



## ***AFSA Video: "Economic Diplomacy: What Diplomats Do and Why It Matters"***

### **Talking Points**

- Over the years, the State Department's budget has grown mainly due to changes in security protocols, especially after 9/11, and the presence of significant numbers of people from other agencies, expanding the embassy platform and needed services.
- However, this overall growth masked a drop in funding for positions in political, economic, and public diplomacy sections – the heart of U.S. diplomacy. In addition, the “civilian surges” into Iraq and Afghanistan shifted core diplomacy positions out of embassies into war zones.
- In the last decade, America's funding for the political, economic, and public diplomacy work declined 33 percent, from a dollar in 2008 to 77 cents in 2016 and 2017.
- Meanwhile, back at home, Congress has been holding hearings about America losing ground to rising powers such as China. Alarm grows as Beijing, which has increased spending on diplomacy by 40 percent over the past five years, is gaining commercial, economic and political ground at the expense of America's global leadership. China now has 268 diplomatic missions just behind America's 277.
- These two trends are not unrelated. Reduce funding for America's core diplomatic capability while China's is increasing, and it should not be surprising if it looks like Beijing is running the bases on one continent after another while short-staffed American embassies struggle mightily to cover all the bases.
- Luckily, our Congressional champions rejected the recent, drastic cuts proposed by the current Administration and restored funding for the international affairs account. Furthermore, for FY 2019, the Senate Committee on Appropriations voted 31-0 to begin restoring funding for core diplomatic capability, and ultimately, in the final FY19 Omnibus, the “overseas programs” line increased by \$84 million. The proposed FY20 House bill increases funding for “overseas programs” by \$617 million, enough to cover the costs of sending more Foreign Service officers to the field.

- If we care about maintaining America’s global leadership—and more than 90 percent of our fellow Americans say they do—it is simply not a good idea to leave second base and shortstop uncovered while China is at bat. Luckily, we have highly skilled players ready—eager, even—to cover second base and shortstop, prepared to step into the game.
- AFSA’s current campaign focuses on getting 300 additional American diplomats out of Washington and into the field— posted to America’s global network of embassies and consulates where they do the most good for the American people.
- Our companies want to be able to export more and complete more projects overseas. They want an open and fair global economy to propel the continued expansion of vibrant U.S. manufacturing and services sectors. However, when legal frameworks are weak, when processes, such as government procurement, lack transparency, our companies struggle to compete, much less win.
- That’s where U.S. diplomats can help. We know how to work with host countries to improve policy and regulatory transparency—and help them achieve their goals of attracting more high-quality American investment to their countries. We know how to work with partners overseas to remove barriers that keep American businesses from competing and thriving.
- When our embassies have the staffing and leadership needed to practice effective diplomacy, they can work wonders.
- They are able to conduct the kind of economic and commercial advocacy that leads to higher growth and job creation in America. They also remind the rest of the world what they love about our country—our cutting-edge innovation, our excellence in design, our prowess at solving complex problems and managing complex projects, and our respect for the environment and human rights.
- AFSA believes we urgently need to get more State economic officers to the field, working with their counterparts from other agencies such as Commerce, USAID, the Department of Agriculture and APHIS, and the rest of the country team to help American companies compete and win.

*Additional background on economic diplomacy:*

- [Economic Diplomacy Works](#)
- [Regaining Lost Ground](#)
- [Telling Our Story to the American People](#)
- [Covering the Bases](#)
- [Business Community Letter to Secretary Pompeo](#)
- [What is Economic Diplomacy and How Does it Work?](#)
- [Rebuilding Our Economic Strength](#)
- [Working in Concert with State to Advance Economic Security](#)
- [From Guitars to Gold: The Fruits of Economic Diplomacy](#)



## ***AFSA Video: "Economic Diplomacy: What Diplomats Do and Why It Matters"***

### **Discussion Questions**

1. When you hear the term “American diplomats” what do you think of? Does this video change your perception? Did anything surprise you?
2. What new information did you learn from the video about the work of the Foreign Service?
3. The title of the video is, “What Diplomats Do and Why It Matters”. Why does work by the Foreign Service matter to those of us here at home? Can you think of an example of how the work of the Foreign Service directly affects your life?
4. The video says that American businesses promote American values. How you think American businesses promote American values?
5. The video shows American diplomats clearing impediments for American businesses. What do you think some of the impediments are that American businesses face overseas?
6. The end of the video showed an image of a baseball team and talked about the United States facing great power competition. What does that mean? Who are we competing against? How does having a full “diplomatic team” help us compete?



## ***AFSA Video: "Economic Diplomacy: What Diplomats Do and Why It Matters"***

### **Frequently Asked Questions from AFSA Members**

- Q. I thought most of the work to help American business overseas was done by commercial officers, but the video talk about economic officers too. Why?
- A. There are approximately 250 Foreign Commercial Service officers overseas, but only deployed in 76 countries. Even in those countries, FCS officers may collaborate with economic officers because their work is often complementary. Where there is not an FCS on-the-ground presence – which is the case in the majority of embassies and consulate overseas - economic officers and others take on the commercial portfolio.
- Q. So then what is the difference between the work that commercial officers and economic officers do? Why is their work complementary?
- A. For the most part, commercial officers, who are from the Commerce Department, are laser-focused on solving specific problems for U.S. companies and they measure themselves based on the companies' results. Their business model, whether it is helping a company find a trustworthy local partner or knocking down a market barrier for them, is client-driven and measurable. It is, for the most part, case-by-case work. The incentives are to solve the immediate problem.

Economic officers, who come from the State Department, usually take the lead on longer-term issues that matter to the general economic health and stability of a country. For example, if there is corruption in a host country's court system and business contracts aren't honored, investors, including American investors, will stay away or encounter problems.

Economic officers in this instance would work with the U.S. business community or the wider expatriate community to convince the host government to crack down on corruption and to uphold contract law – perhaps via legislation or by changing a culture of corruption within the judiciary. Economic officers could also take an even longer view and recommend that young, promising host country jurists go on International Visitor

programs to receive exposure to the U.S. commercial law system. The hope is that they come back to their countries and work to implement reforms.

Q. Why does the video focus so much on economic diplomacy and it doesn't really focus on all the other things diplomats do overseas? For example, why doesn't this video talk about what FSOs normally think of as the highest priority task of embassies and consulates: consular services?

A. The video does cover Consular Services – in fact, assistance to Americans is the first thing the video points to in answering the question of what American diplomats do overseas. The video also makes clear that most Americans come into contact with our embassies because they need assistance or have lost important documents like their passports.

The work diplomats do to keep the United States prosperous is typically not the first thing Americans think of when they think of diplomacy and diplomatic work overseas. AFSA's video was created for a couple of specific purposes – to increase awareness of the Foreign Service generally and to show how Foreign Service work overseas benefits Americans back home. In this case, it's through the work being done with host countries to create or maintain conditions that allow American businesses to thrive. AFSA believes the story of economic diplomacy needs to have a higher profile and we believe it resonates well here at home.

U.S. foreign policy since World War II has recognized the strategic importance of promoting business and trade relationships as a way to advance the rule of law and stability in countries around the world, creating better long-term trading partners for the United States.

# Economic Diplomacy Works

BY BARBARA STEPHENSON

As we at AFSA were pulling together this special double edition of *The Foreign Service Journal* highlighting economic diplomacy, *The Washington Post* devoted its Nov. 23 editorial to “the basic understanding that has worked to America’s advantage since World War II,” under leadership from both political parties: “Those leaders all accepted that, with less than 5 percent of global population but more than 20 percent of the global economy, the United States, more than any other nation, depends on and benefits from predictable rules. It needs a world where business executives can go forth and come home without fear of kidnapping, where ships can ply the ocean without armed escorts, where contracts are honored and disputes fairly adjudicated.”

Elements of this editorial could have been lifted directly from my work requirements as a U.S. Foreign Service officer over the decades. One of my overarching goals as ambassador to Panama was ensuring that the Panama Canal remains open to world commerce, so that ships can ply the oceans. I also devoted considerable time and country team energy to resolving the

kidnapping of an American business executive in a way that made the prospect of holding another American citizen for ransom very



Ambassador Barbara Stephenson is the president of the American Foreign Service Association.

## AFSA’s ongoing work with congressional champions stands directly on the shoulders of the work you, members of the Foreign Service, do all around the world.

unattractive. And, as a first-tour economic officer in Panama, I helped establish the rules to protect intellectual property and then saw the fruits of that effort—including Panamanian ownership of the resulting legal framework, which protected their intellectual property as well as ours—20 years later when I returned as ambassador.

I suspect that many members of the Foreign Service can say the same thing—that, whatever your cone or specialty, your work on behalf of our country has established rules, removed obstacles and opened markets so American businesses can compete on a reasonably level playing field and thrive around the world.

I was delighted to see the related cable that went out in early November to all diplomatic and consular posts—18 STATE 112364, “Boosting Commercial Diplomacy Around the World.” The ALDAC, which makes clear that Secretary Pompeo has made commercial diplomacy a foreign policy priority, provides practical tips to strengthen our ability as a country to support U.S. business interests (see excerpt on p. 33).

If I were looking today for a way to tie my work requirements statement to a key U.S. foreign policy priority, I would see

what I could do under the rubric of the policy guidance provided in that cable: “Promoting broad-based, responsible, and sustainable economic growth helps to stabilize regions and creates new and growing markets for U.S. companies. A transparent and level playing field for U.S. investment in these countries counters real and growing challenges such as China’s Belt and Road initiative.”

When members of Congress visit your post, I urge you to be prepared to tell them what you and your colleagues are doing to help American companies compete—and win. If you find, as I have so often found, that the soft power you have to work with comes in significant measure from the positive impression made by American companies—maybe because they are known for treating their workers fairly and promoting on merit, maybe because they inspire awe with their problem solving and project management—be sure to mention that to visiting CODELS as well.

When American businesses thrive overseas, it not only means greater prosperity at home, it also often directly boosts American global leadership by reminding people abroad what they most admire about our country. We know how to get things done.

When members of Congress directly associate the great work of the Foreign Service overseas with prosperity here at home, it helps them justify providing the funding and authorities needed to put a full Foreign Service team on the field, to cover every base, to win the game. Kim Greenplate, AFSA's director of advocacy, devotes her column this month (see page 63) to "Showing the New Congress that Economic Diplomacy Works."

As the Foreign Service seeks to rebuild in the wake of recent hiring freezes as well as a decade-long decline in funding for core diplomacy, we need vigorous support from Congress. With rising competition from China and other countries, we need that support urgently, to avoid ceding yet more ground.

AFSA's ongoing work with congressional champions stands directly on the shoulders of the work you, members of the Foreign Service, do all around the world. I encourage you to polish your own stories of success (or even failure, which can be equally instructive), so you can share them with members of Congress when they visit your post.

And please read the Economic Diplomacy Works stories in this collection for inspiration and practical tips on doing your own job better. If you are in Washington, please join us for the Economic Diplomacy Works panel AFSA is hosting with the U.S. Diplomacy Center at noon on Jan. 15. And watch AFSA's daily media digest for links to "American Diplomat" podcasts on the theme of economic diplomacy.

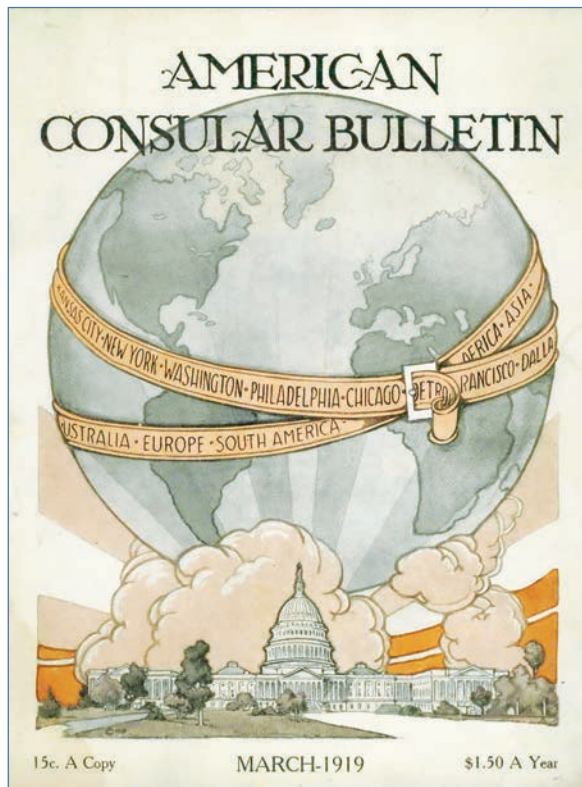
In March we will mark the 100th anniversary of *The Foreign Service Journal*. We've been reviewing our FSJ digital archives in preparation for a centennial exhibit in partnership with the U.S.

Diplomacy Center. The very first edition of the *FSJ*, then called *American Consular Bulletin*, is filled with articles about practical steps to enable commerce, from the role of consular officers in paying advance wages to seamen working on American vessels in foreign ports, to proper postage for export trade letters. The letter from the editor explains that "the Consular Service was organized by our Government for the purpose of furthering the interests of American businesses abroad."

