

## The Weight of the World: International Aid and Trade

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<https://www.youtube.com/watch?v=WwJ9cYFxDcU&list=PL7fuyfNu8jfP8TWSJzPCsyScNGwbW6xbQ&index=16>

### Speakers

- Wally Adeyemo, Former Deputy Secretary of the Treasury, U.S. Department of the Treasury
  - Comfort Ero, President and CEO, International Crisis Group
  - Henrietta Holsman Fore, Chairman and CEO, Holsman International; Former Executive Director, United States Agency for International Development (USAID) and UNICEF
  - **Moderator:** Dafna Linzer, U.S. News & World Report
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### Linzer

Thank you. Niamh, hello everyone. I'm Dafna Linzer. As Nick said, I'm Executive Vice President and Editorial Director of US News and World Report. Glad to be back here. I think it's my eighth year at the forum. Especially fortunate this time to be here with this terrific panel. Critical moment. I think we can all agree for international aid and trade ASF this year is about testing assumptions, and this is certainly what's happening in international trade and development right now. All of you know this. I'm hoping we can focus on the opportunities that can come from a moment such as this. One thought for everyone here today, and especially my panelists, think about this all the time. What is the US role in multilateralism right now, in working with allies on the ground and conflict areas and in tackling the challenges ahead for Reconstruction and post conflict areas? So let's dive right in. I want to start with you, Henrietta, I can't imagine anyone in a better position than you ran USAID, first woman administrator to do so, I should note, under President HW Bush and then led UNICEF under President George W Bush, two huge field organizations worked across the globe with one another and with many other private and public institutions. So set the stage for us right now. There's a lot of changes under President Trump in aid and trade, challenges and opportunities. How are you seeing the field?

### Holsman Fore

Thank you, Daphna, and it's nice to see everyone here. So we've had, I think, several panelists mention an earthquake, but the typhoon has come through our ecosystem. But Daphna, your comment about looking forward, I think is very important. So what do we do now? What lies ahead of us? I'm with the group that is saying that artificial

intelligence has changed everything. It is a brave new world, and it is changing everything in our humanitarian and development space in a way that we just are barely seeing. It's going to change it for the next several decades. So we need to think forward. We need to think through what will that mean to us? And so at least at the moment, I'm thinking that there are maybe five areas that we could make some progress on, and we just need to reorient our thinking so that we're being innovative and we are taking advantage of the moment. So one is that I think it's a good time for us to be thinking big, and we thought about this before, like connecting every school to the internet using lower satellites and Wi Fi on the top of schools, half the world still is not connected to the internet. But if you think big, and you get the entire world connected to the internet, that is a good business opportunity. It's good economically, it's diplomatically defense. It means that people can speak to each other and that we can learn from each other. So that would be something big. Might also be that one did something big on water. Potable water is an issue around the world, so think big. The second one is, I think we need to think faster. So artificial intelligence is moving us into a faster world, but I'm part of a group in Geneva that is just thinking about quantum computing, so it is going to be exponentially faster, and many of our systems within the foreign assistance world are creakingly slow, so this is our chance to speed it up. We've been hearing it in this Forum for defense industry. It is true for the development of humanitarian industry also. And a third area that I think is going to be increasingly important, and it's happening just in little bits and pieces, is some consolidation and partnerships. We have got to try to connect more NGOs to each other. Maybe some mergers of NGOs will be helpful. We need to connect more businesses and the private sector to the nonprofits and to the government. All of those partnerships staff know, will make an enormous difference in how we do assistance and then something that both Wally and Comfort are involved in finance, we must get public and private finance working. Many of us have dreamed about this for decades, but this is the moment to do it. When I was first in USAID, it was Paul the Berlin Wall, and we were dreaming about privatizations of state owned enterprises, and public private finance is what you really needed. We now might have a chance for big public private finance. We'll need it for trade. We will need it for infrastructure, and all the work that has been done in foreign assistance, it all leads in so for many of us, traded infrastructure, whether it is the buying of an imaging machine in Indiana, it will be facilitated if the person who's buying it in another country has been to school in Indiana, for instance. And if you're doing a big infrastructure project, there will be booze and bots and all of the ways that we build infrastructure. So this world is very connected, and it's an excellent time for public private financing. And then lastly, it's a great time for human capital. So there are a lot of great people who are coming out of the government. Snap them up. They are really good for businesses, for nonprofits, journalism, in other walks of life, they and they're in countries also. So I think it's a time to be innovative, to think forward, to think through what we can do as a world, because

this world of international assistance has produced so many good things, we want to build on it.

