office of Management and Budget (OMB). Bureaus revise their BPPs based on the feedback from these presentations and S/RPP works during the fall to prepare State's program request for the Function 150 budget submission.¹⁰

(b) Post Reporting Plan: The *Post Reporting Plan* is a document assembled by each U.S. Mission abroad that informs the State Department of the issues about which the Mission expects to report in the year ahead. This information is provided in cable format to the Department and is reviewed by the Bureaus and by the Under Secretary for Political Affairs (P). According to State Department sources, this document is considered "more useful" than the MPP by the Bureaus and P.

(2) Major Stakeholders: S, S/RPP, P, Bureaus, Missions, OMB.

(3) Key EPA Processes: None.

¹⁰ The Office of the Under Secretary of State for Management (M) prepares a request for State's operating funds as part of the Function 150 budget submission. According to our sources, the two processes are separate and MPPs are not used in the preparation of the operating funds budget request.

(4) Associated Higher-Level Processes: IASP preparation, Function 150 Budget Preparation, President's Budget Preparation.

(5) Associated Lower-Level Processes: MPP preparation.

D. Mission Execution:

(1) Major Activities: EAP participates in mission execution by conducting or supporting diplomatic missions, and in negotiations relevant to its regional area of responsibility. The Assistant Secretary for East Asian and Pacific Affairs and other EAP officials, for example, participate in bilateral and multilateral negotiations with their regional counterparts on topics such as trade, mutual legal assistance treaties, and adherence to major non-proliferation and arms control agreements. EAP officials also participate in multilateral forums such as the Association of Southeast Asian Nations (ASEAN) Regional Forum and Asia-Pacific Economic Cooperation (APEC).

Additionally, EAP staff are involved in mission execution through maintaining relations with foreign diplomats and foreign embassy staff in Washington, DC.

(2) Major Stakeholders: Desks, Missions, DoD, NSC staff, other U.S. Departments and Agencies.

(3) Key EAP Processes: There are no specific EAP processes associated with these activities. Diplomatic missions are event-driven, although those meetings associated with the schedules of regional and international organizations, such as the ASEAN Regional Forum, APEC and the United Nations (UN) General Assembly are generally predictable. The substance and purpose of these sessions, however, will vary according to the evolving agenda of the organizations.

(4) Associated Higher-Level Processes: Interagency coordination through NSC/PC, NSC/DC, and IWG meetings.

(5) Associated Lower-Level Processes: None.

E. Observation, Orientation, Oversight:

(1) Major Activities: EAP provides oversight of the work of U.S. Missions in its area of responsibility through its annual review of MPPs and the *Post Reporting Plan*. It provides guidance in the preparation of the State Department's International Affairs Budget request in its BPP and to U.S. Missions in its area of responsibility by releasing guidance cables. Finally, EAP provides orientation to other U.S. national security Agencies through its participation in interagency deliberations as a member of IWGs and as a participant in interagency teams supporting specific negotiations or diplomatic assignments.

(a) MPPs and BPPs. See Paragraph C.(1)(a) above.

(b) Cable Guidance. See Paragraph B.(1)(c) above.

(c) **Post Reporting Plan.** See Paragraph C.(1)(b) above.

(2) **Major Stakeholders:** Bureaus, Missions, other Under Secretaries, Deputy Secretary of State.

(3) **Key EAP processes:** None.

(4) **Associated Higher-Level Processes:** IASP preparation.

(5) **Associated Lower-Level Processes:** MPP preparation.

F. Preparation: EAP plays no direct role in preparation.

G. Resourcing:

(1) **Activities:** EAP participates in the process to assemble the State Department's budget by drafting a BPP and presenting the Bureau's budget to the Secretary of State. See Paragraph C.(1)(a) above.

(2) **Major Stakeholders:** Bureaus, Missions, S/RPP, S, OMB.

(3) **Key EAP Processes:** Preparation of the BPP.

(4) **Associated Higher-Level Processes:** Function 150 Budget preparation, President's Budget preparation.

(5) **Associated Lower-Level Processes:** MPP preparation.