I share this as a reminder that this—Foreign Service support for American business—is not some new-fangled thing. Nor is it ancillary. It is foundational to our purpose. It is a major reason why the U.S. Foreign Service was created, why we exist.

In my AFSA role as the "voice of the Foreign Service," I have spent a fair bit of time on the road telling the proud story of the Foreign Service to Americans all over this great country of ours. One part of our story that I know resonates is what we do to increase prosperity at home. When I explained how the Foreign Service worked to open markets overseas for American-grown soy, the audience at Farm Fest in southern Minnesota immediately grasped that what we diplomats do matters to them.

When I explained how the Foreign Service helped a local firm get a stunning glass sculpture into the lobby of a



The first *Foreign Service Journal*.

new luxury hotel in China, the audience at the San Francisco Commonwealth Club immediately saw how our global network of embassies delivers for local business—and they grasped also my further point that the resulting display of American design excellence boosts our country's image with everyone who sees it.

When we in the Foreign Service make this mission—helping American businesses compete and win—a priority, we help build a domestic constituency, and we shore up bipartisan support in Congress for an adequately funded Foreign Service. We also directly and concretely bolster America's global leadership by refusing to cede the game—a game whose rules the United States wrote—to rivals and adversaries. ■

# Regaining Lost Ground

BY BARBARA STEPHENSON

During my first tour, as an economic then political officer in Panama, our office wall held a map showing the march of democracy across Latin America. Countries with democratically elected governments were shown in green; countries still under military dictatorships in brown. That map—with its imperative to support the transition to democratic governance—inspired my generation with its vivid portrayal of our mission.

Decades later, as deputy chief of mission in London, I heard with concern about a different kind of map. Great American companies with their EMEA (Europe, Middle East and Africa) operations headquartered in London told me about maps on their office walls showing continents with countries grayed out, indicating that conditions in those countries did not permit the American company to compete for business there. Why? Typically, because rule of law was weak, making government procurement processes opaque and subject to bribes, and contract enforcement unreliable.

Regular readers of this column will know that I have, for several months, focused on putting more members of the U.S. Foreign Service in the field, arguing

that the Foreign Service offers a “shovel-ready,” highly cost-effective way to regain commercial, economic and political ground now being

claimed by competitors such as China.

After a dozen hearings in Congress about rising competition from China, it is increasingly clear that ceding one business deal after another to the competition affects not only prosperity here at home but also America’s leadership role around the globe. Taken cumulatively, commercial transactions have geostrategic ramifications.

The erosion of funding for America’s core diplomatic capability is proving to be a classic case of “penny-wise, pound foolish.” To squeeze out minor savings—deployed diplomats don’t cost much, but they deliver a major bang for the buck—we have left American embassies and consulates around the globe with too few diplomats to do the job, especially the crucial job of leveling the playing field for American businesses. As the competition rises, the cost of this approach—lost ground—becomes ever more evident.

American businesses have noticed, and they are rallying to urge Secretary Pompeo to send more Foreign Service officers to overseas posts. In a remarkable letter signed by 96 business associations, ranging from the U.S. Chamber of Commerce and the National Association of Manufacturers to local associations, the business associations hail the work of FSOs as “instrumental in advancing the interests of American companies around the world.” They state: “U.S. businesses need their help engaging with foreign governments to level the playing field so that American companies can compete and win in the global market place.”

Because this letter marks such an important step in AFSA’s ongoing work to grow a domestic constituency for the Foreign Service, the entire letter, with all 96 signatories, is carried in this edition of the *FSJ* on page 13.

The recently approved BUILD Act gives us a new tool in the fight to regain lost ground. (For more on this, see the message from Senator Coons on page 10). I know mid-level FSOs at State are eager to get to work in the field alongside Foreign Commercial Service colleagues to make a success of the BUILD Act and, more generally, to regain lost commercial ground.

Fortunately, Secretary Pompeo does not need much convincing. He spoke during a visit of the need to work together with Panama (which recently established diplomatic relations with China) to make sure “China cannot gain an unfair competitive advantage in our hemisphere.” In Mexico, he elaborated to Voice of America, speaking of China’s “right to go compete in the world.”

In what I take as a vote of confidence in us, the U.S. Foreign Service, the Secretary concluded: “I’m convinced that if we compete with them all over the world, we’ll do incredibly well.”

So am I. Put additional members of the Foreign Service in the field, and let us prove Secretary Pompeo right. I am certain that, with adequate numbers posted to embassies and consulates around the world, the Foreign Service will do incredibly well—improving transparency and legal frameworks so our companies can compete and win. ■



Ambassador Barbara Stephenson is the president of the American Foreign Service Association.



# Telling Our Story to the American People

BY BARBARA STEPHENSON

I recently spent two weeks on the road, explaining to fellow Americans what we in the Foreign Service do and why it matters to them. As AFSA president, I have been determined to increase awareness of and appreciation for the vital work of the U.S. Foreign Service. We have made real progress on this front, with your help. I hope each of you will join us in the effort.

In every talk, I explain how the Foreign Service works to keep threats at bay so our fellow Americans are safe at home, and I give examples that illustrate the many ways we help level the playing field for American businesses. That not only helps keep our country prosperous, it also reminds host nations, through the positive example American businesses so often provide, what they love about America—our cutting-edge innovation and design, our transparent and accountable business processes, our fair hiring and promotion practices, our unparalleled excellence at managing complex projects and solving complex problems.

I make clear that our economic and commercial diplomacy is about more than successful transactions that keep us prosperous—as important as that is (please see FCS VP Dan Crocker's excellent column on commercial diplomacy in AFSA News). The work we do to keep American



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companies competitive, to keep them viable and visible in overseas markets, also materially contributes to America's soft power, to our standing in the world and to America's global leadership.

In every talk, I remind fellow Americans that, if they are concerned that America's global leadership is being challenged as China gains commercial, economic and political ground (and Congress, which has held a dozen hearings on this topic, certainly is), they should not overlook one key, cost-effective, "shovel-ready" component of the solution set: the U.S. Foreign Service. We're eager to get back on the field and cover all the bases.

I remind audiences that China's spending on diplomacy has increased by 40 percent over the past five years while America's spending on core diplomatic capability has fallen by a third. I let them know that, while I am grateful to Congress for recognizing that America's global leadership could not afford the deep cuts proposed to the international affairs budget, we could really use some additional funding to rebuild America's core diplomatic capability so that our country can compete effectively in the current environment.

One hundred million dollars would go a long way: it would cover the overseas support costs for shifting 300 mid-level FSO positions from Washington to embassies and consulates overseas, where the Foreign Service works its real magic for the American people. It would

give us a shot at delivering some real wins for the American people—and a shot at proving your worth in a high-stakes, highly competitive promotion process.

Additional overseas positions, especially for economic officers, would help address serious commercial competition in the short term while also, over the longer term, developing the leadership bench the American Foreign Service will need over the coming decades.

How can you help? First, tell your stories. Sincere thanks to each and every one of you who contributed to the "Economic Diplomacy Works" collection for the upcoming January-February double edition of *The Foreign Service Journal*.

These rich stories will reach members of Congress (who all receive the *FSJ*) and the American public (through AFSA's outreach), as well as serving as an inspiration to fellow members of the Foreign Service who see how you made economic diplomacy work at your post and try it at theirs.

Active-duty members who host members of Congress have an enviable opportunity to highlight the excellent work being done at their post, so I urge all of you hosting a CODEL to plan ahead and polish your story. Effective storytelling takes time and effort, but it's a skill worth mastering. And, if you are retired, please join the Speakers Bureau and take advantage of the rich library of material AFSA is developing on what the Foreign Service does and why it matters. ■

# Covering the Bases

BY BARBARA STEPHENSON

One of the best parts of summer is the chance I get to talk to—and hear from—so many members who are taking classes at FSI. If there is one thing that's clear from talking to you, it's that the Foreign Service team was never meant for the sidelines.

The Foreign Service is chomping at the bit to get out on the field—to “the front lines, executing American diplomacy with great vigor and energy,” to borrow a phrase from Secretary Mike Pompeo.

Getting adequate numbers of diplomats into the field is made harder by the erosion in funding for core diplomatic capability—down nearly a quarter from 2008. This erosion manifests itself in embassies that are short-staffed, with overstretched sections struggling to produce required reports and handle visits, and section chiefs lamenting the squeeze on time for mentoring and pursuing high-impact diplomacy.

Meanwhile, back at home, Congress has been holding hearings about America losing ground to rising powers such as China. Alarm grows that Beijing, which has increased spending on diplomacy by 40 percent over the past five years, is gaining commercial, economic and, yes, political ground at the expense of America's global leadership.

These two trends are not unrelated. Reduce funding for

America's core diplomatic capability while China's is increasing, and we should not be surprised if it looks like Beijing is running the bases on one continent after another while short-staffed American embassies struggle mightily to cover all the bases.

While our defense spending outstrips the competition—more than 10 times what Russia spends, and more than the next eight countries combined—our spending on diplomacy is decidedly modest, with just \$5 billion going to core diplomacy.

If we care about maintaining America's global leadership—and more than 90 percent of our fellow Americans say they do—it is simply not a good idea to leave second base and shortstop uncovered while China is at bat.

If you will permit me to extend the baseball metaphor—it is the season, after all—during the past decade our country has devoted increasing levels of funding to building and securing the stadium (the embassy compound) while squeezing funding for the players needed to take the field and win the game.

Luckily, we have highly skilled players ready—eager, even—to cover second base and shortstop, ready to step into the game. And luckily, Congress continues to vote to reject cuts to our funding; what's more, for FY 2019, the Senate Committee on Appropriations voted 31-0 to begin to restore funding for core diplomatic capability, increasing funding for the “overseas programs” line item by \$49 million.

That may not be much money—less than half, by way of comparison, of the security bill for our consulate in Basra—

but it's enough to cover the overseas support costs for shifting 150 existing domestic mid-level positions overseas. It's enough, in other words, to start to put the team back on the field.

I was very encouraged to see support for getting more members of our team on the field from Brian Bulatao, who is awaiting confirmation as under secretary for management (M). In response to a question for the record from Senate Foreign Relations Committee member Ed Markey (D-Mass.) expressing support for deploying more Foreign Service officers overseas, M-designate Bulatao wrote: “If confirmed, I commit to supporting Secretary Pompeo's field forward approach and will work with each respective Bureau to align our personnel and expertise against the Department's most critical strategic priorities.”

Bulatao went on to describe working with Congress “as we develop and implement plans to align additional State Department personnel overseas to advance the security and prosperity of all Americans.”

This is good news for members of the Foreign Service eager for a chance to get in the game and prove their worth—and eager to advance the security and prosperity of all Americans. It is also great news for American business, which is calling for increased embassy staffing to help level the playing field so they can compete effectively overseas. And it is great news for the 90 percent of Americans who want to see our country retain global leadership.

Here's to covering all the bases. ■



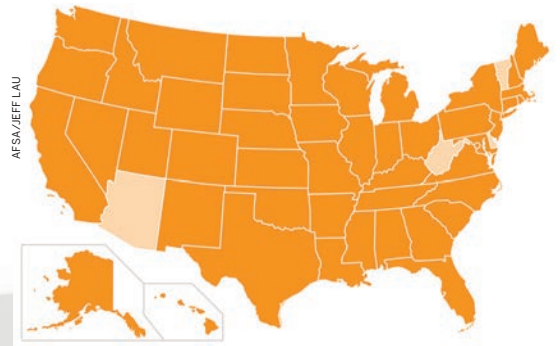
*Ambassador Barbara Stephenson is the president of the American Foreign Service Association.*

# TALKING POINTS

## Business Leaders Support Diplomacy

An Oct. 10 letter to Secretary of State Mike Pompeo signed by 96 U.S. and global business associations highlights the “strong interest of the American business community in working closely with the U.S. Department of State to promote America’s economic interests around the globe.”

What follows is the text of the letter, along with the full list of signatories, because, well, wow.



