

Patrick Fine: Hi. I'm Patrick Fine, CEO of FHI 360. Welcome to *The Deeper Look* podcast.

I'm very pleased today to have one of the foremost experts on U.S. foreign assistance policy with me, George Ingram. He's currently a senior fellow at the Brookings Institution. He has a long pedigree of experience working on international affairs, and particularly on development assistance, in the Congress, in the public sector, at USAID, in the nonprofit domain and now at the Brookings Institution.

George, thank you for joining us.

George Ingram: Patrick, I'm honored that you've invited me to be here with you today. Thank you.

Patrick Fine: We had a global leadership meeting where we brought people from all over the world. We do it once every three years. It would have been completely understandable for these people, who were reading about how the funding for their projects is being cut and who are concerned about their own job security and the job security of the people they supervise, to have been focused on that issue.

George Ingram: Sure.

Patrick Fine: That didn't happen. In fact, it was just the opposite. There was this great enthusiasm, this sense of resilience, and a sense of commitment to the human development challenges we're facing in a very real, sincere and emotional way – that created this enthusiastic, high-energy, positive gathering in a time of uncertainty.

What came up as a real concern from our international employees around the world was America's retreat from global leadership and the loss of American moral leadership in the countries that they're coming from.

George Ingram: Good.

Patrick Fine: Isn't that interesting?

George Ingram: Yeah, but not surprising. It's surprising that that took precedent over their own self-interest, not surprising they felt that way, but

surprising that that was uppermost on their mind. Interesting.

Patrick Fine: Yeah, that was the point they raised. Things like support for rule of law, for the free press, for good governance, and that America has been the country that has been the champion of human rights, that has been the champion of these principles around we could call this good governance. And that by withdrawing from that, it was taking the pressure off of governments around the world to abide by those principles.

George Ingram: I'm not surprised at all that people around the world, particularly people who follow international affairs, are very concerned of the direction that the United States is going in internationally.

And I think it just reinforces my understanding, and I would say our understanding, that people around the world look to the U.S. for leadership and engagement, and not leadership just on political issues, but on moral issues, on health issues, on issues that affect their daily lives, like education.

The big question for me is, how do you bring that international reaction, that very human international reaction, back to America so that Americans understand this reaction and Americans understand how valued U.S. engagement and leadership in the world are?

Patrick Fine: That is a really interesting point, because it's not a domestic constituency. But it's a very real constituency, and it's not about the money. It's not about foreign assistance. It's about moral leadership in the world today.

George Ingram: There have to be ways that you could bring it back to American policymakers and to community leaders. And I'm thinking particularly of the U.S. Congress.

Given the congressional handling of the FY [fiscal year] 2017 continuing resolution, where on international affairs, rather than cutting it 5 percent like the Trump administration requested, they increased it a percent or so, there's a real audience in the Congress for hearing this message and understanding and reinforcing the bipartisan support that we have seen the last decade or so in the Congress for U.S. active engagement in the world.

Patrick Fine: So, let me just ask you about the budget deal, which didn't cut U.S.

international engagement, and, in fact, it increased U.S. funding for famine relief –

George Ingram: ...by \$990 million...

Patrick Fine: – by almost \$1 billion.

George Ingram: Almost \$1 billion.

Patrick Fine: Which does show the U.S. shouldering responsibilities, providing leadership and taking a moral stand with respect to the terrible famines that are taking place right now in east Africa.

Do you see that as predictive of what will happen in the FY18 budget?

George Ingram: For the most part, yes. I think it's very instructive as to how the Congress will handle the FY18 budget.

I'm not going to be so optimistic that they're going to continue funding for all programs, or that they're going to continue funding at 100 percent of what we've had the last couple of years. But, I expect the Congress at most to provide a modest cut in international affairs, and I think you'll see cuts in a couple of U.N. programs and maybe multilateral assistance. The Congress is not going to restore climate change programs to where the last administration had them.

But, I think these are a little bit on the margins, and for the most part, the core of U.S. assistance is going to be retained and sustained by the Congress. And I think those of us who are concerned about international affairs need to reinforce the case of entities like the United Nations.

And the reason I say that is I've looked at the U.S. contribution to the U.N. in the last couple of weeks, and it's, it's larger than I thought. It's almost \$10 billion. But, when you look at how that money is used, a big chunk of it goes to humanitarian crises.

Patrick Fine: Right, UNICEF, UNHCR, World Food Programme.

George Ingram: A lot of that extra \$1 billion that the Congress appropriated for the four country famines in Africa will go through U.N. entities.