6. Informal National Security Process Involvement.

The processes described above are supplemented by informal contacts among officials within State and in the interagency. EAP officials engage in frequent communication by phone, secure video teleconferencing, and in person with counterparts in the State Department and other U.S. Departments, particularly the Defense Department and the NSC. Informal coordination also occurs between State Department personnel stationed at Missions overseas and DoD personnel stationed in the region, at U.S. Pacific Command (USPACOM) and the Commander in Chief of USPACOM (CINCPAC). State sources characterized these contacts as useful in expediting coordination and reducing workloads between headquarters in Washington.¹¹

One official characterized informal exchange as particularly well established when issues fall in traditional areas of national security or in cases with potential for the introduction of U.S. troops. In cases where national security policy involves "non traditional security issues," in the words of one interlocutor, the informal communication process is less developed.¹² An official interviewed indicated stovepipes still exist in the area where economic policy and national security policy intersect.

¹¹ Interview with State Department official, August 18, 2000.

¹² Interview with State Department official, April 28, 2000.

Informal contacts and coordination within and outside the State Department are personality driven, as one interlocutor described. Experience working in the interagency propels the use of the interagency structure. Interagency cooperation also is facilitated when counterparts in the State Department, DoD, and the NSC have developed personal relationships and maintained close informal contact.

EAP also supports senior State Department officials in their participation in informal interagency discussions, including the weekly lunches between the Secretary of State, the Secretary of Defense, and the National Security Advisor (the Albright-Berger-Cohen (ABC) lunch) and the weekly foreign policy breakfasts between the Secretary of State, the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, the Director of Central Intelligence, and the U.S. Representatives to the United Nations.

A. The Albright-Berger-Cohen (ABC) Breakfasts/Lunches. This process is illustrated in Appendix 3. The Secretary of State participates in weekly meetings with the National Security Advisor and the Secretary of Defense to address emerging national security issues, resolve interagency matters, and coordinate with her counterparts. The NSC staff prepares and distributes the agenda for these meetings. Because only the principals can attend these meetings, the principals are responsible for relaying any information and taskings from the meetings to their staff.

B. Foreign Policy Breakfasts. This process is depicted in Appendix 4. The Breakfasts involve the Secretary of State, the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, the U.S. Representative to the United Nations, and the Director of Central Intelligence. These meetings are more informal than the ABC meetings: there is no agenda and no staff attend. The Secretary receives background memoranda from S/P in preparation for these meetings that outline the issue and the positions of the other Agencies represented.¹³ Occasionally, issues addressed at the breakfasts will result in taskings for the staffs of the principals involved. The primary objective of the meetings, however, is to provide a forum for coordination at the highest level.

7. Funding and Personnel.

A. Authorization and Appropriations: Relevant authorizing committees for the Department of State are the House International Relations Committee and the Senate Foreign Relations Committee.¹⁴ Relevant appropriating committees are the House and Senate Subcommittees on Commerce, State, and the Judiciary. The House and Senate Appropriations Subcommittee on Foreign Operations, Agriculture and Rural Development, and Labor, Health, and Human Services and Education appropriate additional funds for international affairs programs and activities carried out by the State Department as well as other U.S. Government Departments and Agencies and some international organizations.

B. Funding Sources: EAP is funded through the Diplomatic and Consular Programs appropriations in the International Affairs section of the Federal Budget, also known as Function

¹³ Interview with S/P staff, October 21, 1999.

¹⁴ Congress has not passed authorizing legislation for international affairs Agencies and programs since 1994, when HR 2333, The Foreign Relations Authorization Act for Fiscal Years 1994 and 1995, was signed into law (P.L.103-236). Authorization for State Department programs and activities has thus occurred through the passage of yearly appropriations legislation.

150. Additional funds flow to the State Department from the collection of fees from visa applications, license applications for defense-related exports, and commercial services.

Funding for the State Department represents approximately 25 percent of the total Function 150 request of the President's FY 2000 Budget.¹⁵ Function 150 also supports international activities and programs carried out by three other Cabinet Departments, seven independent Agencies, three foundations, and a number of international organizations.

C. Budget: The FY 2000 budget request for the Diplomatic and Consular Programs category, which includes funding for EAP is \$2.6 billion. This category includes funding for all State Department salaries, operating expenses, and infrastructure in Washington and at diplomatic and consular posts worldwide. Of this sum, \$208,296,000 is allocated for activities related to "Policy Formulation and Executive Direction," a category that includes the work of the Secretary, the Deputy Secretary, the Under Secretaries, the Assistant Secretaries and other Bureau heads, the chiefs of diplomatic Missions and their staffs.¹⁶

D. Manpower: Manpower in the EAP Bureau consists of approximately 174 staff.

8. Observations.

A. Weak link between policy and resource management: The State Department has undertaken efforts to link policy objectives to resource allocation by devising the IASP and instituting the MPP and BPP processes, which directly relate to the goals and objectives stated in the IASP. Nevertheless, program planning remains a low priority, and is performed unevenly across the Department, with some Bureaus putting greater emphasis on it than others.

