Building Partner Capacity

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Where possible, our strategy is to employ indirect approaches—primarily through building the capacity of partner governments and their security forces—to prevent festering problems from turning into crises.

— Secretary of Defense Robert M. Gates, National Defense University, 29 September 2008

U.S. security strategy depends upon creating adequate governmental and military capabilities in partner nations to enable them to address security challenges with a minimum commitment of U.S. forces. As Secretary of Defense Gates noted, the existence of such capabilities helps prevent regional security problems. Thus, developing effective mechanisms to help partners improve governmental and military capabilities is a priority for the United States.

IDA provides the Department of Defense (DoD) with a number of tools for building partner capacity. Two of those efforts are the Defense Resource Management Studies project (DRMS) and the Synthetic Environment for National Security Estimates (SENSE) project. During the past 16 years, DRMS has helped 31 countries improve their abilities to plan and manage their national defense organizations. And for just over decade, SENSE has helped leaders in more than a dozen countries grapple with the political, military, and economic complexity of sustaining peace in post-conflict environments. Together, these IDA programs have helped build management capacities in key security partners around the world. This article will discuss where and how DRMS and SENSE have been engaged, what they have accomplished, and what lessons have been learned that might make similar U.S. Government efforts in this area more effective.

DRMS

In some countries, partner military capabilities can be improved simply by providing modern equipment, specialist training, and access to the American military's education and schools system. In other countries, the lack of modern management techniques and tools, especially in resource management, inhibits capability improvements, fosters corruption, and provides emerging civil governments few measures to control their militaries in ways those militaries will not perceive as threatening. No military force in the world has resources sufficient to reduce military risk to zero; it is this reality that makes resource planning critical. Creating that capability requires introducing modern analytical techniques, developing skilled and appropriately organized staffs, and using decision-making processes to set priorities and allocate scarce resources. It also requires effective performance evaluation to strengthen transparency and accountability.

The DRMS program was initially conceived to support NATO expansion. As part of increasing its membership, NATO required candidates to improve their defense resource management. Initially, this work focused on introducing technical tools and software for analytic uses like cost analysis. DRMS engagements became broader and more sustained, evolving into the modular approach used today. In 2003, the Deputy Secretary of Defense directed DRMS to focus on key partners in the war on terrorism. During the past 12 months, DRMS teams have been active in Cambodia, Indonesia, the Philippines, southern Sudan, and Thailand.

Every country's needs with respect to resource management are unique. So DRMS teams, working with host nation counterparts, tailor a process appropriate to the scale and needs of each host nation. Their recommendations are grounded in the principles and concepts used by the United States and other defense ministries that employ modern management practices and that are advocated by many international institutions that specialize in public resource management.

DRMS uses a four-phase building block methodology (Figure 1). The building blocks use assessment instruments, concept briefings, skill-building exercises, computer-assisted management simulations, and analytic workshops, in addition to one-on-one consultations with senior civilian and military leaders. A modular approach ensures that a host

country need not initially commit to completely revising its management process. The country can use results from the first phases of the study to determine the desirability and scope of further changes to its management practices.

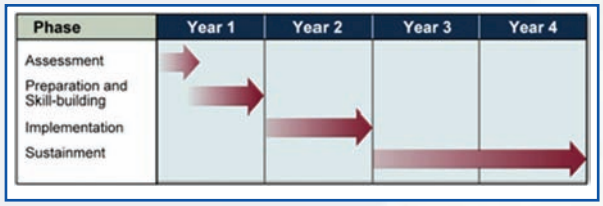

Figure 1: DRMS modular design timeline.

One of the most important technical competencies required in defense resource management is the ability to estimate the cost of military capability, and the cost of changes to capability. For that purpose, IDA has developed software called the Force-Oriented Cost Information System (FOCIS) (Figure 2).

Indonesia and Thailand, DRMS continues to build the technical skills needed to implement new resource management processes.