**Dear Secretary Pompeo,**

*We are writing to underscore the strong interest of the American business community in working closely with the U.S. Department of State to promote America's economic interests around the globe. Our organizations represent the interests of millions of businesses of all sizes, sectors and regions, ranging from small, family-owned businesses to leading industry associations and large corporations. We appreciate your leadership in promoting American enterprise overseas.*

*Foreign Service officers at U.S. embassies are instrumental in advancing the interests of American companies around the world in ways that foster economic growth and job creation in the U.S. American businesses need their help engaging with foreign governments to level the playing field so that American businesses can compete and win in the global marketplace. U.S. businesses also rely on these personnel to improve government procurement processes, break down non-tariff barriers that shut out U.S. goods and service, and ensure that overseas parties honor contracts.*

*We urge you to send more diplomats overseas with the mission to advance these important American economic and commercial interests, which ultimately support more American jobs. Foreign competitors are continually extending their economic reach into markets where America's diplomatic presence is limited. The American Foreign Service Association has advocated to shift Foreign Service officers now in Washington to overseas posts to help U.S. businesses seize more commercial opportunities. We strongly endorse this concept.*

*We thank you for taking crucial steps to restore America's diplomatic strength. We look forward to working with you to advance U.S interests by extending the economic and commercial reach of American diplomats overseas.*

Sincerely,

Advanced Energy Economy ~ Airlines for America ~ Alabama Trucking Association ~ Alaska Trucking Association ~ American Association of Exporters and Importers ~ American Trucking Associations ~ Arkansas Trucking Association ~ Association for Unmanned Vehicle Systems International ~ Association of Washington Business ~ Business and Industry Association of New Hampshire ~ Business Council of Alabama ~ Business Council of New York State ~ California Trucking Association ~ Cargo Airline Association ~ Chicagoland Chamber of Commerce ~ Coalition of Service Industries ~ Colorado Motor Carriers Association ~ Connecticut Business and Industry Association ~ Council of the Americas/Americas Society ~ Express Association of America ~ Florida Trucking Association ~ Georgia Chamber of Commerce ~ Georgia Hispanic Chamber of Commerce ~ Georgia Motor Trucking Association ~ Hawaii Trucking Association ~ Idaho Trucking Association ~ Illinois Chamber of Commerce ~ Illinois International Business Council ~ Illinois Warehouse and Logistics Chamber of Commerce ~ Indiana Motor Truck Association ~ International Franchise Association ~ International Warehouse and Logistics Association ~ Iowa Motor Carriers Association ~ Kansas Chamber of Commerce ~ Kansas Trucking Association ~ Kentucky Chamber of Commerce ~ Long Beach Chamber of Commerce ~ Louisiana Motor Transport Association ~ Maine Motor Transport Association ~ Maryland Chamber of Commerce ~ Maryland Motor Truck Association ~ Metro Atlanta Chamber of Commerce ~ Michigan Chamber of Commerce ~ Michigan Trucking Association ~ Minnesota Chamber of Commerce ~ Minnesota Trucking Association ~ Mississippi Economic Council ~ Mississippi Trucking Association ~ Missouri Chamber of Commerce ~ Missouri Trucking Association ~ Motor Carriers Association of Montana ~ Motor Truck Association of Connecticut ~ National Association of Manufacturers ~ National Foreign Trade Council ~ National Industrial Transportation League ~ Natural Gas Vehicles for America ~ Nebraska Chamber of Commerce ~ Nebraska Trucking Association ~ Nevada Trucking Association ~ New Jersey Business and Industry Association ~ New Jersey Chamber of Commerce ~ New Mexico Trucking Association ~ North Carolina Chamber of Commerce ~ North Carolina Trucking Association ~ North Dakota Motor Carriers ~ Ohio Chamber of Commerce ~ Ohio Manufacturers Association ~ Ohio Trucking Association ~ Oklahoma Chamber of Commerce ~ Oklahoma Trucking Association ~ Oregon Business and Industry Association ~ Oregon Trucking Association ~ Organization of Black Aerospace Professionals ~ Pennsylvania Chamber of Commerce ~ Small Business and Entrepreneurship Association ~ Rhode Island Trucking Association ~ Sandy Springs Chamber of Commerce ~ South Carolina Trucking Association ~ Council ~ Small Business Exporters Association ~ South Carolina Chamber of Commerce ~ South Carolina Trucking Association ~ South Dakota Trucking Association ~ Tennessee Chamber of Commerce ~ Texas Trucking Association ~ The Lexington Institute ~ Trucking Association ~ Virginia Trucking Association ~ Washington Council on International Trade ~ Washington Trucking Associations ~ Wisconsin Manufacturers and Commerce ~ Wisconsin Motor Carriers Association ~ Wyoming Trucking Association

Business leaders from 46 states say they want to work closely with the State Department to promote U.S. economic interests around the world.

# What Is Economic Diplomacy and How Does It Work?

**The U.S. Foreign Service is at the forefront of crafting policy and carrying out economic diplomacy to advance the strategic and security interests of the United States.**

BY TONY WAYNE



*Earl Anthony "Tony" Wayne retired from the Foreign Service as a Career Ambassador in 2015. He served as ambassador to Mexico and Argentina, deputy ambassador in Afghanistan, principal deputy assistant secretary in the Bureau of European and Eurasian*

*Affairs and assistant secretary of State for economic and business affairs, among other positions. He is a member of the 2017-2019 AFSA Governing Board and serves as the association's treasurer.*

**E**conomic statecraft and economic diplomacy involve using diplomatic skills with economic tools to advance a country's economic, political and strategic goals. The overarching economic statecraft and the day-to-day economic diplomacy are enormously important parts of the United States' international policy. Getting this right can provide a huge boost, just as getting it wrong can be very costly.

Economic statecraft and diplomacy are much broader than support for sales from U.S. farms and businesses overseas or support for the investments Americans make in other countries, as important as that work is for America's prosperity. They include the use of economic sanctions to punish or deter bad actors in the world, ranging from terrorist financiers and drug smugglers to corrupt officials. They involve mobilizing international assistance and financing for partner countries emerging from conflicts or natural disasters. They involve building support to set and enforce international rules and norms so that corruption and bribery are less acceptable, for example, or to make trade in "conflict diamonds" and other smuggled minerals more difficult, or to facilitate international air transportation or telecommunications (think internet and cell phone) connectivity.

Economic statecraft forges policies to decide which countries merit U.S. financial and development assistance, how much and under what conditions. Then U.S. economic diplomacy negotiates

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## Economic statecraft and diplomacy are much broader than support for sales from U.S. farms and businesses overseas or support for the investments Americans make in other countries.

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agreements with host governments for effective use of that aid and, very importantly, works to assure effective implementation of aid and reform programs.

Economic diplomacy includes building international coalitions to help countries recover from financial crises. It entails convincing host-government leaders to apply the policies and measures most likely to strengthen their economies and provide jobs for their people, even if the reforms have political costs.

In all these areas, the U.S. Foreign Service is at the forefront of crafting policy and carrying out economic diplomacy for the good of the United States. The Foreign Service, and our Civil Service colleagues in the foreign affairs agencies, work with partners at Treasury, Commerce, the Office of the U.S. Trade Representative, Defense and other agencies to develop, implement and hone these approaches. In Washington, D.C., as well as overseas, Foreign Service officers are essential players in creating strategies, in winning agreement from partners and building international coalitions, and in implementing policies and programs to achieve good outcomes in other countries and regions. The Foreign Service brings unparalleled international knowledge and experience to the table in Washington that regularly help focus, refine and implement U.S. policies.



COURTESY OF TONY WAYNE

FSO Tony Wayne, at right, speaks with OECD Secretary General Angel Gurría about efforts to enhance the antibribery convention and other topics on the agenda at the May 2006 OECD ministerial meeting.

The United States has long practiced economic statecraft to open markets for U.S. goods and services and to boost global prosperity and stability, but over the last two decades increasing attention has been given to the added sway gained by using economic tools and diplomacy in a systematic, strategic way to support partners, to change or punish harmful behavior and to win support for U.S. international priorities. This is even more essential in a world where economic competition is increasingly fierce and not always fair, and where other governments may have much more influence in economic areas than they have in the military or other spheres. China's growing

international clout and its aggressive economic diplomacy is one example that highlights the urgent need for effective, multipronged economic statecraft by the United States.

In this issue of *The Foreign Service Journal*, you will find outstanding examples of U.S. Foreign Service officers carrying out economic diplomacy as part of America's broader foreign policy. I have seen this work flourish firsthand in Mexico, Europe, Afghanistan and Argentina. The emblematic cases that follow, drawn from my time as assistant secretary for the Bureau of Economic and Business Affairs (EB) from 2000 to 2006, illustrate the importance of Foreign Service networks and partnerships in Washington, D.C., and overseas.

### The Problem of Terrorist Financing

On Sept. 11, 2001, I was traveling with Secretary of State Colin Powell in Lima, Peru, where, among other objectives, we were exploring with Peru's president how the United States could use its economic tools to support that newly re-emerged democracy. This mission was disrupted by that day's terrorist attacks. On the flight home and then with my colleagues in EB, we searched for ways the economic team at State could help define and build a strong international response to that attack.

Previously several of us had worked to hone and strengthen the use of international economic sanctions as a tool of diplo-

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## Economic officers have worked hard to ensure that the international growth of the internet and high tech supports America's economic interests, as well as its commitment to the free flow of information.

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macy, including working through differences with European partners. We had learned that a sanction approved by the United Nations Security Council under Chapter VII of the U.N. Charter had the force of law in many other countries. We suggested pursuing a U.N. Security Council resolution focused on sanctioning financial and other support for terrorism as an initial step.

With approval from State Department leadership and the White House, we partnered with the Bureau of International Organization Affairs and the U.S. Mission to the U.N. to write and present a draft resolution; within a few days, the U.N. Security

Council passed Resolution 1373. It was to become the “go to” international framework for stifling terrorist financing.

However, passing that resolution was just the start. We in EB partnered with the National Security Council, Treasury and the intelligence and law enforcement communities to craft a U.S. executive order along the same lines. Then, with partners in other State Department bureaus and in embassies around the world, we set out to build an international coalition to implement the U.N. resolution. We worked to persuade governments to change their own laws and practices to outlaw terrorist financing, to freeze assets and to build international

partnerships so that even initially hesitant governments were willing to join the United States in “designating” individuals, nongovernmental organizations (NGOs), charities and banks who were helping fund terrorism.

This was a long, hard process. In Washington, we had to forge interagency agreement on targets and tactics. Then our embassy teams had to persuade host governments to join in the effort. The debates in Washington were often intense, but Foreign Service expertise helped win interagency consensus on how to most effectively build an international coalition and win support in every part of the world.

At State, as part of the process, EB hosted weekly interagency meetings that included all geographic bureaus to define the way forward and to coordinate work among embassies. In the months and years that followed, the

United States rallied many countries to join the effort. They designated scores of entities for sanctions, froze more than a hundred million dollars in funds and assets, and made it much harder for others to fund terrorists. Each freeze was implemented globally within 48 hours. In a December 2005 report, the 9/11 Public Discourse Project, an NGO formed by some members of the 9/11 Commission to ensure implementation of the commission’s recom-

mendations, identified the EB-led effort against terrorist financing as the most effective anti-terrorist work to date (giving it a grade of A-). Much of that success was fueled and steered by Foreign Service officers.

### Support for Economic Reform, Reconstruction and Rebuilding

Interestingly, the second highest score given by that same 2005 report on 9/11 recommendations was a “B+” for policies supporting economic reform in the regions of concern. In the fall of 2001, as EB began to work on blocking terrorist financing,



COURTESY OF TONY WAYNE

At a meeting of the Brazil Chamber of Commerce in São Paulo in April 2006, FSO Tony Wayne, third from left, encourages more U.S.-Brazil trade and commerce.

it also began a concerted effort to develop initial economic support and reform packages for countries from Turkey to Pakistan that would be affected by the repercussions of the 9/11 attacks. In this EB worked closely with the relevant State geographic bureaus, as well as with USAID, Treasury, USTR, the NSC and, eventually, the international finance institutions.

One priority focus was Afghanistan, thinking through and building international support for economic and other nonmilitary assistance for that country following the initial military actions against the Taliban regime and al-Qaida. EB stepped into the breach to lead efforts to organize three international donor conferences focused on Afghanistan. In coordination with State regional bureaus, the EB team worked with the U.N. Development Program and the World Bank, as well as with Japan, the European Union and the Persian Gulf countries.

This was an intensive effort. For weeks during the run-up to the first Tokyo donors conference on Afghanistan, for example, we held twice-daily phone calls with the Japanese and other key sponsors to develop what became an internationally agreed-upon framework for assistance needs, to rally initial aid pledges and to achieve the return of Afghan assets from around the world to help the fledgling government in Kabul. The initial conferences were considered a success, and the focus shifted correctly to work on the ground in Afghanistan.

The Afghanistan conferences were precursors to subsequent, equally intense international reconstruction efforts led out of EB to help revive Iraq's economy after toppling Saddam Hussein, to rebuild severely damaged parts of Southeast and South Asia after the 2004 tsunami and to support recovery from the terrible 2005 earthquake in Pakistan. In each of these cases, the economic teams at State, USAID and at our embassies around the world were essential in constructing international coalitions and mobilizing many billions of dollars in aid to help key partners. These efforts all included the nitty-gritty work of interagency decision-making in Washington; initiating frequent outreach to other governments, NGOs and businesses to build agreement; organizing successful gatherings overseas; and beginning the complex work of delivering aid, as well as trying to encourage best practices in recipient countries. This was economic diplomacy in vigorous action, with the Foreign Service front and center.

### **A Vast Array of Economic Diplomacy Issues**

Beyond these striking examples, the EB team used its partnerships among State, U.S. embassies and U.S. agency

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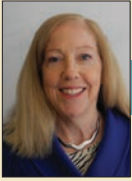
## **The debates in Washington were often intense, but Foreign Service expertise helped win interagency consensus on how to most effectively build an international coalition to staunch terrorist financing.**

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colleagues daily across a host of issues during these years. This work included helping to ensure U.S. and global energy security via sufficient oil production in the Persian Gulf; the development of new oil deposits in the Caspian region, Africa and elsewhere; and helping bring renewable and other alternative energy sources into play for the European Union and others. The work involved organizing demarches by our embassies to change specific unfair practices vis-à-vis U.S. intellectual property in economies around the world, from Canada to Taiwan to Argentina. The work included building a new model for development assistance with the creation of the Millennium Challenge Corporation and a consensus on new development strategies among the Group of 8 countries. It entailed helping to engineer effective debt relief in Africa, for example, and getting our closest European partners to implement their anti-bribery commitments to level the field for U.S. companies and to reinforce good governance.