This appears to stem partly from the lack of prioritization of foreign policy objectives across regions and functions and partly from a general de-emphasis on management and planning. Without any statement of foreign policy priorities across regions and functions, planning efforts are difficult because there is no guide to effectively determine the allocation of resources as policy requirements change. Meanwhile, interviews revealed that State Department mid- and senior-level policy officials continue to function as policy advisors to the next higher level, spending a majority of their time on policy issues and operational tasks rather than on program and resource management. While this practice ensures quality information flowing to the Secretary from the desks, it also constrains senior officials from dedicating their attention to management issues and assuring proper resources are available to achieve policy objectives.

B. Interagency Structure.

(1) Interagency coordination on non-traditional security issues: The NSC committee structure establishes a formal process to address and coordinate national security issues among a number of actors within the interagency. Informal, personal contacts support the formal coordination process and are often extremely important in policy development and coordination. The informal coordination process is less effective in cases where an issue

¹⁵ Office of Finance and Management Planning, "Budget in Brief," U.S. Department of State, Washington, DC, February 1, 1999, <http://www.state.gov/www/budget/2000/00summary.html>.

¹⁶ Office of Finance and Management Planning, "Budget in Brief," U.S. Department of State, Washington, DC, February 1, 1999, <http://www.state.gov/www/budget/2000/00stateprog1.html>

requires coordination from Agencies that do not routinely participate in the national security interagency process. In these cases, formal structures such as *ad hoc* Interagency Working Groups are important in guiding coordination because there may be fewer informal, personal contacts among participants.

(2) Interagency working groups: The interagency process is designed to bring together relevant agencies to communicate their positions on particular issues and generate a cohesive policy direction. Interviews, however, revealed that IWGs tend to function more often as a caucus than a decision-making body. The State Department typically is represented at IWGs by more than one Bureau. As a result, a coordinated Department position is not revealed in the interagency process until higher levels (i.e., NSC/DC, NSC/PC meetings).

C. Changing role of Bureau staff: Regional bureaus have increasingly assumed the role of program managers as Economic Support Funds (ESF) and Development Assistance programs have come under their charge. Traditionally, it has been the role of the U.S. Agency for International Development (USAID) to manage these programs (See Chapter 7 in this Volume for additional information); however, smaller programs are now being assigned to the regional bureaus. This requires Bureau staff to take on the added role of program managers as well as requiring senior officials to be more involved in overseeing and managing funds.

In managing development programs, Bureau staff closely coordinate with functional bureaus and interact with Departments and Agencies with whom they typically have not associated. For example, some development programs require bureaus to coordinate on regional issues with the Department of Labor, the Environmental Protection Agency (EPA), the Centers for Disease Control (CDC), and the National Oceanic and Atmospheric Administration (NOAA), to name a few.

D. Personnel skills diversification: The changing security environment increasingly requires State Department personnel to be proficient in areas such as finance, economics, military, and environmental issues and program management, in addition to being regional and political experts. Despite recent efforts to increase training in program management and raise the profile of functional issues, the Department's culture and personnel system provide few incentives for staff to develop functional and program management expertise.