SENSE

The process of nations transitioning from one phase to another is complex and difficult to manage. Missteps can be catastrophic. Recognizing this, in 1998 General Wesley Clark, then Supreme Allied Commander of Europe, asked IDA to develop a synthetic simulation environment to place foreign leaders in a simulated post-conflict situation, thus permitting them to test policies, make mistakes, and learn lessons without risking real-world repercussions. The result was the SENSE simulation.

At the core of the SENSE simulation is computer software built upon a fictitious country. The simulated environment includes both (virtual) human-computer interactions and (live) human-human interactions. In a SENSE

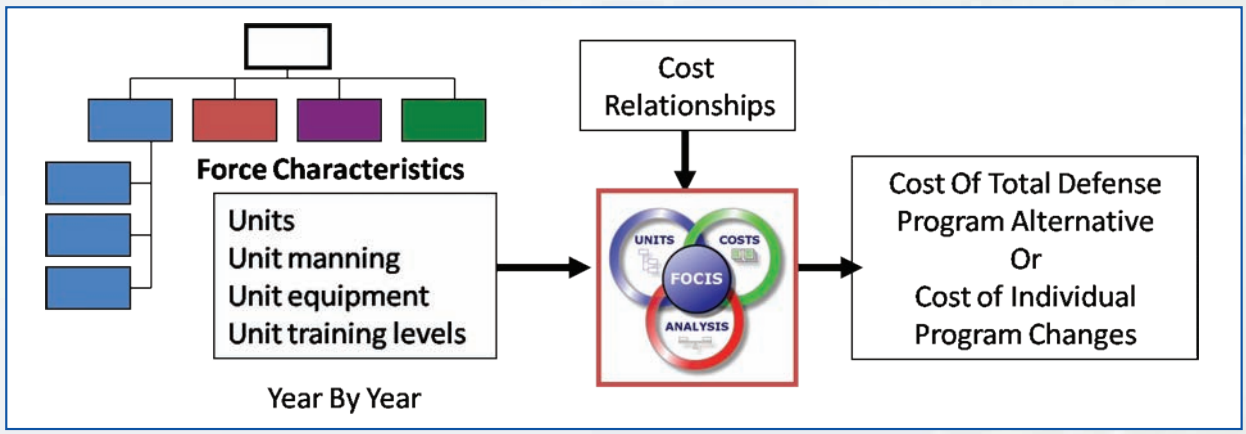

Figure 2: FOCIS provides the ability to link force characteristics to resource requirements.

The DRMS project recorded a number of notable achievements in 2008 and 2009. The Philippines has completely revamped its management systems encompassing strategic, capability, and acquisition planning, as well as multi-year programming and budget and program implementation reviews. The new management process has been used to identify important shortfalls in areas critical to internal security operations (ammunition, operating support, and Special Forces force structure) and to personnel quality of life (housing). In Cambodia and southern Sudan, FOCIS is being used to produce the first-ever cost estimates of long-term defense plans and to examine affordable options. And in

simulation each participant is situated in his or her own simulation cell where updates on their progress according to the virtual simulation are injected; simultaneously they are also directly engaged by other simulation participants as part of their decision-making process.

The SENSE software is an econometric model that processes all participant interactions. In its current form, between 40 and 80 players may participate in a simulation where they assume a role in one of four player types: government (executive or legislative branch), firms (local and multi-national), banks (local and national), or international organizations (foreign nations, donors, banks) (see Figure 3). The history of the fictitious country