These efforts also included vastly expanding the number of Open Skies agreements around the world to support travel and tourism. Economic officers have worked hard to ensure that the international growth of the internet and high tech supports America's economic interests as well as its commitment to the free flow of information. Also important was the invaluable work done to support many trade negotiations, specific commercial disputes and important sales opportunities for U.S. companies in different countries. In scores of instances, Foreign Service officers in Washington and overseas were essential to achieving good outcomes. And this vital work continues.

The United States needs well-crafted and skillfully implemented economic statecraft for its prosperity and security. It needs effective day-to-day economic diplomacy by its Foreign Service officers to ensure that America's statecraft achieves the best for our country. ■



## Rebuilding Our Economic Strength

In AFSA's efforts to boost America's core diplomatic capability overseas, an area of particular focus is the need for additional economic positions overseas. There are obvious geostrategic reasons for this emphasis—Chinese competition with the United States for global influence has a distinctly sharp economic edge, for instance. Concerns on Capitol Hill that the United States is falling behind economically are acute, which probably explains why there have been multiple congressional hearings on Chinese competition, especially in the economic arena.

There are other reasons why putting more economic officers in the field is a good idea.

**Prosperity is (usually) a nonpartisan tool of national power.** Prosperity is something everyone wants, and it's a highly consequential tool of U.S. national power. The United States has used its prosperity over the last 70 years to promote economic development around the world, to spread U.S. best practices in business and the rule of law, to attract productive investment, to expand U.S. exports and to increase our influence in global political and economic institutions.

**Economic work overseas benefits citizens at home.** Economic and commercial

work is often overlooked, but its benefits can be quick and obvious to Americans. When most people think of the Foreign Service, they think of stereotypical diplomatic (political) work, and rarely make a connection between the economic and commercial work done in embassies and U.S. prosperity. The more connections we can make between the economic and commercial work of the Foreign Service and the prosperity of U.S. companies and U.S. citizens, the better!

I know one economic officer who, with a fellow FSO from the Foreign Agricultural Service, helped to open the poultry market in South Africa to U.S. exports. They worked long and hard to convince the South African government to remove regulatory impediments, and they finally succeeded. Anyone who has ever traveled across the "Broiler Belt" of the southeastern United States understands the importance of poultry exports to the citizens of those states.

**There's strength in numbers.** We simply don't have the Foreign Service economic positions overseas that we need. According to State Department figures, there are 1,549 economic officers in the Foreign Service. That may sound like a lot. However, when we unpack these numbers, it turns out that fewer than a quarter—just 369—of those economic officers are

**A medium- or long-term imbalance in available positions and bidders spells trouble for stewardship of the economic career track.**

working overseas in actual economic positions. The rest are in mixed pol/econ, political or consular work, in training or at headquarters.

When we spread these 369 officers among 278 embassies and consulates, the problem becomes evident—we just don't have enough economic officers in economic positions in the field, particularly in those posts where Foreign Commercial Service and Foreign Agricultural Service officers aren't present.

In addition, our members have consistently told us of the challenges they face in finding suitable economic jobs overseas. There just aren't enough positions.

**Imbalance now leads to more trouble later.** A medium- or long-term imbalance in available positions and bidders could spell trouble for stewardship of the economic career track.

Becoming a member of the Senior Foreign Service in the economic cone requires depth and breadth in economic work and experience, as well as management skills and proven leadership. Having too few economic positions available threatens

the integrity of the career path itself—placing economic officers in danger of not having the requisite experience and background to reach the senior ranks due to a chronic need to go outside the economic cone for at-grade jobs.

In addition, the general professional development of more junior economic officers will be affected if there are not senior officers serving in high-level economic positions who can mentor and train mid-level officers in the tradecraft of overseas economic work.

Allowing the economic cone to be hollowed out by continuing to have too few positions for economic officers in the field risks harming the entire Foreign Service. This is why AFSA's focus is where it is. It's time to reverse the trend and restore those overseas economic positions that have been lost and create more economic positions if needed. ■





Views and opinions expressed in this column are solely those of the AFSA FCS VP.  
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## Working in Concert with State to Advance Economic Security

The Department of Commerce has a small career Foreign Service, with roughly 250 Foreign Service officers and 750 local trade professionals based in the 76 countries that account for 90 percent of U.S. export sales.

In contributing to U.S. economic security, these commercial officers have two advantages. First, they are tied at the hip to 275 commercial trade specialists in 106 U.S. cities, who work with more than 30,000 American companies to help them grow through exporting.

Second, they are laser-focused on solving problems for these U.S. companies and measure themselves based on the companies' results. Their business model, whether it is helping a company find a trustworthy local partner or knocking down a market barrier for them, is client-driven and measurable. It is, in a word, transactional.

In the best-run U.S. embassies, commercial officers work closely with their State economic officer counterparts to advise the U.S. ambassador on all business-related matters. There is substantial overlap in the roles that economic officers and commercial officers play. If a U.S. company wants assistance with a private-sector outcome in a country or is seeking help to win a foreign government contract, the commercial

officer takes the lead. Other U.S. government agencies assist on an ad hoc basis—the defense attaché, for instance, might help win foreign defense sales.

In other circumstances, such as when a U.S. company faces an unfair trade or investment barrier, U.S. national interests are best served by commercial and economic officers working in concert. The reason is simple. Economic officers take the lead on longer-term, transformational issues that matter immensely to the general economic health and stability of a country. If there is corruption in the court system, and intellectual property and copyrights can't be protected, then investment and job growth will suffer.

Commercial officers tend to be client-centric and want to solve problems immediately. They tend to accept the overall business climate as it is and work to make the best of it for each American company. Economic officers want to change that climate for the better, which takes more time. And it can be more challenging to measure long-term progress. Having both perspectives on one team can bring about a better solution.

U.S. ambassadors need both skill sets on their country teams. At its best, this teamwork delivers incredible dividends, both in the short

**In the best-run U.S. embassies, commercial officers work closely with their State economic officer counterparts to advise the U.S. ambassador on all business-related matters.**

term for U.S. company relief and in the long term for an improved investment climate that creates sustainable and broad-based economic growth. This growth creates more markets for U.S. exports, which, in turn, creates more jobs in the United States.

The administration and Congress should insist on having strong commercial and economic teams in place around the world. They should

set expectations high for tackling unfair trade, at both the transactional and transformational level. And they should insist that commercial and economic officers work together closely. Even in countries where we already have trade agreements, that is the single most cost-effective way to ensure that export-driven growth continues to create U.S. jobs. ■

### NEWS BRIEF

**16,914!**

In September, AFSA hit a new milestone when we signed up member number 16,914. This new member brought AFSA to its highest level of membership ever, going back to our founding in 1924.

At a time when the Foreign Service has shrunk by more than 3 percent as a result of restricted promotions, frozen entry-level hiring and an exodus of senior leaders, we are grateful that our members—the Foreign Service—have demonstrated their support for AFSA and our work. We are the voice of the Foreign Service, and each new member makes that voice stronger.

We will continue to listen to you—through structured conversations, surveys, interactions and happy hours and other AFSA events—to ensure that we understand your aspirations and concerns and will continue to be an effective advocate for a strong professional career Foreign Service. ■



Bob Taylor works with an employee in Cameroon to fine-tune the settings for cutting ebony.

# From Guitars to Gold:



*ften the best diplomatic work leaves no trace because it is achieved behind the scenes, through partnership and shared effort—and an insistence on giving all credit to others. Which is why, when we began planning this special issue six months ago, we put out a call to active-duty and retired members of the Foreign Service, soliciting their best stories about practicing economic diplomacy—“from the smallest success no one outside post would ever hear about, to the biggest, headline-grabbing accomplishment.”*

*This collection, selected from the many submissions we received, illustrates the critical, everyday work of the U.S. Foreign Service around the world on behalf of the United States in the realm of economic and commercial diplomacy.*

*Our thanks to all who shared their experiences.*

*—The Editors*



## Ebony for Taylor Guitars

Cameroon, 2015

By Michael S. Hoza

In 2015 Cameroon was an island of relative stability in a very troubled subregion, hosting half a million refugees from conflicts in neighboring states. It was besieged by many of the ills afflicting its neighbors: piracy in the Gulf of Guinea, Boko Haram's violent extremism in the Lake Chad Basin, waves of infectious disease threatening its population and rapacious neocolonial trade practices by many Chinese companies.

The U.S. government had gained a measure of access and influence with the government of Cameroon through our partnerships to fight piracy, violent extremism and health pandem-

Chinese companies did not engage in any form of corporate social responsibility. For more and more Cameroonians, it was increasingly evident that the bloom was off the Chinese investment rose.

Our embassy approached the government of Cameroon with an alternative—American companies and investors. We promoted U.S. companies based on “four points”: they would create jobs for Cameroonians; they would transfer technology to Cameroon; they would adhere to the Foreign Corrupt Practices Act and maintain transparent accounting; and they would engage in corporate social responsibility for the betterment of the Cameroonian people, flora and fauna.

One of our greatest success stories was Taylor Guitars, one of the leading manufacturers of acoustic guitars in America. As a young man many years ago, Bob Taylor went into his father's garage and made his first guitar. By 2015 he was selling well over 140,000 guitars a year in the United States alone, and

# The Fruits of Economic Diplomacy

ics. We found dedicated Cameroonian professionals who used our training and equipment to drive piracy out of Cameroonian waters, drive Boko Haram back into Nigeria, eradicate polio and stop outbreaks of bird flu virus and Ebola. The United States was increasingly seen as a reliable partner, and we used that credibility to open the door for American companies hoping to do business in Cameroon, a country that was widely disparaged for its unwelcoming business environment.

Chinese business practices in Cameroon had been ruinous for the country. First, Chinese companies did not create jobs for Cameroonians. They imported their own labor from China, and often left the laborers stranded in Cameroon after the project was completed. Second, China extracted raw materials, but never transferred technology to enable Cameroonians to develop value-added manufacturing. Third, Chinese companies were directly responsible for an overwhelming rate of corruption that was choking the socioeconomic environment. And, finally,

he got all of the ebony that he needed for his guitars from the trees of Cameroon.

Bob Taylor's vision for ebony production from Cameroon dovetailed with our embassy's “four points” policy for commercial advocacy. He began by assuming ownership (with Spanish partner Madinter) of the ebony mill, Crelicam. In addition to the 75 Cameroonians directly on Crelicam's payroll, he worked with banks to establish transparent payment mechanisms for thousands of individual Cameroonian suppliers. Bob walked the talk of creating jobs for Cameroonians—and the jobs he created were good jobs. He brought in state-of-the-art machinery to process the ebony to the exacting specifications demanded by his guitar factory, and trained Crelicam employees to operate and maintain the machines. Bob was often in Cameroon, not in a suit and tie, but in overalls, working alongside his Cameroonian partners.

As much as he enjoyed seeing the Crelicam operation grow



PHOTOS COURTESY OF BOB TAYLOR

Bob Taylor, foreground, works with colleagues in Cameroon on the equipment he brought into the country.

Excellence for his responsible harvesting of ebony, but he was not content to stop there. He forged a partnership with the University of California, Los Angeles, and the Congo Basin Institute in Yaoundé to grow ebony seedlings, and developed a mechanism to make it worthwhile for small farmers to tend the seedlings until they could grow on their own. Investing more than half a million dollars of his own money, he got the program off the ground in Cameroon—and can now say that he is planting more ebony than he cuts down. We were so proud of his initiative that we planted two of his seedlings on the embassy compound and one at the ambassador’s residence, amplifying the program through a public diplomacy campaign.

in expertise and productivity, Bob was not doing this out of pure altruism. Shipping fine finished pieces of ebony to his guitar factory in the States was a lot less expensive than shipping whole ebony logs. And apart from lowering his production costs, Cameroonians with good jobs represented the beginnings of a middle class that would eventually become consumers of his product.

During one visit Bob was surprised when he entered the office of the local tax assessor, who made it clear that a large bribe was all it would take to give Crelicam and Taylor Guitars a clean tax audit for the year. He walked out of that tax office and straight into my office at the embassy to tell me what had happened.

Thanks to a close working relationship, the embassy soon had an audience with the minister of finance, a young, Western-trained, progressive and highly respected technocrat. By the time the meeting was over, Bob Taylor was promised a fair audit and was notified of his eligibility for a tax holiday for foreign investors who create Cameroonian jobs. While it is unfortunate that we had to go all the way to the ministerial level to get a just outcome, we were grateful for the opportunity to bring Crelicam to the minister’s attention. It was our way of building a healthy business “microclimate” around an American company in what was otherwise acknowledged to be a difficult business environment.