### **Linzer**

I like that a lot. But Wally, I want to ask you, you know, markets allies are trying to kind of keep up with the volatility in trade and and tariff policy right now you came into Treasury as Deputy Secretary, also at a time of great instability. We were in a global pandemic. Economies were in free fall from a national security perspective, I guess I would ask you, sort of, what are the implications of the uncertainty right now, I think just thinking about what Henrietta just said about the example from Indiana, how do, how does a tariff war affect that? How does a, you know, travel policies affect that? What is sort of the, what are the hurdles there for making that kind of thing happen?

### **Adeyemo**

Well, thanks for the question. It's great to be here. And I think the thing I will start with is something I think people in this note will know to be true, which is that soft power needs to be a tool that helps us prevent having to use hard power. And I think that we have missed being very clear about that message in a domestic way, and being very clear about the fact that soft power both creates openings for us to go into markets that our companies can do well in, and also prevents us from having to use hard power. I think being more direct about the fact that there is a clear benefit to us from providing aid and from thinking about trade has got to be a part of this. But when you think about the volatility that we have now, it is nothing compared to the volatility we had during COVID. Because during COVID, we didn't actually know the way out. But ultimately, the way out involved a great deal of global cooperation. Fundamentally, the way that we prevented more lives from being lost was the US government created incentives. That led to a US company and a German company coming up with a vaccine that saved the world and making sure that that vaccine got to people around the world. The opposite is happening today. Instead of the US being an exporter of innovation and cooperation, we are doing the opposite in lots of ways with our tariff policy. Fundamentally, we all agree that there is a challenge with the way that China has conducted its economic policy. It's something that our allies and partners agree with us on. The hope would have been, and the hope still is, that the administration would find a way to work with our allies and partners to confront the Chinese in order to put us in a better position going forward. The thing that markets crave and that small businesses crave and large businesses crave is some certainty and predictability we have the opposite of that right now. Ultimately, the thing that gives me a modicum of hope is, if you go back to when Nixon pulled us out of the gold standard, his approach was very similar to what we were seeing today, in terms of saying that we were doing this out of American interest, we're going to do this alone. But ultimately, a new Secretary of the Treasury was appointed,

George Salt helped create the G7 and it created an era of global cooperation on economic issues that leads to us getting to a better place. Our hope has to be that the lesson we'll learn from this period where, frankly, the thing that I fear most is that our allies and partners, instead of working with us, are working together to find a way to mitigate the risk of us, which is not in the US interest.

## **Linzer**

Over time you mentioned China, I was going to get us there, but since you got us there already, I guess I would ask Comfort, is everywhere you're dealing with conflicts globally. Just one observation on the ground is, and this was always a concern, is, does China kind of swoop in and take advantage of some empty space there that where USAID used to play?

## **Ero**

interesting questions to start off with, but also it's nice to be at my first Aspen forum as well. No, I think it is the answer. And I should also say that I think we should do a little bit of demystification as well, because even China recognizes that for all the political capital that it may have invested in certain regions and countries, the returns haven't necessarily been great. So I think that's number one thing. Number two, point to make is that, despite what we've seen with USAID, another assumption that was made was that China would easily step in to fill in the vacuum. Number one, does it want to have that responsibility? I don't think so. Is it ready to play that role? I don't think so. And also, there are other actors that have an opinion in certain regions that may want to also counter or limit China's own access as well. But I think the big question is whether China is ready wanting to play that responsibility, and its domestic constituency is also wary about foreign adventurism. It also has some of the same concerns that the US has about what you get in return for expending all of that money overseas. Is asking the same questions. They're even more risk averse, and you saw how very nervous and wary and very concerned they were about the nationals who got caught up at the time of the Libya crisis, during the time of Sudan's crisis, and when the oil pipeline was compromised, there was a very big debate at home about the fate of a number of of Chinese nationals. And when you saw, sort of, bombings taking place in Mali, equally, there was concerns about Chinese nationals as well. So they have those concerns that Western capitals have. Their logic, their thinking is not very different in terms of those people overseas, and in terms of responsibility that they can play in these various places. But having said that, I wanted to cover your point on the one on the belt, on the way process, of course, we have seen China step in in certain places. Africa is one of the most, sort of obvious and most permanent places. There's nothing altruistic about China's interventions into the continent. It does bid at the bottom dollar, and it's very clear about what its national interests are. And the same with Latin America, as we