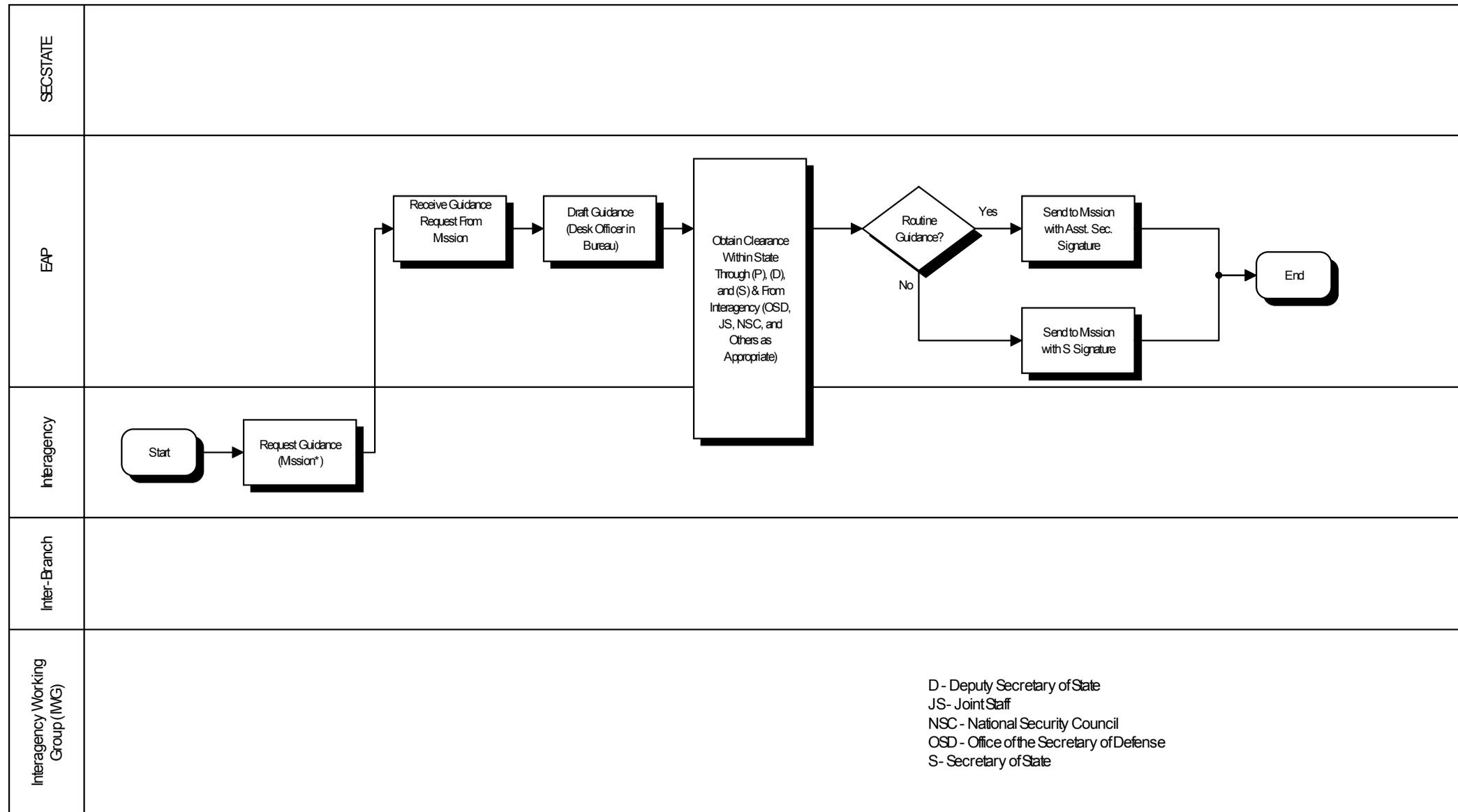
Career advancement for State Department personnel is still based upon work within regional bureaus and assignments overseas. While personnel in functional bureaus can move laterally, it is more difficult for them to advance within the Department or attain senior positions at overseas posts. As a result, there are no clear advantages for Foreign Service and Civil Service personnel to expand their knowledge and experience in functional areas. In addition, with few exceptions, such as attending the National War College, there are no career benefits for Foreign Service and Civil Service personnel to accept training assignments or temporary assignments at other agencies that could enhance their functional skills.

To better prepare Department personnel, incentives should be put in place within the personnel system to promote non-traditional career paths, as well as to develop management and planning skills. An example would be to institute the "training float" concept used by the Military Services. This concept establishes a surplus number of personnel above the operational force requirements to cover critical positions while still allowing personnel the opportunity for training and education. The training float system allows the Services to maintain a percentage of

personnel in professional development and training programs at all times with minimum effect on the mission.