Patrick Fine: Right.

George Ingram: A second large segment goes for peacekeeping, goes for security. It's about \$2.5 billion. What does that do? That keeps American troops here at home, and it brings stability in very unstable regions of the world.

Patrick Fine: Particularly in the Sahel.

George Ingram: A third little segment goes for technical organizations, like the International Telecommunications Union, that basically keep communications and postal and economic issues flowing around the world.

Patrick Fine: Right.

George Ingram: And then a very small fraction, less than 10 percent – it's probably about 8 percent – goes to supporting the core sort of political operations of the U.N., which is what people complain about. They see the U.N. as a talkfest that doesn't do anything, and what they're seeing is the U.N. General Assembly, and sometimes the Security Council can't make a decision. That is just a little bit of what the money goes for.

Patrick Fine: Right.

George Ingram: U.S. funding goes for all of these concrete, programmatic activities that make the world a safer and more prosperous place to live.

Patrick Fine: Well, and it's very selective. And I think that's what you're getting at, and what many people don't understand, is that the U.S. decides what are the programs that it feels are effective and provide real value in terms of security, in terms of meeting urgent emergency needs. And that's what we fund, and our fund is very targeted, focused and selective. It's not just throwing money into an inefficient U.N. system.

George Ingram: Exactly.

Patrick Fine: I want to go back to this question of American leadership in the world, particularly our moral leadership in terms of things like rule of law, democratic accountability, free press, those pillars that provide for people to have a say in their government, that constitute generally what we talk about when we use the term

"good governance."

Sec. Tillerson addressed the State Department employees, and he made this comment about needing to separate U.S. values from U.S. policy. How do you read that statement with respect to looking at the U.S. strategy for global engagement going forward?

George Ingram:

Well, I guess I would have to ask you or anybody: Can you separate your values from the position you take on particular issues? The answer is no. Our values influence how we see the world, how we see particular issues.

The U.S. response, that \$1 billion that the Congress added to deal with the famines in Africa, that is a policy position we are taking that reflects our values, that reflects our humanitarian sense, that started from the beginning of this nation. The First Congress that had no tax authority, no money, they appropriated money, which they barely had, for relief for refugees leaving Haiti from the revolution in Haiti.

Every decade from the beginning of this country, the Congress has appropriated money, including for political activities in the early 1800s – I think it was about 1817-'18 – to support free blacks who were going back to Africa, to Liberia, to help them with their nation-building.

And so, this notion that U.S. engagement in the world is something that only happened after World War II is not quite accurate. The U.S. was engaged around the world because the founders of this nation, they had a notion that they were creating a model of democracy and citizen engagement in government that should be taken around the world.

Patrick Fine:

A universal model.

George Ingram:

A universal model.

Patrick Fine:

When I think about the secretary's comments, it makes me wonder whether the vision there is to go back to the kind of model we had in the Cold War, where we allied with, with governments and particularly with strong authoritarian leaders who we felt could serve our security and economic interests in terms of combating Communism. The most infamous example of that I think is our relationship with Zaire and with Mobutu through the '60s, '70s,

'80s, until he finally was deposed in the late 1990s. We financed, with foreign assistance, what was essentially a kleptocracy, a government that did not serve its own people, that served a tiny elite. And we did that in the name of combating Communism.

So, there was a clear policy rationale. But, then when looked at from the point of view of international development and development effectiveness, those programs were deemed completely ineffective, corrupt, mismanaged.

Have you wondered whether this new approach that the secretary is starting to articulate is really taking us back to that kind of engagement?

George Ingram:

It feels like a change of emphasis and focus. In about 1995, so several years after the end of the Cold War, the development community, the foreign policy community, was struggling to figure out a new rationale for foreign aid. The rationale for 40 years has been anti-Communism.

I looked at the foreign aid program at about 1985 and sort of dissected it as to Cold War and development, and what I found out was even though the program was sold as Cold War anti-Communism, only about half the program went for that. The other half of the money went for development activities.

Now, as you point out, the problem that we're still suffering from today is foreign aid got colored by the dictators and the wasted money that was used in the Zaires of the world.

In fact, maybe from a foreign policy point of view, it was successful. From a development point of view, it was a failure. And foreign aid always gets judged on its impact on development, on its impact on helping countries advance economically and socially and politically. Even the last – under the last two administrations, you still had some of that based on the War on Terrorism. You had large amounts of money going to a handful of countries, um, that are at best quasi-democracies and that are, are rampant with corruption.

