**Luncheon Speaker: Robert B. Zoellick, President, The World Bank Group**

**Main Issues**

Lasting economic development is an important dimension of global security because multifarious problems associated with fragile economies could undermine prospects for world peace. However, recent efforts to address development within the framework of global security have had limited effectiveness. Refocusing strategies to secure development would not only balance the 3 "D"s of defense, diplomacy and development, but would also lay a more robust foundation for sustainable and equitable economic growth. Achieving this would require targeted, sustained and adequate support from the incoming Obama administration.

The traumas of fragile states and the interconnections of globalization require a rethink of the economics, governance and security nexus, said Zoellick. Fragile states suffer from a "sovereignty gap." We must secure development, he said, because "fragile states can create fragile regions. And fragile regions can become global threats."

Securing development is not development as usual, nor is it simply a more complex strategy for development. It is the exercise of smart power -- synthesizing security, governance and economics for the most effective results. It is a long-term, sustained effort that could break cycles of fragility and violence.

Moreover, according to Zoellick, securing development requires a new multidisciplinary policy framework to smooth the transition from fragility and establish lasting stability. Key aspects of this framework include:

1. Building state legitimacy by delivering basic services, strengthening institutional capacity and empowering competent nationals. Capacity building in the areas of economic management and public financial management is crucial.
2. Ensuring that security and development are mutually reinforcing. The focus should not be on sequencing, it should be on simultaneity.
3. Establishing the rule of law and guaranteeing property rights, as this safeguards against the criminalization of the state and curtails corruption.
4. Promoting macroeconomic stability, as this underpins effective economic recovery. Adequate and quick-disbursing assistance should be available to help reforming countries weather sudden shocks.
5. Paying attention to the political economy by understanding relationships between power and wealth in societies. Key economic players benefit from conflict where links develop between political power and illegal economic activity.

6. Encouraging private sector development, as this triggers investment, creates jobs and fosters an environment of business optimism.
7. Improving coordination across institutions and actors because failure to do so becomes counter-productive, as well-intentioned actions overwhelm the recipients. Regional approaches could also enhance coordination.
8. Committing resources for the long-term because there are no quick-fix solutions. Programs should be designed to last beyond the "CNN moment."

Afghanistan, Haiti and Liberia offer examples of lessons learned, missteps and sound practice in securing development. Imbalance among the 3Ds traded tactical wins for strategic losses in Afghanistan. Weak institutions and poor governance in Haiti stymied development, relief and state-building initiatives. Strong democratic leadership, coupled with measures to improve public financial management, appear to have put Liberia on the path toward political and economic progress.

**Policy Conclusions**

1. Develop new mechanisms and frameworks to secure development. Traditional toolkits are ill equipped to address current and emerging development challenges.
2. Prioritize reforming countries. Do not try to do it all at once.
3. Increase resources to support long-term development projects. Where feasible, consider pooling resources to minimize administrative burdens on recipient countries.
4. Incorporate some flexibility in development programs because performance will vary.
5. Do not retreat from risk. Increase U.S. capacity to mitigate and manage risks to the fullest extent possible.