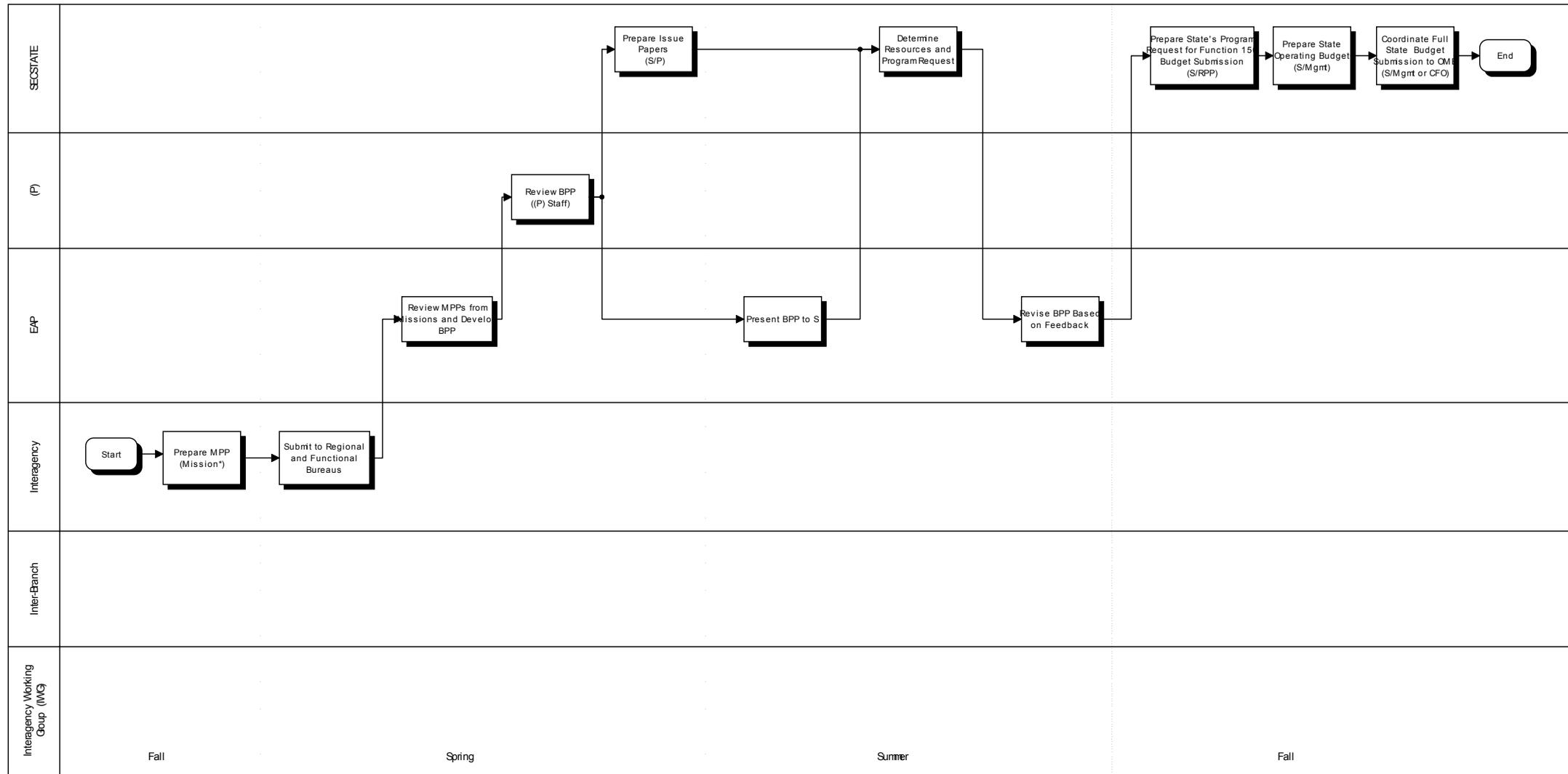
APPENDICES

EAP Bureau – Key Process – (Formal) – Policy, Guidance, and Regulation – Guidance Cables