Patrick Fine:

Right.

George Ingram:

Maybe that money has been successful from the point of view of our foreign policy. A lot of it has not been successful from a

development point of view.

Patrick Fine: But do you see reverting back to that idea that instead of the rationale for our international engagement in developing countries to be to prevent the spread of Communism, now it'll – the rationale will be to prevent the spread of radical extremism?

George Ingram: I'm pretty confident that the Congress isn't going to allow that.

Patrick Fine: Why is that?

George Ingram: And what we've seen from the Congress in the last 10 years, and to some extent you can credit both George Bush and Obama with this, George Bush with the creation of both the MCC and PEPFAR, which are programs that are data-driven, driven by careful, deep analysis, by transparency, accountability. And the Congress has bought on big time to the fact that our foreign assistance has to be accountable. It has to promote concrete results that impact on development. And I think the Congress is going to stick with that in spite of the fact that some people in the administration sound a little bit like a renewed Henry Kissinger of realpolitik.

Patrick Fine: You've got certain mechanisms within the U.S. government for the allocation of resources that have pretty high standards associated with accounting for the funds, and in this case, accounting for whether those funds are having an effective impact on addressing development objectives. So, by not accepting the administration's request to shift funds from development assistance to economic support funds, that would be a very clear message that Congress intends to continue to demand that kind of accountability for results.

George Ingram: And it's not just that there's greater accountability with the use of that development assistance funds, it's that there's better planning that goes up front.

Patrick Fine: The objectives are for longer-term development outcomes instead of shorter-term political outcomes.

So let me change and ask you a question about the overall structure of how the U.S. government manages foreign assistance. So, right now, you have USAID, which is an agency that reports to the Department of State. So, it's under the umbrella of the Department

of State, but it is a separate agency.

And over the last eight years, during the Obama administration, there was a lot of emphasis put on USAID becoming the premier development agency in the world. And I think to be fair to Raj Shah, who was the administrator to the Obama administration, they made a lot of progress in addressing weaknesses in USAID and in, um, raising its reputation and its effectiveness.

The rumor that is on the streets today is that the administration plans to do some sort of consolidation or merger of USAID completely into State.

What do you know about that?

George Ingram: What do I know about that or what do I think about that? *[Laughs]*

Patrick Fine: I'm sure the listeners are interested both in what you're hearing and then also what your take on it is.

George Ingram: What you said about the Obama administration and strengthening USAID is correct. And in some ways, I'll go back to the Bush administration, where in the first six years, they took actions that weakened AID, and in the last two, they turned around and began the process of strengthening AID, particularly on the personnel end.

Patrick Fine: Right, with the Development Leadership Initiative.

George Ingram: And a lot of the strengthening that's happened in the improvement of processes in some ways is a continuation of what the Bush administration started at MCC and PEPFAR and the Obama administration took not just to AID, but to other agencies across the government that engaged in international affairs.

Eight years of Obama, you have a stronger AID that is playing the role of the premier U.S. development agency.

Patrick Fine: And one of the premier in the world.

George Ingram: In the world. What the Obama administration didn't tackle was the really hard issues of not just making AID the premier U.S. development agency, but making it *the* U.S. development agency. You've got up to 24 U.S. agencies that are involved in some aspect

of foreign aid. And what a group of us are putting together is an alternative to the administration's plan to merge everything in the State Department, because there's a strong sense that you really need to let the State Department focus on its core mission of diplomacy.

Diplomacy is an expertise that has been undervalued and undermined over the last 20 years in the State Department as the State Department has been assigned a lot of little peripheral responsibilities.

Development is an expertise. It's an expertise of people who know how to operate in the field in difficult circumstances, who are experts at education and health and democracy-building, et cetera.

And what you need to do and what we're putting together is a plan to bring all of the development activities in one agency so that you really have a consolidation, a clear strategy for U.S. development.

Patrick Fine: And would that agency combine what is currently USAID and MCC and the Trade and Development Agency?

George Ingram: Yeah, it would be a new agency that would combine all of the existent greater and lesser development agencies from AID to MCC to PEPFAR. It would bring MEPI, the Middle East Partnership program, from the State Department. It would bring all of the refugee and disaster assistance together, and it would keep at State the security and strategic assistance.

Patrick Fine: George, let me ask you. So, we've been talking about the policy environment. We've been talking about some of the, the currents that are starting to emerge from the, the new administration.