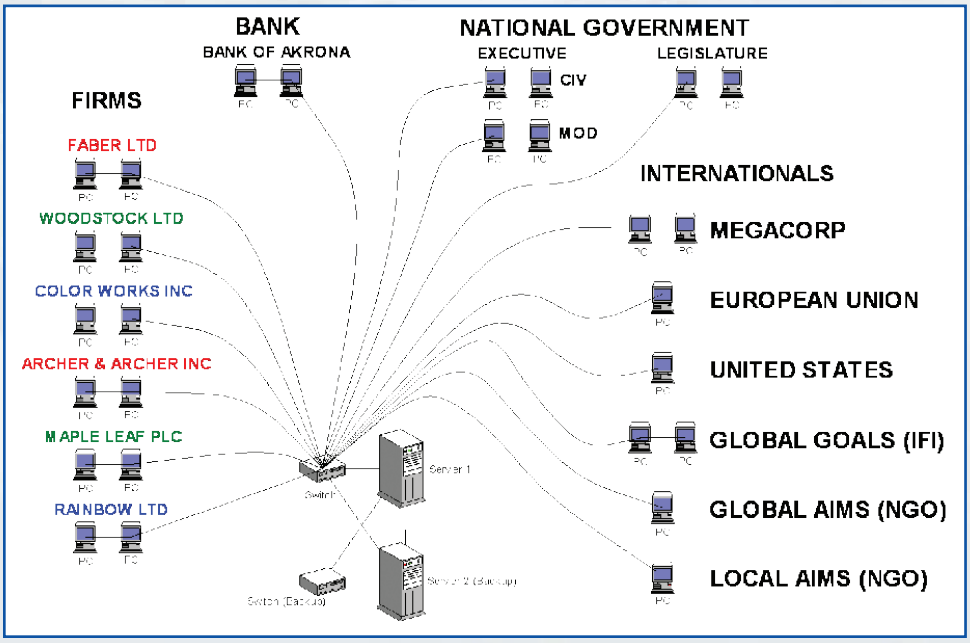

Figure 3: Financial flow model.

and the participants' roles assumed are givens, but everything else in the simulation results from participants' decisions. The entire simulation plays out to 10–12 years post-conflict, and it records the accumulated results of player actions throughout the simulation (a few examples appear in Figure 4).

A full SENSE simulation involves the SENSE software, subject-specific companion seminars, and regular after-action reviews. This multi-faceted approach creates a learning environment where participants can see the results of their interactions in real time and can discuss their implications. The simulations frequently involve participants from the highest levels of the public and private sectors as well as their staffs, thus permitting constructive dialogue between echelons of decision making and decision support.

Since its debut in 1999, SENSE has been used in five countries with target audiences from more than a dozen nations. Originally designed as a training tool for senior leaders from the Balkans, it was also employed at the cabinet and subcabinet levels in the Republic of Georgia. Shortly afterwards, it was reoriented as a training tool for early- to mid-career officials from various U.S. departments and agencies. In 2002, the United States Institute of Peace (USIP), which became SENSE's primary sponsor, has successfully employed it around the globe, has installed it in the National Defense University-equivalent in Poland, and is conducting monthly simulations in Baghdad with Iraqis.

IDA is currently modifying the SENSE software to better emulate conditions in Afghanistan. Since its inception, SENSE has received favorable reviews from participants and sponsors alike, which is why it continues to be used today as a tool for exposing