* Includes representatives from other agencies within the mission

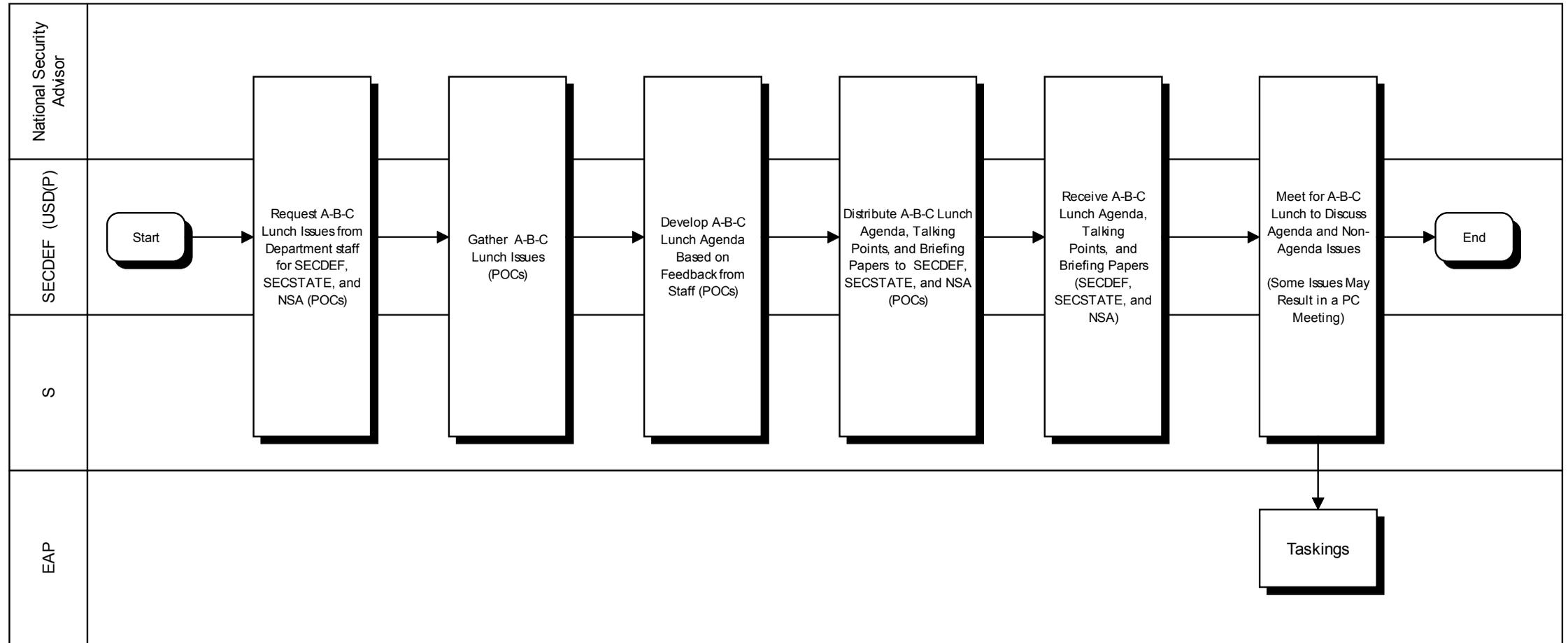
EAP Bureau – Key Process – (Formal) – Policy, Guidance, and Regulation – BPP Presentations: Function 150



* Includes representatives from other agencies within the mission

BPP - Bureau Performance Plan
 CFO - Chief Financial Officer
 MPP - Mission Performance Plan
 OMB - Office of Management & Budget
 S/Mgmt - Office of the Secretary, Management
 S/P - Office of the Secretary, Policy Planning
 S/RPP - Office of the Secretary, Resources, Plans, and Policy
 S - Secretary of State
 P - Under Secretary of State for Political Affairs

EAP – Key Process – (Informal) – The Albright-Berger-Cohen (A-B-C) Breakfast/Lunch



A-B-C - Albright-Berger-Cohen
 PC - Principals Committee
 POC - Point of Contact
 S - Secretary of State

EAP Bureau – Key Process – (Informal) – Foreign Policy Breakfast

SECSTATE	
SP	<pre> graph LR Start([Start]) --> Step1[Identify Issues of Interest to S] Step1 --> Step2[Develop Informal Agenda for S] Step2 --> Step3[Assess DoD & Other Agencies' Perspective on Issues] Step3 --> Step4[Provide Talking Points and Briefing Papers if Necessary] Step4 --> Step5[Attend Foreign Policy Breakfast] Step5 --> End([End]) </pre>
Interagency	
Inter-Branch	
Interagency Working Group (IWG)	<p style="text-align: right;">DoD - Department of Defense S - Secretary of State S/P - Office of the Secretary, Policy Planning</p>

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