How do you judge the new administration's view of the Sustainable Development Goals? Because in looking at what's happened over the last four months, on the one hand, I see commitment to actual objectives that are in the goals. On the other hand, there's been very little articulation about the Sustainable Development Goals as desirable – as a desirable agenda to play – to be a part of.

So, what's your view on where we're going as a government with respect to our commitment and our practice on the SDGs?

George Ingram: The answer is I don't have a view on how our government is dealing and approaching the SDGs, because I haven't heard anything from the administration on it. I go back to the beginning of the Millennium Development Goals, the MDGs, in which the, the Clinton administration looked like they were interested in it, and then the Bush administration was very slow to sort of get on board after a while.

It would have been better if they had jumped on board early on, but they had a lot of leadership in many countries around the world, and there was a lot of leadership from civil society in this country. The big difference I see this time, which I find really interesting –

Patrick Fine: ...between the Millennium Development Goals and the Sustainable Development Goals...

George Ingram: — is that this time around, I think you've got a similar situation, where there's no expectation that the Trump administration is going to go hog-wild in favor of trying to advance the SDGs. But what you see this time is a much broader landscape of entities engaged. You see American cities adopting SDGs. You see civil society engaged in – the civil society has been engaged in it for three years before they were adopted.

And the other big change besides being moved at the local level is business. And I encourage your listeners to Google and get access to a new report that came out in January called *Better Business, Better World*. It's a product of the Commission on Business Sustainability, and it makes a business case for the SDGs. It identifies in 4 of the 17 SDGs that between now and 2030, the target date, there's a \$12 trillion market to be had.

A couple of years ago, I did a study of USAID's public and private partnerships, and as part of that, I interviewed 17 U.S. multinationals. I don't know if there's something magic about the number 17, but there seems to be. I went back to them after I read *Better Business, Better World*, and asked them whether or not they were engaged in the SDGs. And what I found was that some of them are actually reporting against selective SDGs. I found others that don't use the term but that for 15 or 20 years have had goals that are subsumed under the SDGs. One of the corporations I talked to is committed to being carbon-neutral by I think 2025, and they report that they have saved \$500 million by moving to

sustainable energy. I mean, that comes right into the bottom line of that corporation.

Patrick Fine: That is the bottom line, and those kinds of numbers drive behavior, and they drive policy. That sort of analysis would tell us that over the medium term, within a few years, that you'll see a sustainable shift toward those kinds of strategies that either result in efficiencies that increase the bottom line, or that allow for market access through penetrating or developing new markets.

George Ingram: And that corporations are understanding that their customers care about their values. The ultimate accountability of the corporations are their clients.

And you're seeing, particularly among the large corporations, that they are realizing that there is a growing population out there of customers that cares how green they are, that cares how they treat their employees.

Patrick Fine: It's interesting, though. We started this conversation with values, we were talking about values in terms of the public policy, the values that inform public policy. Now, we're back to that issue of values, and we're talking about the values that drive private business and commercial business, commercial operations.

And I see a convergence, that those values that are driving businesses to want to be more socially responsible, not just in terms of grants, but in terms of really finding the shared value between their operations and the communities where they work and the customers that they serve, converging to influence the public policy debate.

George Ingram: And realize that these corporations now are being led increasingly not by our generation, but by the generation behind us. And they're employing the generation behind them. And what I heard at a roundtable luncheon was one of the corporations saying, "*The Millennials that we're employing, they care about the nature of the organization they're working in. They almost care more about that than whether or not they get a salary boost.*" So I'm putting a lot of my faith on the next generation.

Patrick Fine: Yeah. That gives us good reason to believe that, as the new administration establishes itself, staffs up, and carries on its operations, that it will take a serious approach toward the

Sustainable Development Goals, whether it uses the term "SDG" or not.

George Ingram: I think that's right. You know, San Diego, California, a heart of Republican territory, the Republican mayor has bought onto the SDGs. Conservative communities in Florida are building seawalls because they understand that sea level is rising.

You don't have to talk about the SDGs. You don't have to talk about climate change. Talk about the practical problems and the opportunities that are out there, and I think you can get the administration's attention that way.

Patrick Fine: Right, locally driven.

George Ingram: Right.

Patrick Fine: Internationally impactful.

George Ingram: Exactly.

Patrick Fine: George, thanks very much for a really great conversation.

You can tune in to *The Deeper Look* podcast on SoundCloud and iTunes. So, I encourage you to do that. Share it with your friends. You're not going to get this kind of informed access anywhere else. Thank you, George Ingram.

George Ingram: Thank you, Patrick. It was great to be with you.