When it came to corporate social responsibility, Bob Taylor proved to be one of the finest examples of American entrepreneurship. He won the Secretary of State’s Award for Corporate

public diplomacy campaign. In Cameroon the reaction to the Taylor Guitars initiative was instructive. Pro-American sentiment went up wherever the Crelicam story was told. French commercial logging companies came to us to ask how they could start similar reforestation programs. And the Chinese ambassador thanked me, as the example of Taylor Guitars helped him discipline some of the more wayward companies from his country.

The Minister of Environment of Cameroon signed a private-public partnership agreement with the company at the United Nations Climate Change Conference held in Bonn in 2017 to partner in ebony propagation under the direction of Taylor Guitars and the Congo Basin Institute. And the Cameroonian government sent a trade delegation to the United States to find more American companies like Taylor Guitars.

The Taylor Guitars model served as the kernel around which we built our broader commercial engagement. The reputation for transparency we developed, as well as the new channels of communication we pioneered within the Cameroonian government and the private sector, created openings for other U.S. companies to successfully bid on and receive contracts and other opportunities.



*Michael S. Hoza entered the Foreign Service as a management-coned officer in 1985. He has served in 11 overseas postings, including as U.S. ambassador to Cameroon from 2014 to 2017.*



## Protecting Intellectual Property Rights

Italy, 1990s  
By Kevin McGuire

There is a great deal of attention today on problems with intellectual property rights (IPR) violations, particularly by China. This is not a new issue, and it is worth noting that a great deal of progress has been made in this area over the years through persistent bilateral and multilateral diplomatic efforts. In the late 1980s, we at Embassy Seoul spent a great deal of time and effort on such issues, with significant success. But as I discovered after being transferred to Rome as economic minister counselor in 1990, IPR problems are not always restricted to developing nations.

The U.S. Business Software Alliance informed us that they planned to seek U.S. trade retaliation against Italy because of the tremendous amount of pirated software that was being sold and used there. We suggested that perhaps a better way would be to work with us at the embassy to put together a program to address the problem. The BSA was enthusiastic about trying that approach; and so, working closely with their representatives, we organized an all-out blitz.

We approached Italian companies involved in software/hardware-related products and found they shared our concerns. Italian businesspeople were very eager to participate in developing a program that would put new laws in place and enforce them. We went to the foreign ministry and the prime minister's office, and we talked to political party representatives. We got the BSA and their Italian colleagues to come up with specific draft legislation that would help solve the problem and also asked for suggestions on how enforcement could be improved.

With cooperation from Italian ministry officials, we sold the package to the parties in the coalition government, and the legislation passed. New enforcement techniques were also put in place to help police the new regulations. I remember getting phone calls from Italian contacts saying, "You're a real pain in the neck. I've got the Carabinieri in my office looking for pirated software." The effort was so successful that instead of pushing for a special Section 301 action against the Italians, the BSA got a

resolution passed in the U.S. Congress praising the Italian government for its efforts in dealing with the piracy problem.

The case was an interesting example of how an embassy can be an activist in conceiving programs and putting together coalitions to help solve serious problems for American companies. We were successful because we had sufficient staff in the economic section, a staff that was well-trained and capable of maintaining

strong ties to relevant host-country officials and to the local business community.

Disney representatives, who had previously avoided coming around to see us, heard about our success. They had earlier decided to address their film piracy problems through the courts, but that approach was proving expensive, time-consuming and largely fruitless. After our partnership with BSA produced results, Disney asked us for help, as well. So we sat down with a Disney team and plotted out a somewhat different strategy for dealing with their problem.

We used many of the same players in the Italian government, starting with the foreign ministry and the prime minister's office, and

also the parliament and law enforcement agencies. We got Disney and other moviemakers who had been affected by piracy to sponsor seminars for judges and supervisory police officials to educate them on the nature of the problem and ways to get rid of it. Once again, we found strong Italian support for action, in part because proceeds from many of the pirated videos were going to organized crime, the Mafia and its equivalent in other parts of the country.

Before we got involved, things happened along the following lines. A film courier would come into the country carrying a sealed bag with copies of a first-run movie. The movie was supposed to be delivered to the relevant theaters the next day, but the Mafia would pay off the couriers. They had warehouses set up with hundreds of recording machines, so they could make thousands of top-quality copies overnight and have vendors out on the street selling them before the film was released. As a result of our efforts laws were strengthened, and the police put additional people on the monitoring side, closing down illegal copying facilities and arresting street vendors. Judges began handing down heavy punishments for violations. It was another example of what an adequately staffed embassy can do when confronted with a problem.

Very few Americans know about these types of diplomatic accomplishments. The BSA people were very gracious, both pri-



COURTESY OF KEVIN MCGUIRE

Mickey Mouse and Kevin McGuire reminisce about past battles.

vately and publicly, in their praise of the embassy, including with the U.S. Congress; but, unfortunately, that is atypical. However, I greatly valued the Mickey Mouse T-shirt my staff gave me for my birthday as a reminder of our excellent antipiracy work.

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*Kevin McGuire joined the Foreign Service in 1966. He served as ambassador to Namibia, deputy chief of mission and economic minister counselor in Korea, and economic minister counselor in Italy, in addition to economic jobs in Greece, Ireland and Washington, D.C., in the bureaus of Economic and Business Affairs and International Organizations. After retirement in 2004 he became a senior inspector in the Office of the Inspector General and director of the Rangel International Affairs Program. For more on what economic officers do and how the Foreign Service helped build a comprehensive economic system that has served U.S. interests in the post-World War II era, see his oral history at [www.adst.org](http://www.adst.org).*



## The Asian Financial Crisis: The Ground View from Jakarta

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Indonesia, 1997

By Brian McFeeters

The 1997-1998 Asian financial crisis began, most observers later agreed, on July 2, 1997, when the Thai government allowed the baht to float against the U.S. dollar, throwing a wrench into the region after an amazing decade of growth. The same day, my family and I arrived in Jakarta, and I began my third FS assignment, as finance and development officer at U.S. Embassy Jakarta.

Coming directly out of the Foreign Service Institute's nine-month economic training, I would love to be able to say that I saw the financial storm on Indonesia's horizon and alerted Washington about it. Instead, as I began to meet government officials and foreign bank executives, I believed what they told me: the fundamentals were sound. Indonesia was not like the

other overextended Asian economies. It boasted world-class macroeconomic management, a solid foreign investment inflow, rich natural resources and an emerging middle class. Though sitting atop a corrupt system for decades, President Suharto had kept things stable and economic deals flowing. Even when Indonesia followed other regional countries and floated the rupiah in August, Jakarta's in-the-know circle stayed calm.

In October 1997 Ambassador J. Stapleton Roy, an inspiring leader, summoned our economic section to his office. He told us he didn't want the embassy to keep telling Washington that the fundamentals were sound and have the Indonesian economy "come crashing down around our ears." Economic Counselor Judith Fergin and her deputy, Pat Haslach, told us to dig deeper. Judith, working her huge network of contacts, began daily phone briefings back to State and Treasury. Banking contacts I had met a few months earlier now sounded worried. They said funds from abroad—which Indonesian firms relied on to keep rolling over short-term U.S. dollar loans—were drying up.

As things grew more uncertain, FSI economic course cochairman Barry Blenner was my lifeline. I often called him at night, taking advantage of the 12-hour difference, to talk through the worsening situation and prepare for the next day. For example, I once confidently briefed the ambassador and country team about the need for the government to sterilize the money supply, keeping the overall supply stable as foreign assets were increasingly withdrawn, based on Barry's explanation the night before.

By January 1998 there were no more illusions about Indonesia. The exchange rate, our main instability indicator, suddenly weakened to 12,000Rp/USD compared to just 2,400 in August. The crisis hit the real economy. Half-built skyscrapers in central Jakarta became deserted sites, and businesses shut down. Real GDP would decline by 13 percent that year. Ambassador Roy called us in again, saying that a senior Treasury official wanted his bottom-line assessment on where Indonesia was heading. He gave us until close of business.

Pat Haslach, running the section that day, gathered us in the common area and asked us each to write a short summary of the situation and our recommendations. A mid-level officer, I felt empowered, recognizing that other senior officers might have taken sole lead on such a high-priority project. We jointly described the situation as dire and government credibility as low. We suggested that a senior U.S. government official come meet with President Suharto to recommend that his government seek International Monetary Fund assistance. A few days

later, Secretary of the Treasury Larry Summers came, and Suharto reluctantly agreed to negotiate with the IMF.

Had the problems been solely economic in nature, the IMF intervention package agreed to in April may have righted the ship. But by then the crisis was political, too; and we worked with political section colleagues to convey the emerging reality to Washington. A front-page newspaper photo of IMF Chief Michel Camdessus standing over Suharto with his arms crossed signaled to many status-conscious Indonesians that their president had knuckled under. I called financial-sector contacts to ask questions about the economy, and they answered by saying that Suharto needed to go.

In early May 1998 riots that, in retrospect, appear to have been staged broke out across the Jakarta metro area and elsewhere in Indonesia. That was the beginning of the end. In late May, Suharto stepped down, resigning after his Cabinet and key military leaders abandoned him.

By then, my family and I had been evacuated back to Washington, out of concern about mounting street violence and an expected million-person march in front of the presidential palace near the embassy. We relied on management section colleagues to put us on chartered flights out of the panicky city. The crisis that began as a financial phenomenon developed into a political and security crisis that the whole mission needed to cope with.

In July 1998 my family and I returned to a different Indonesia. The worst of the financial crisis was over, as the controversial but effective IMF stabilization policies took effect. But Indonesia was knocked down and sobered, taking the better part of a decade to get back to 1997 economic levels.



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Ambassador David Gilmour (center), Alaffia CEO Olowo-n'djo Tchala (third from right) and a delegation of senior Whole Foods Market officials dedicate a partnership-financed primary school in rural northern Togo.



## Social Entrepreneurship Takes Center Stage

Togo, 2017  
By David Gilmour

In sub-Saharan Africa, U.S. embassies strengthen commercial ties and promote economic growth to achieve our national security goal of making African countries stable and reliable partners for the United States. That task is especially challenging in Francophone Africa, where the language barrier and obstacles in the operating environment can discourage American companies from investing.

In Togo, our embassy tackled the problem by creating partnerships with private-sector companies, civil society and the host government to promote education, environmental protection and public health, while working to improve the business climate and encourage trade with the United States.

A small post like Lomé with a limited foreign aid budget



COURTESY OF ALAFFIA

Ambassador David Gilmour visits the Olympia, Washington, headquarters of Alaffia, guided by CEO Olowo-n'djo Tchala and company staff.

might seem to have little to offer partners, but we crafted a unique approach to attract them. When Togo was selected for a Millennium Challenge Corporation Threshold program, a team of American and Togolese economists set out to identify the binding constraints in its economy. The embassy seized the opportunity of that MCC research project to significantly ramp up our contacts within the business community.

We launched a series of dialogues with businesspeople to learn about their challenges and listen to their ideas for improving Togo's investment climate. I stressed the need to improve the business environment in nearly every speech I gave, and we strongly promoted entrepreneurship programs. We initiated a public-private working group to promote English-language teaching, stressing the economic opportunities for young people and the benefits to a business community in search of talent.

Our team established a "U.S.-Togo Business Forum" of American-associated businesses and promoted the services of regional resources like the USAID West Africa Trade and Investment Hub and the Foreign Commercial Service. We also supported the government of Togo in hosting the 2017 African

Growth and Opportunity Act Forum, which brought together 39 AGOA-eligible African nations and the United States for this annual dialogue to foster increased U.S.-Africa trade and investment.

Using MCC and other activities like the AGOA Forum, we branded the embassy as the most prominent advocate for improving Togo's business climate. The private sector saw value in our activities and perceived us as an ally, and our enhanced convening authority brought numerous partners to the table.

With that support, we collaborated on projects that offered businesses the opportunity to demonstrate good corporate citizenship, while enriching Togo's human capital. To support educational advancement, local companies joined us to sponsor a national English-language competition in which more than 10,000 Togolese high school students from more than 600 schools participated. Students gained valuable skills, and businesses could recruit talented scholars when they graduated. The embassy collaborated with U.S. company Contour Global to outfit a donated bus with computer equipment and scientific gear, creating a mobile learning lab that visited



schools to offer hands-on experience with science, technology, engineering and math.

We also teamed up with American companies, U.S. alumni of exchange programs and the Togolese government to create a nonprofit organization to promote environmental education and carry out community cleanup activities, which regularly drew several hundred volunteers.

In health care, we enlisted an American company to pay the shipping costs of donated medical equipment from the United States to outfit hospitals in Togo's underdeveloped rural areas. We also leveraged U.S. Defense Department funding to attract an American company to help renovate and equip a health clinic in a populous Lomé neighborhood.

Our most fruitful partnership was with the Olympia, Washington-based company Alaffia, which makes natural skin and hair care products from African ingredients like shea butter and coconut oil. Founded by a returned Peace Corps Volunteer and her Togolese husband, Alaffia operates on a fair trade and social entrepreneurship model that emphasizes doing good works while generating jobs and making profits.