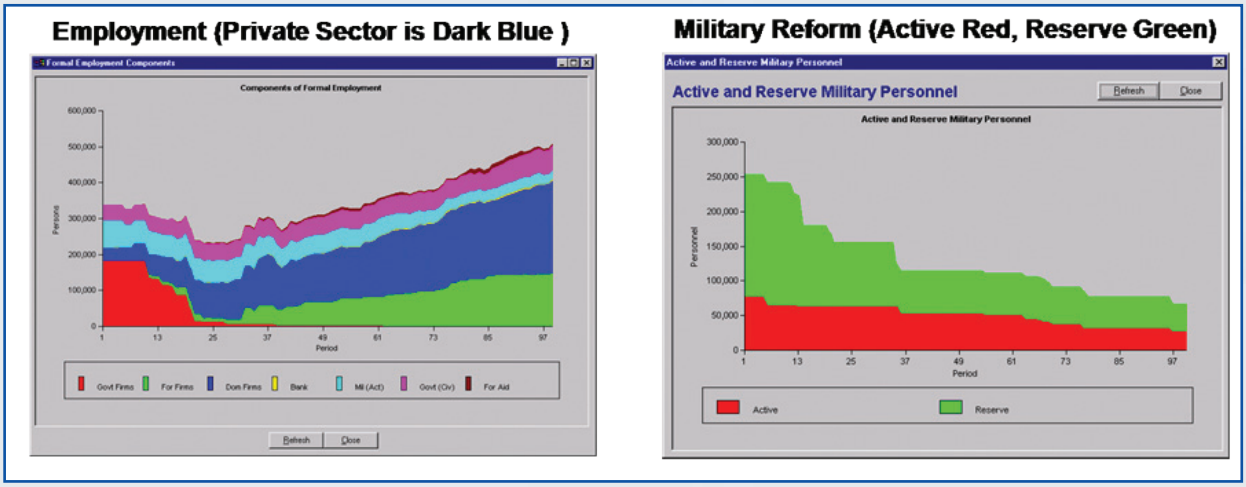

Figure 4: Examples of accumulated results of player actions throughout the SENSE simulation.

participants to the complex dynamics of post-conflict societies.

Lessons Learned

DRMS and SENSE have different specific objectives, but the two programs share an approach. Both form teams of experts to study effective approaches to management and planning, adapt those approaches to security issues in foreign cultural settings, and deliver advisory assistance to local decision makers and experts to implement those approaches.

The two programs provide a valuable opportunity for considering which factors may be most important when fashioning similar efforts to strengthen host government capacities that support stability and security. Experience from the DRMS and SENSE projects suggests three central factors:

- Commitment from senior leadership in partner countries is essential;
- Improving management capacity requires engaging at both the technical and policy-making levels; and
- The U.S. Government must send the right people to do the job, and they must be allowed time to do it properly.

Resource planning and economic policy deal directly with the questions of who gets what and who decides who gets what. Proposing changes in the answers to those questions is stressful within any organization and are even more so when money is tight. Thus it is not surprising that DRMS and SENSE have worked best in countries where the senior leadership is already committed to improvement. In some cases, the motivation is external (such as the possibility of NATO membership). In others the motivation has come from recognizing that improved planning is essential to solving internal problems. The lesson for U.S. policy making is that capacity-building will succeed most often when linked to incentives that local leaders value or when they perceive that help from the United States will advance their own policy objectives.

Many U.S. assistance efforts are premised on the assumption used in the first years of the DRMS program: that capability shortfalls result from inadequate technical or functional analysis. As a result, the tendency is to focus on analytic tools and techniques. This helps in some instances, but not when shortfalls result from an inability to prioritize and correct systemic imbalances between programs and prospective funding. When devising approaches to capacity-building, U.S. planners need to recognize that any set of desired improvements must be affordable and that local decision makers must be able to understand the future costs of current decisions. In those instances where improvement in resource management is indicated, there should be equal emphasis on technical and analytic skills and senior-level decision making processes.

Successful capacity-building requires assembling teams of qualified advisors and giving them enough time to accomplish their objective. U.S. advisors should have a combination of technical skills and work experience. The advisory team needs experts in functional areas, program and cost analysis, and management science. In addition, team members should have observed top-level resource decision making processes. They will need sufficient stature with local senior leaders to gain acceptance as advisors. Because the objective is to introduce management improvements that continue beyond the assistance effort, team members should remain to advise and assist when new techniques and processes are first used. The U.S. advisory team needs to be committed to a host country for a minimum of two years in order to follow the process from strategic planning to budget submission. The DRMS team supporting the Philippines has spent an average of four months per year for the last five years in Manila working with senior Defense Department officials and staff to develop and institutionalize a new management system.

Conclusion

IDA has developed and employed effective tools to help DoD achieve its strategy through building partner capacity. Among them are the DRMS project and SENSE simulation, which connect decision making to outcomes to help partner countries strengthen their overall capacity for managing transitions. Through its experience employing these and other tools, IDA has learned and conveyed to DoD sponsors important lessons for building partner capacity.