heard yesterday, where there are a number of bilateral agreements, where the US has conceded its ground as well. So it will take advantage, but it also takes cautiously as well.

### **Linzer**

Do you think you wanted to jump in there?

### **Fore**

I just wanted to take the other part on that one. I really think that China is taking advantage of this moment in time. I think they will continue to there's always a competition and a cooperation against nations when you're in the international affairs world, and this is just a time when we're regrouping in our team, and they pulled out of the field. And I think to Comfort's point, it will be targeted. It will be on things that are in the interest of China or of another country. They will go after those particular programs, and they may be the ones that are particularly remunerative to businesses within that country. So I think we have to be very alert. I think we have to be very watchful. And we need to get our team back on the field with some new tools and instruments so that we can compete.

### **Ero**

The only thing I would say, because you emphasize the crisis group, is in different parts of the world. I would break this down region by region. So if I were answering this question from the perspective of the Horn of Africa, China is not my immediate concern. It plays a long game. But I'm looking across the Red Sea at the Gulf countries as well. I'm looking at West Africa today and the Sahel, the country of concern for me is not China. It's Russia as well. So where you sit also matters. That's the only thing I would say in Latin America, I think there's a strong China story to tell there, and parts of Central Asia, of course, and this awkward alliance between Russia and China, I think, is also interesting in terms of where it's going to it's where it's going to go as well. And of course, I think in Asia itself, watching the relationship there and the play that China made towards a number of Southeast Asian countries in response to the tariffs as well, was also interesting. Instructed as well.

### **Linzer**

There's obviously a number of panels. The panel that's going to focus on Israel is going to follow this discussion very wisely for Aspen and their scheduling, and obviously conversations about Ukraine. There's going to be a lot of places that are going to need a lot of infrastructure and cleanup around the globe to help, help folks post conflict. President Trump, I kind of address this too Raleigh a little bit, just from an economic perspective. President Trump, months ago, seemed to float the idea that, in a, in a post

conflict scenario, the United States would take over Gaza reconstruction, long term, redevelop it into something else. And there have been more recent reports, I think, in Israel, about turning that offer into more of a regional one, with perhaps Gulf countries and Egyptian involvement, just just as a hut exercise here, having, having been a treasury national security what, what would a Gaza reconstruction cost? What could it look like? And even from, sort of that joint perspective, are there grassroots efforts here where different groups could come together?

### **Adeyemo**

And I think it goes without saying that I'm very happy the President's been dissuaded from his initial plan for Gaza, and I think that ultimately, we all know that solution here needs to be predicated on a political solution, one in which there is safety and security for Israel. But Palestinian people have some type of self determination. But in order to do that, you do need a functioning place, and that's going to cost money, by one estimate, more than \$50 billion to reconstruct. But I think to a point that I gotta make, which is that we're going to need to think about this differently with new tools in new ways. Because the thing that you want to do, not just in Gaza, but as we think about reconstruction differently, is we want it to be reconstruction that's creating economic opportunity in the places that we are reconstructing. Fundamentally there is, you don't know one country should or can do this alone. A coalition is going to be necessary. But the thing that we want to make sure is that any reconstruction effort is going to be one that leads to a sustainable economy, that gives the people who remain there economic opportunities that don't mean they have to turn to extremists or others in order for their livelihood. One of the stats that is important to remember is that in order to just feel some of the air conditioning in the Gaza Strip before it required people to have a relationship with Hamas and allowed them to charge taxes in a way that was helping to feed their ecosystem. Fundamentally, that was because of under investment in infrastructure. So as we think about infrastructure, I think the thing that you I think the thing that you will want to think about in post conflict areas, Gaza or others, is, how do you do it in a way that not only restores basic infrastructure and basic equipment, but actually thinks about long term economic development in these areas? And that's going to require new tools, because fundamentally, this is going to be expensive, and across the institutions that have funded these things. Previously, there's less of an appetite to use money to do so which means that it's going to need to be done in partnership, both with other countries, but to the point we made I think the public and private sector are going to have to work together to think about these reconstruction efforts differently as well.