This "conscious capitalism" approach is rapidly gaining popularity in the United States, where American consumers increasingly demand products that are responsibly sourced and environmentally sustainable. For African countries with agriculture-based economies, fair trade and social entrepreneurship represent exciting new opportunities to supply natural and organic products, and to increase economic prosperity for their citizens.

Inspired by Alaffia's success, Embassy Lomé made social entrepreneurship a centerpiece of our trade promotion activities. I visited the company's Washington state headquarters to highlight both the creation of American jobs and the social impact in Africa. We organized a campaign to educate the Togolese about social entrepreneurship and opportunities in the fast-growing \$200 billion American market for natural, organic and fair-trade products.

We showcased American and Togolese social enterprises at the embassy's Independence Day celebration and organized a major conference on social entrepreneurship. Following that conference, the Togolese government established a special public-private task force to promote social enterprises and recommend policy changes to facilitate their formation.

We collaborated on projects that offered businesses the opportunity to demonstrate good corporate citizenship.

After we highlighted social entrepreneurship and fair trade at the AGOA Forum in Lomé, organic supermarket giant Whole Foods Market sent a delegation to Togo to deepen its supply chain connections with West Africa. The government of Togo is considering a "fair-trade friendly" marketing campaign for the country.

Embassy Lomé's business partnerships produced winning results for everyone involved. We helped American companies showcase their corporate citizenship while enhancing the business climate and demonstrated the tangible ways that diplomats assist U.S. businesses overseas. By promoting social entrepreneurship and fair trade, we enhanced America's image, communicating that U.S. consumers are responsible global citizens who care about the welfare of producers in developing countries.

We showed that fair trade raises rural incomes and reduces dependence on foreign aid by helping producers tap rapidly growing new markets. We helped change the Togolese mindset about the role of government, and proved that citizens can work with businesses to make positive changes in their community. Our embassy partnerships were a multiplier that vastly stretched our limited resources, inspired our staff members and improved morale.

The Secretary of State's Office of Global Partnerships recognized our efforts with its annual Partnership Excellence Award and cited Lomé as an "Embassy to Watch" in its 2018 annual report. Alaffia was the recipient of the 2018 Secretary of State's Award for Corporate Excellence for Women's Economic Empowerment.



*David R. Gilmour is a career member of the Foreign Service, class of Minister-Counselor. He served as deputy assistant secretary in the Bureau of African Affairs at State from 2011 until his appointment as ambassador to Togo in December 2015. Prior to that, he served as director of the Office of Public Diplomacy in the Bureau of African Affairs, deputy chief of mission for U.S. Embassy Panama City, and public affairs counselor for U.S. Mission Geneva. He also served as deputy chief of mission in Lilongwe and as public affairs officer for U.S. Consulate General Sydney. Ambassador Gilmour's earlier assignments include Cameroon, Costa Rica, Senegal and South Africa.*



## Beer Diplomacy: Craft Brewing and U.S. Agricultural Export Promotion

Baja California, Mexico, 2018  
By Preeti Shah

Consulate General Tijuana applied an array of business promotion and public diplomacy tools to the growing craft beer industry in Baja California over four months last year to further three U.S. Mission Mexico goals: expansion of U.S. exports and business; development of local entrepreneurship, small businesses and the workforce; and promotion of gender equality. Working with our interagency partners from the Foreign Agricultural Service and the Foreign Commercial Service, we developed a multipronged program that pulled together experts and participants from each stage of beer brewing, including marketing and export, to promote U.S. economic growth while simultaneously supporting young, mostly female entrepreneurs in Mexico.

Mexico's craft brewing industry is rapidly expanding, and Baja California has the highest concentration of craft breweries in the country. U.S.-grown barley and hops and U.S.-manufactured brewing equipment are key to their success. Through sustained engagement with the brewing industry, we solidified the U.S. role as a key economic driver in the binational border region, and ensured U.S.-grown agricultural exports would be the preferred base ingredients to brewing craft beer in Mexico.

We also tapped into the Cicerone certification program, a U.S. business-sponsored initiative that educates and certifies beer servers, brewers and critics, much like the process a sommelier goes through to become a certified wine expert. Cicerone representatives were eager to gain a foothold in the Mexican market, and we connected them with representatives of the brewers' guild, Tijuana and

Ensenada restaurant associations, universities and large breweries.

As a result, Cicerone developed more than 10 new potential contracts in Baja California and a host of new contacts with whom to explore further business relationships. In addition, numerous Southern California and Baja California breweries have partnered to brew and distribute beer on both sides of the border, increasing their visibility and economic success in both consumer markets.

Women are underrepresented in the Mexican craft brewing industry. As part of the consulate's support to the Ensenada Beer Congress, we brought together female representatives from the agri-

culture, marketing, brewing, industry advocacy and certification parts of the industry.

In one of the best-attended sessions of a three-day conference in Ensenada in March 2018, we hosted a panel, "Women in Brewing," in which five women from both countries discussed inclusion, diversity and gender equality in the field of craft beer. Connecting female brewers from Southern California with Baja California female brewers facilitated business and mentoring relationships. One immediate result was that Baja California women

established the first Mexican chapter of the Pink Boots Society, a beer industry nonprofit designed to build mentorship opportunities for women in brewing.

This cross-border group also went a few steps further and brewed unique beers for the Ensenada BeerFest, using the profits from their sales to endow scholarships for young female brewers to get their brewing science certificates at Baja California universities. The group's binational board also established itself as a nonprofit in Mexico and plans to continue brewing together with the goal of supporting young female brewers.

Craft brewing was an ideal vehicle—especially in the border region that embraces U.S. trends and interests before the rest of Mexico—to showcase the benefits of export and business promotion, as well as to highlight U.S. commitment to entrepreneurship, gender equality and workforce development. (And we got to sample some terrific products along the way.)



Founding members of the U.S.-Mexico women's brewing nonprofit "Dos Californias Brewsters" at the Ensenada BeerFest last March.

U.S. CONSULATE TIJUANA/JOSE MARIA NORIEGA



*Preeti Shah joined the Foreign Service in 2004 and has served in Mexico, Afghanistan, Turkey, Nicaragua and several tours in Washington, D.C. She is a public diplomacy-coned officer and is headed next to Indonesia.*



## Open Skies, Open Markets

Brazil, 2018  
By Paul Brown  
and Naomi C. Fellows

In 2011 the United States and Brazil signed a bilateral Open Skies Air Transport Agreement to provide new market access options for the airlines of both countries. Open Skies agreements give the public expanded choices for flights and services and offer exporters more choices when they ship goods. These benefits would only become available once the agreement entered into force—but for that to happen, Brazil’s National Congress needed to ratify the agreement. From 2011 to 2016, however, the agreement remained with the Brazilian executive branch and legislature. In the meantime, air links between the two countries were limited, affecting both market entry and services.

Delay in reaching a new agreement imposed real costs on both countries. The United States is the biggest market for international flights with Brazil: U.S. air carriers transport more than 60 percent of the passengers between the two countries. But they could not reap the full benefits of their investment in Brazil or with Brazil-

ian airlines without Open Skies in place. Alliances and proposed joint ventures between U.S. and Brazilian airlines—the norm in the liberalized aviation markets of several other important Latin American partners—also remained at a standstill pending entry into force of the new agreement.

With the arrival in office of a new Brazilian president in 2016, U.S. Embassy Brasilia, working closely with the State Department and interagency colleagues, undertook a concerted campaign to put ratification of the agreement at the top of our bilateral economic agenda. The ambassador and country team members repeatedly raised the issue with Brazilian officials and legislators. The embassy facilitated a visit by Brazilian congressional leaders to Washington, D.C., where U.S. officials were able to stress the benefits of ratification. Senior

State Department officials raised the issue with their Brazilian counterparts to make clear the importance we placed on this agreement in the context of the overall bilateral relationship.

Embassy officers and Locally Employed staff intensively engaged Brazilian legislators and industry representatives. Over a five-month period, from October 2017 through February 2018, we strategized and executed a missionwide, vote-by-vote advocacy effort in Brazil’s Congress. We made the case for Open Skies with the Brazilian travel, tourism and business groups who would benefit from the agreement, encouraging them to advocate with their congressional representatives in favor of Open Skies ratification.

The embassy’s insight into the Brazilian Congress and its internal dynamics generated an effective advocacy effort. Our Open Skies ratification team held meetings—both group and individual—with legislators and staffers, using statistics to highlight the concrete results of successful Open Skies agreements signed with other countries and showing Open Skies as a win-win agreement for both parties. The team spent days

The team spent days on the floor of the Brazilian Congress tracking how members were voting and engaging congressional staff when the vote became close.

on the floor of the Brazilian Congress tracking how members were voting and engaging congressional staff when the vote became close. Weeks of patient, hands-on diplomacy led to the agreement’s ratification, first by the lower house in December 2017, then by the Federal Senate in February 2018. The embassy then worked with Brazilian counterparts to use

the visit of Deputy Secretary of State John Sullivan in May 2018 to finalize entry into force.

U.S. airlines celebrated Brazil’s entry into force of the Open Skies Agreement on May 23, 2018. One major U.S. airline will now be able to move plans forward on a joint venture with a Brazilian carrier. Combined, these two carriers transport more than 40 percent of all passengers traveling between the United States and Brazil. Another U.S. airline has since increased its investment in a Brazilian airline by more than \$100 million. As a result of the new agreement, these airlines and others will be able to offer new flight options for travelers and shippers in both countries.

To put these gains in context, the U.S. commercial aviation industry supports more than 5 percent of U.S. GDP and more

than 10 million jobs. Our dedicated team, both in Brazil and in Washington, made this important U.S. industry even stronger.



*Paul A. Brown is the director of the Office of Aviation Negotiations in the Bureau of Economic and Business Affairs. He joined the Foreign Service in 1988 and has served overseas in São Paulo, London, Manila, Singapore and Kuala Lumpur. His assignments in the department have focused on trade, nonproliferation, global health, climate change, anti-corruption and investment, among other issues. Mr. Brown served on a detail to the National Security Council as director for the Group of 8 and as senior adviser to the under secretary for economic, business and agricultural affairs.*



*Naomi C. Fellows is the deputy economic counselor in Brasilia, Brazil. She joined the Foreign Service in 1996 and has served in Conakry, Bogotá, Yaoundé, Managua and Moscow. Her domestic assignments include tours as staff assistant in the Bureau of Western Hemisphere Affairs; desk officer for Rwanda, Burundi and the Democratic Republic of the Congo; and deputy director for the AF/PD, INL/I Policy Program.*

*The authors would like to thank Gabriela Fontenele, Nathan Halat, Adedeji “Deji” Okedeji, Kevin O’Reilly, Francisco Sadeck, James Story and Ricardo Zuniga for their input and for their work on the Open Skies program.*



## Transforming the Agricultural Bank of Mongolia

Mongolia, 2003  
By Jonathan Addleton

Financial sector reform is not for the fainthearted. But the transformation of Mongolia’s Agricultural Bank is an inspiring example of what can happen when the embassy country team works together.

Ed Birgells, my predecessor as USAID mission director to Mongolia, was a major contributor, as was Pete Morrow, a financial

consultant and banker from Arizona. Ambassadors John Dinger and Pamela Slutz also supported this risky endeavor, one that could have blown up in our faces.

When I arrived at post in August 2001, Pete Morrow was already several months into his new job as Khan Bank CEO. At the time it was still referred to as the Agricultural Bank of Mongolia—Khan Bank came later, when Pete tapped into Mongolia’s history to rebrand the bank and give it a new name.

The bank had been launched during Soviet times to furnish credit to herders in Mongolia’s vast countryside. More recently, during the country’s democratic era, it had been bankrupted twice, in each case following elections. After he took over as CEO, Pete often showed visitors the relevant World Bank assessment from the time, which gave little cause for optimism: “No amount of financial remediation will save this bank,” it read. “The only thing to do is shut it down.”

After the bank’s second bankruptcy, the government of Mongolia had approached my predecessor at USAID in desperation, asking for help to select and fund a new senior management team—that’s how Pete came to join the bank.

I had a bird’s-eye view of what unfolded, both as a Khan Bank board member and as the new director of a five-person USAID mission (myself, three Mongolian office staff and a driver), possibly the smallest USAID mission in the world. USAID contributed \$2 million to \$3 million over 30 months to support this unlikely effort to save the bank.

USAID brought Morrow in, and he ran Khan Bank like a “real” bank, demanding staff accountability and scrutinizing loans to ensure viability. He was especially effective at resisting politically motivated lending and hiring.

Usually bank restructuring involves deep cutbacks. But Morrow increased the number of branches from 269 to more than 350. He also doubled the number of staff from 800 to more than 1,600. Many of his new hires were women, and the senior Khan Bank management team remained overwhelmingly Mongolian, not expatriate. He viewed Khan Bank’s human resources as its most important asset.

Morrow introduced new computers and financial products, including a creative new pension loan that ensured elderly herders only had to travel to town once or twice a year rather than monthly to collect their modest pension checks, thus reducing transactional costs.

Remarkably, the bank turned a profit after only six months, later emerging as one of the largest corporate taxpayers in the country. Rather than receiving subsidies, it contributed mightily to the national budget.



COURTESY OF JONATHAN ADDLETON

Khan Bank in downtown Ulaanbaatar.

The end game for Khan Bank was always privatization. Now that it was a successful bank, however, the government expressed interest in retaining it, at least through the next election, and some donors privately asked USAID to reconsider privatization.

But the embassy resisted this change, and we continued to work with the Mongolian State Property Committee to find a new owner. In March 2003 Khan Bank was sold to a joint Japanese-Mongolian consortium. Soon after, the new owners signed a management contract with our team, including Pete Morrow. The new owners, not U.S. taxpayers, would pay the bills. The bank sold for \$6.9 million, nearly twice its assessed value.

I left Mongolia in spring 2004, one year after privatization. Five years later, I returned to Mongolia, this time as ambassador. Pete Morrow, who has since passed away, was still in Ulaanbaatar, continuing to serve as CEO. I asked him how much he thought Khan Bank was now worth. He estimated \$100 million, nearly 15 times its selling price.

During the intervening years, Khan Bank had paid tens of millions of dollars in taxes. The number of bank branches now exceeded 500 and the number of employees, virtually all Mongolian, surpassed 5,000.

More importantly, Khan Bank had further expanded its loan portfolio in rural Mongolia, providing credit that helped

fund tens of thousands of new solar panels, satellite dishes and motorcycles. To cite one example, the percentage of herder families placing solar panels on their gers (yurts) increased from 15 percent to more than 75 percent, illustrating one way in which the steppe was changing.

USAID also worked with the economic section and front office to promote change in Mongolia's financial sector in other ways, including privatizing the country's Trade and Development Bank and establishing a new microfinance bank, XacBank, which was formed by consolidating two separate USAID and United Nations Development Programme informal microfinance programs. In yet another example of effective interagency cooperation, this effort was also supported by commodity proceeds from the U.S. Department of Agriculture.

All these efforts focused on financial-sector reform were largely successful, enhancing U.S. government credibility, moving Mongolia toward a market-based economy and strengthening economic and commercial ties between the two countries. They also provided unusual opportunities for USAID to work with three of the four largest private banks in Mongolia, demonstrating the success of a practical, hands-on approach to financial-sector reform in ways that benefited both the United States and Mongolia.

And this was just the beginning. The Khan Bank turnaround



An advertisement for Khan Bank over a busy thoroughfare in Ulaanbaatar.

strengthened positive perceptions of the U.S. government in a country living in the shadow of both Russia and China. More broadly, success at Khan Bank opened the door to expanded commercial relations with the United States, most notably on the part of Boeing, which sold its first aircraft to Mongolia as the national airline transitioned toward an all-Boeing fleet; General Electric, which exported medical equipment, locomotive engines and wind turbines; and Caterpillar, which supplied heavy equipment during the rapid expansion of Mongolia's mining sector.

Looking back, the engagement with Khan Bank remains in a special category, one that has been a point of pride on return trips to Mongolia, where the familiar green and white Khan Bank logo that was introduced by the USAID-funded management team is visible everywhere. Without a doubt, it was one small USAID mission, supported by a patient embassy country team willing to trust its USAID colleagues to take informed risks, that made this possible.



*A five-time USAID mission director (India, Pakistan, Cambodia, Mongolia and Central Asia), Jonathan Addleton also served as U.S. ambassador to Mongolia; USAID representative to the European Union in Brussels; and U.S. senior civilian representative for Southern Afghanistan in Kandahar. His most recent books include Mongolia and the United States: A Diplomatic History (Hong Kong University Press, 2013) and The Dust of Kandahar: A Diplomat Among Warriors in Afghanistan (Naval Institute Press, 2016). He retired from the Foreign Service in January 2017 and is now an adjunct professor at Mercer University in Macon, Georgia, where he also serves as executive director of the American Center for Mongolian Studies.*



## On the Economic Front Lines in the Vietnam War

Vietnam, 1964

By Theodore (Ted) Lewis

I was assigned to the joint State-USAID economic section in Saigon from 1965, when the American military buildup in Vietnam got seriously underway, through 1967, the eve of the Têt Offensive. It was a dangerous and difficult assignment, but

the economic section team displayed the core disciplines of the Foreign Service: willingness to confront any challenge, no matter how daunting; readiness to accept any assignment, no matter how difficult; and determination to meet any deadline, no matter how short.

The 1954 defeat of the French at Dien Bien Phu had resulted in their withdrawal from Vietnam and the division of the country into North and South Vietnam. North Vietnam was left to the communist-inclined Viet Minh (later Viet Cong), with the anti-communist Ngo Dinh Diem as president of South Vietnam. For some years the South remained quiescent, but in the early 1960s the local Viet Cong, supported by the North, became increasingly active. When the South proved unable to contain them, American military support was extended, first with advisers and then with combat troops; American troop strength reached nearly 400,000 by the end of 1966.

The military buildup necessarily injected vast purchasing power into an economy in which production, especially agricultural production, had already been disrupted. Much more money was chasing far fewer goods, with a high potential for runaway inflation. The resulting general instability would undercut or even negate the military effort. The economic section's task was to work with the South Vietnam government to contain the inflation and assure a sufficient supply of basic goods, especially food, for the civilian population.

The pressures were unrelenting. We worked long hours, often seven days a week. Our assignments often involved the risk of being killed or captured. Yet, believing that the war's outcome might depend on what we did or failed to do, we persevered. And as brilliantly led by the economic counselor, we largely succeeded.

The staple Vietnamese food was rice. Prior to the war Vietnam had been a major producer and exporter of rice; but because of

the war rice production in South Vietnam—though the country was comprised largely of the fertile Mekong River Delta—had turned from surplus to deficit. Rural sections of the country were still self-sufficient. But the cities, especially Saigon with its two million people, were another matter. To meet their requirements, imports were needed.

The question was how much domestic production could be expected, leaving how large a gap to be filled by imports. Stock levels, both urban and rural, also had to be taken into account. We lacked reliable statistics, and with large sections of the Mekong Delta under Viet Cong control and travel in the countryside hazardous, answering this question was difficult. Yet we were able to do so with sufficient accuracy.

Pork came second only to rice in the Vietnamese diet, but supplies were easier to track: Most pigs were brought to the municipal slaughterhouse in Saigon, and figures could be obtained from its director. One of my jobs was to bicycle there once or twice a week, riding through Saigon's streets in the dim light of early morning (slaughtering was performed before dawn on account of lack of refrigeration).

In view of urban dependence on the countryside for rice, pork and other foodstuffs, members of the economic section were required to make frequent trips outside of the city to check on conditions. Travel was in almost all instances by air, the provincial roads being too insecure to drive on. Provincial cities like Can Tho were reasonably safe, but forays into their environs were dangerous. Still, this did not deter us.

Equally important was the demand side of the inflation equation, distorted by the massive purchasing power injected by the rapid American military buildup. There was not much scope for curbing inflationary pressures through fiscal policy. Collecting—let alone increasing—taxes in the midst of the war presented great difficulty for the South Vietnam government, which at the same time had to make large war expenditures. The principal instrument remaining to curb inflation was the exchange rate.

American spending meant that abundant dollars were available to finance imports. And when importers bought dollars with piasters (the local currency), the amount they paid was taken out of the money supply, thereby reducing domestic demand. These amounts depended on the piaster-dollar exchange rate: the higher the rate, the more piasters were removed. Devaluation of the piaster was therefore essential, but it would have to be coordinated with the South Vietnam government. Further, the discussions would have to be kept secret, so as not to tip off speculators. As negotiated by the section's leadership, both these conditions were met. Devaluation

of the piaster by a third in June 1966 was decisive in ensuring the country's economic stability and the welfare of its people.

Despite the efforts of the economic and other embassy sections, we lost the war. Were our section's efforts then wasted? Not entirely, for they remain a shining example of economic achievement through courage and commitment.



*The Reverend Theodore (Ted) Lewis is a retired FSO who worked for both USAID and State from 1951 to 1984. He served in Pakistan, the Democratic Republic of the Congo, Korea and Laos, and did three tours in Vietnam. His book, *Theology and the Disciplines of the Foreign Service*, was reviewed in the April 2015 FSJ.*



## Global Alliance for Trade Facilitation

Vietnam, 2015  
By Kimberly Rosen  
and Paul Fekete

For many years, USAID has supported global efforts to promote international trade and foster economic growth in developing countries. Since the early 2000s much of the focus has been on the reduction of “frictions” to trade flows—

those policies and practices that constrain the physical movement of goods. Trade facilitation, as it has come to be known, is based on the acknowledgement that policy liberalization alone cannot ensure the growth of trade if businesses continue to face barriers to the movement of their products into and out of other countries.

One of the most significant initiatives undertaken by USAID in this realm has been the 2015 creation of the Global Alliance for Trade Facilitation, a public-private partnership to develop effective, private sector-based solutions to trade problems. Established with four other donors and with such multinationals as Walmart, FedEx and UPS, GATF's objective has been to support the implementation of the World Trade Organization Trade Facilitation Agreement by making sure that the private sector is included in the development of commercially meaningful technical assistance interventions.

The WTO TFA, which entered into force in 2017, requires par-



COURTESY OF THE GLOBAL ALLIANCE FOR TRADE FACILITATION

**Alliance Director Philippe Isler speaks at the launch of the GATF project in Morocco.**

icipating countries to minimize bureaucratic delays by border control agencies (e.g., Customs, Agriculture, Standards) that constitute a costly burden on traders. The simplification, modernization and harmonization of export and import processes—trade facilitation—will reduce average costs to WTO members by 14.3 percent and could create 20 million new jobs, particularly in developing countries. It will have a greater effect on global GDP than the complete elimination of all trade tariffs.

Vietnam is the location of one of GATF’s flagship projects. There, working with the government and the private sector, the alliance is implementing a bond system that will yield significant benefits to the business community. Since Vietnam concluded a bilateral trade agreement with the United States in 2001 and joined the WTO in 2007, it has become an increasingly important market for U.S. companies. When Vietnam joined the WTO it committed to creating a regulatory environment conducive to the operation of competitive enterprises, including smooth importation and exportation across its borders.

The project aims to reduce “hold” rates for imports and exports through the establishment of a customs bond system. Vietnam’s hold rate—the time it takes for duties and taxes to be paid and certificates to be obtained, during which time Customs holds the shipment in its physical possession—has traditionally been among the highest in Asia. By reducing hold rates, Vietnam will be able to reach its goal of becoming a more efficient manufacturing platform for the region.

It can take days or even weeks for Customs officials to release shipments in Vietnam. Their understandable concern is that once goods are released, there is no way to ensure compliance with Vietnam’s laws and regulations. At the same time, importers and exporters are unable to predict when they will get their goods out of Customs, making it difficult to plan, let alone deliver, time-sensitive shipments to domestic and international customers.

Because it is working to correct this problem, the project enjoys the support of major U.S. firms such as UPS, Ford, Intel, Amazon and Walmart, as well as local Vietnamese entities such as the Vietnam Chamber of Commerce and Industry and the American Chamber of Commerce in Vietnam. The project will also positively benefit U.S. companies that already sell their products in Vietnam, such as General Electric and Caterpillar.

USAID’s support of GATF advances the agency’s mission of helping our partners

become self-reliant and capable of leading their own development journeys while also promoting American prosperity by strengthening and expanding markets for U.S. businesses. Reducing the time and cost of trade helps both local businesses seeking greater commercial opportunities through trade and U.S. firms that are pursuing opportunities in developing country markets such as those in Africa, Latin America, Eastern Europe and Asia.

Another significant, but underappreciated, benefit of enacting trade facilitation reforms is that international businesses are more likely to invest in places where they know that red tape will be minimized, making it easier to move their goods. This can have a positive effect on development and can make U.S. businesses more competitive in the global marketplace.



*Kimberly Rosen joined USAID as an FSO in 2000 and is currently a deputy assistant administrator in the Bureau for Economic Growth, Education and Environment. Previously, she served as the mission director in Kyrgyzstan, director of the West Africa Affairs Office in USAID’s Africa Bureau, deputy mission director in Liberia, director of the Economic Growth Office in USAID/Afghanistan and deputy office director of the Economic Growth Office in the Central Asia Republics Regional Mission.*



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## Commercially Viable, Conflict-Free Gold

Democratic Republic of the Congo, 2017  
By Kevin Fox

**“Private sector engagement is fundamental to our goal to end the need for foreign assistance.”**

—Mark Green, USAID Administrator

The Democratic Republic of the Congo is home to more than 1,100 mineral substances and a potential mineral wealth of \$24 trillion. However, almost all of the gold from the artisanal and small-scale mining (ASM) sector in the DRC is smuggled out of the country, and revenues are often laundered in illicit schemes in Uganda, Rwanda and the Middle East. Mineral smuggling finances armed groups and militia activity in the eastern DRC, perpetuating the wider conflict that has already claimed millions of victims. Although donors have spent tens of millions of dollars to stem the flow of conflict minerals, progress has been slow.

USAID development experts and State Department diplomats recognized that co-creation and a market-based approach was needed to finally break the link between conflict and the gold trade. Toward this end, USAID implementing partners on the ground worked with ASM cooperatives to build capacity, develop traceability and certification systems, and strengthen partnerships with Congolese market actors.

Success came in August 2018 after years of engaging with those involved in both the upstream and downstream supply-chain. A USAID pilot project was able to facilitate the first export of conflict-free gold to the United States from South Kivu province in the wartorn eastern DRC. It was the culmination of years of dedicated work by officers to build trust with the private sector, working jointly to develop a commercially viable solution to a seemingly intractable development challenge.

In an interagency effort, USAID and U.S. State Department FSOs collaborated in the field and back in Washington to cultivate partnerships with responsible American companies like Google, Richline, Signet and Asahi Refining. The clean gold was exported by Fair Congo, processed by Asahi Refinery in the United States, made into gold earrings by the Richline Group and sold by Signet Jewelers through brands like Zales and Kay Jewelers. This first-ever export of fully traced and clean gold was small, but it is



Two artisanal gold miners from the COOMIANGWE mining cooperative at Nyamurhale in the Democratic Republic of the Congo in 2017.

considered an important step in creating supply chains that are conflict-free and led by the private sector. This success led to positive press coverage from major media in the jewelry industry.

Looking to the future, USAID is working with the private sector to address the systematic challenges of conflict minerals that harm both business and the public. Within the field of international development, USAID created a more flexible procurement option that allows the government to work directly with potential collaborators and beneficiaries to “co-create” innovative approaches to tackling complex development challenges.

USAID held a co-creation workshop in Kinshasa that brought together more than 70 participants to tackle this complex challenge. Over a three-day period they developed more than 26 innovative concepts that used exciting technology like blockchain and blended tools to mobilize finance, and new approaches to encourage increased private sector engagement and co-investment to ensure conflict-free gold supply chains.

Private-sector representatives at the workshop helped develop



Aerial view of the artisanal and small-scale mining (ASM) community at Nyamurhale, South Kivu, DRC. Roughly 500,000 persons directly depend on ASM for survival income in eastern DRC, and it is estimated that this income indirectly benefits as many as three million family members. Inset: Conflict-free artisanal gold from eastern DRC. More than 95 percent of artisanal gold—estimated at 40 metric tons per year, with a value of \$1.8 billion—is mined illegally and smuggled out of the country.



## Convincing Nigerians to Buy American

Nigeria, 1981  
By George Griffin



An artisanal miner removes clay deposits using a manual hand-scrubbing method. Processing artisanal gold is very labor-intensive, and sometimes mechanization is not sustainable on small-scale sites.

and vet these new ideas alongside others representing civil society, donors and governments. One industrial miner even reported that he learned more about artisanal and small-scale mining in three days than he had learned in a 25-year career working in the DRC.

The new projects that will be awarded should be rolled out this winter, helping catalyze investment and financing from the private sector to increase exports of “clean” conflict-free gold and improve the livelihoods of miners. These collaborations will drive innovation at the intersection of business and development to reduce donor subsidization of responsible minerals trade and, hopefully, one day end the need for its existence.



*Kevin Fox currently serves in the Democratic Republic of the Congo as the director of the Economic Growth Office. He joined the Foreign Service in 2009 and previously served one tour in Jamaica and two tours with*

*USAID/West Bank and Gaza. He has a passion for developing market-driven solutions to development and has helped leverage more than \$100 million in private capital for USAID programs in the field during his career. Prior to USAID, he was an operations manager for a Fortune 500 company, managed construction projects in Costa Rica and the Dominican Republic, and was a Peace Corps Volunteer in Paraguay.*

I went to Lagos as commercial counselor in November 1981. At the time Nigeria was the source of our fourth-largest trade deficit because of our oil imports, and the United States was Nigeria’s second-largest export market. My job was to convince the Nigerians, since we were buying a lot of their oil, that they needed to reciprocate by buying more American goods. Competition was fierce, and the commercial section’s workload was huge.

Ambassador Tom Pickering viewed the commercial function of the embassy as one of the more important aspects of his job. He wanted a political officer as head of the commercial section, saying you can’t dissociate the two. I worked closely with the political and economic sections, and we formed a bilateral business council made up of business leaders from both countries who agreed to try to influence their governments to facilitate business. A year after the council was formed, Vice President George H.W. Bush came to Lagos to bless it.

Nigerians were not catalog or internet buyers. They wanted to touch, feel, drive or play with whatever was being sold. With this in mind, we organized big trade shows, sharing the cost with several other posts. Our primary focus was to help small American businesses who otherwise couldn’t afford to market their goods and services abroad.

Under the terms of the Foreign Corrupt Practices Act we worked with only the most trustworthy Nigerian businesspeople. I tried to convince the American business community that it was not a fatal blow to have to comply with the FCPA, while making clear what would happen to them if they got caught

violating it. We suggested firms should calculate what they would otherwise have spent on bribes and instead call it an immediate profit. We said the best approach was to shine a spotlight on their competitors' bribes, something we would help them with.

The new Foreign Commercial Service Director, Rick McIlhenny, convened an all-Africa/Middle East commercial counselors' conference in Nairobi. He insisted that we do a lot of reporting, something FCS officers were not used to doing. I calculated that during the course of my tour we facilitated \$20 billion worth of business, and our trade deficit with Nigeria dropped by \$2 billion in that time.



*George Griffin entered the Foreign Service in 1959 and retired after 40 years at 15 posts and several State Department offices. His last postings abroad were as deputy chief of mission in Nairobi and consul general in Milan. Primarily a political officer and South Asia expert, he also served as commercial minister in Lagos and in Seoul. He was the recipient of the 1982 James Clement Dunn Award for managerial excellence, especially in commercial and economic affairs.*

Nigerians were not catalog or internet buyers. They wanted to touch, feel, drive or play with whatever was being sold.

provincial capital of a province where Chevron had significant operations was briefly overrun. American petroleum companies actively participated in the frequent security meetings conducted by the embassy's regional security officer as we sought to keep each other safe and the companies sought to

protect their multimillion-dollar investments. I, as well as other embassy officers, traveled several times a year to Chevron's isolated offices and production facilities in the northern Cabinda province to meet and offer support and reassurance to the many Americans working there.

American company representatives consulted frequently with me and with the embassy's economic/commercial officer on their plans and operations. On issues where the embassy could assist, such as the renewal of Chevron's exploration and production lease, I advocated for the companies on behalf of the U.S. government with the Angolan government. During that same period, Exxon-Mobil consulted closely with the embassy and bid successfully on several major offshore petroleum exploration blocks. (It has since become a major producer of petroleum from its deepwater blocks in Angola.) In addition, the embassy offered advice and support as Chevron and other U.S. petroleum companies launched significant social responsibility activities in Angola.

The embassy and the oil industry worked together during this time, enabling the companies to maintain, even expand, operations and production through the most difficult and dangerous years. Since then, Chevron alone has surpassed five billion barrels of petroleum production from its fields in Angola, while Chevron and Exxon-Mobil each produce more than 100,000 barrels of petroleum a day from their Angolan operations.

U.S. Embassy Luanda supported American businesses to function in a difficult environment and worked very closely with American companies to help keep their employees and their facilities safe in the midst of a war.



*Joseph G. Sullivan served as the U.S. ambassador to Angola from 1998 to 2001. During 38 years as a Foreign Service officer, he also served as ambassador to Zimbabwe, chief of mission in Cuba and deputy assistant secretary for inter-American affairs. Ambassador Sullivan is retired and lives in California.*



## Keeping Americans Safe During a Civil War

Angola, 1999  
By Joseph Sullivan

U.S. petroleum companies have been exploring and producing oil from offshore sites in Angola for more than 60 years. Since its establishment in 1994, U.S. Embassy Luanda has worked closely with American petroleum companies as they expanded existing production, bid for newly opened exploration areas and established their operating conditions with the Angolan government.

During my time as ambassador to Angola, the final stage of the country's long civil war erupted and the embassy's relationship with Chevron, the largest U.S. petroleum producer in Angola, and other American petroleum companies was particularly intense on the security front. In early 1999, the



## NASA's New Horizons

Senegal, Colombia, South Africa,  
Argentina, U.S.A., 2016 – Present  
By John Fazio and Heath Bailey

Who does the National Aeronautics and Space Administration rely on to execute the most ambitious and challenging ground astronomy experiments ever conducted? The State Department, of course!

Over the past two years, teams of economic officers and their colleagues from missions in Dakar, Bogotá, Pretoria, Cape Town, and Buenos Aires worked day and (mostly) night to champion the cause of science diplomacy by supporting dozens of astronomers working on NASA's New Horizons mission.

Launched in 2006, NASA's New Horizons spacecraft encountered Pluto in 2015 and will soon—on New Year's Day 2019—fly by a Kuiper belt object nicknamed Ultima Thule, giving planetary scientists insight into the origins of our solar system. To optimize New Horizon's instrumentation and trajectory, NASA sent teams of astronomers overseas on five separate expeditions to collect data on Ultima Thule's size, shape and surface reflectivity. This information will also help to mitigate risks to New

Horizons on its six-billion-mile journey to the most distant part of the universe ever explored by a spacecraft.

Economic officers and other embassy personnel joined forces with NASA, coordinating logistics, addressing security issues and ensuring foreign government engagement. For example, General Services Office staff facilitated the import of telescopes and other sensitive equipment. Locally Employed staff arranged fleets of trucks and lodging for research teams in remote regions of Patagonia and Senegal, while regional security office colleagues worked with local law enforcement to ensure the safety of U.S. astronomers and their partners. Economic officers obtained host-country support and planned for future science collaboration. As New Horizons project leader Marc Buie remarked to U.S. Ambassador to Senegal Tulinabo Mushingi: "The expeditions simply could not have been executed without the flexibility of the U.S. embassy teams."

The astronomy expeditions faced unique challenges. The first hurdle was the need for a bilateral agreement between NASA and each host-country government to facilitate the import of equipment and data sharing. To speed up implementation in Senegal, Embassy Dakar—in close coordination with State's Office of the Legal Adviser—used an exchange of diplomatic notes, with NASA's standard agreement attached, to get all parties pointed in the same direction in record time. Early in the process, State's Senegal desk officer facilitated a meeting between NASA's Office of International Relations and the Senegalese ambassador in Wash-

ington, D.C., to secure support for the expedition. Together, these actions laid the diplomatic groundwork to ensure the telescopes and astronomers would arrive on time in Dakar.

No strangers to international exchanges, economic officers facilitated this multinational cooperation and helped build the capacity of our host country partners. In Argentina, the national space agency, CONAE, connected NASA to the local resources

and expertise of provincial governments, which was crucial to the success of the expeditions. The expeditions also benefited from security escorts, weather reports and the use of commercial trucks to shield the telescopes from the fierce Patagonian



New Horizons project lead Dr. Marc Boie (left), Dr. Adriana Ocampo of NASA (center) and Felix Menicocci of CONAE present occultation findings in Buenos Aires.

U.S. and Senegalese astronomers test a telescope prior to deployment.

wind. Provincial police even closed the national highway for two hours so that lights and vibrations from vehicular traffic would not affect data collection. As NASA's Adriana Ocampo stated: "The team succeeded, thanks to the help of institutions like CONAE, and all the goodwill of the Argentinian people. This is another example of how space exploration brings out the best in us."

In Senegal, embassy officers worked with the Ministry of Higher Education, Research and Innovation to coordinate the participation of 22 Senegalese scientists. While these scientists had solid theoretical training, this was the first opportunity many of them had ever had to join a field expedition using sophisticated observation equipment. Senegal's President Macky Sall also recognized the opportunity the expedition represented to build bridges of international science cooperation. Sall, a geologist by training, invited the entire expedition team to the presidential palace to celebrate this collaboration.

The New Horizons expeditions provided an unparalleled opportunity to promote U.S. leadership in science, technology and research. Local media treated NASA scientists like rock stars, highlighting their achievements through print, TV and radio interviews, as well as numerous public speaking engagements. This outreach connected NASA to local communities outside of the capital cities and influenced a diverse audience with the positive message of science diplomacy. In Dakar, the public affairs section organized a presentation on women in science by two New Horizons team members to introduce a screening of the movie "Hidden Figures," which tells the true story of three African-American female mathematicians who

made significant, but initially unrecognized, contributions to NASA's space program.

Having organized the New Horizons visits, embassy staff took full advantage of them to stimulate future U.S. science and technology collaboration with science ministries, universities and astronomers. In fact, NASA has offered to return to Senegal in mid-2019 to present the findings of the flyby and to conduct a workshop for Senegalese planetary scientists, while Argentina's space agency will pursue an expanded bilateral dialogue on space science. NASA plans to conduct similar astronomy expeditions in other countries over the next few years—and you can be sure the Foreign Service will be there to promote U.S. science agencies and ensure their continued global leadership role. ■



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*Heath Bailey is the economic section chief at Embassy Dakar. A member of the Foreign Service since 2007, his previous posts include Nairobi, Manila, Riga, and San Jose. He practiced law in Las Vegas for eight years before joining the Foreign Service.*