### **Linzer**

You mentioned soft power. We did a panel letter on soft power with Joe [Nye] that was constructive and important, just thinking through sort of the national security implications, again, of that kind of reconstruction effort, I guess I pose to all of you, but Comfort, where are you seeing successful efforts like this right now and opportunities? I'm thinking, I'm thinking about what's ahead in Syria and in Ukraine, but also in Afghanistan.

## **Ero**

Yeah, it's hard to think positively in a context, for example, where 520, 1 million people are in a state of extreme poverty, for example, where you're seeing wars rising, where you're seeing incredible humanitarian crisis across swaths of regions of Africa. And you've mentioned also Afghanistan, where I think even just engagement with the Taliban without necessarily conferring recognition of the government, has been a big upheaval. Getting that aid in, getting that recognition that there has to be some way in which to engage with the government that you don't necessarily like, but it's also crucial to regional security as well. And then beginning to think about what happens with Reconstruction in Syria, we are also talking at a time where there's a new upheaval on the borders with Israel as well, and the real threat towards the new Beijing, the new government in Damascus as well. So this is quite a precarious time to even start thinking about reconstruction. But let's step back, because it's about six or seven weeks ago that President Trump went to the Gulf region and came in with a slightly different, a different way, you know, of wanting to do peacemaking or deal making, and putting a stronger on the table, sort of economic investment, speaking the language of the Gulf, and then making that to the surprise of many, although there had been a significant amount of work that had gone into from the Saudi Arabia side, to get him to lift the sanctions on Syria, that's a big win if it was to be implemented. It's not all in the hands of the President to be able to do that. It's very complex web of sanctions that sits in the congressional house that needs to think through all those things. And also, sanctions alone are not going to fix Syria's problems. They've also got the FTO and also a number of complicated Treasury sanctions that need to be dealt with as well. And I can't even put a figure on the number for Syria. And then you talk about Ukraine. It's also about the social fabric. It's also about building a political space. It's also about thinking about reform the security sector. And what kind of Ukraine are we looking for as well? Let's think five years down from here, it's going to be the biggest land army in the middle of Europe as well. And we've got to deal with the defense, the reconstruction of the country, education, many children disappeared, the sexual violence and the reconciliation of the society, those that have been lost and those are within as well. So it's hard to conceive of that. But we also have an interesting formula that has been put on the table, which is the critical minerals deal that is popping up in a number of places. So Ukraine is one. The Democratic Republic of Congo, Rwanda is another interesting

one. The commercial enterprise that is going on. Will it help yield an end to the conflict? You can't bypass, as you rightly said, the political primacy of politics in all of these issues. You can strike several commercial deals. You can come up with ways in which to help incentivize but if you don't deal with the politics which is the heart of the matter, then all of these processes are only quite people grounds, that's the other sort of contention that we have to keep an eye on.

### **Adeyemo**

But I think to the point you, we, often try and try and deal with the politics without thinking about the economics. But if people can't, even they don't have access to good opportunity, the politics matter very little. So I do think you look at Syria, part of the calculus here has to be that if we keep our sanction regime in place, the Russians and the Chinese are going to do deals with the Syrians regardless, and they're going to be deeper. They're going to be deeper relationships there. So for us, we have to be very thoughtful about what we're doing and what our interest is in those regions, and then carry that out in a way where we're thinking through the fact that the truth is the politics and economics have to be put together.

### **Ero**

It is important to give credit where credit is due. There's something interesting unfolding right now in the Great Lakes, you have a commercial bill which has been accompanied by a political process. So you saw the signing of the peace agreements in Washington. That conversation now is being taken to Addis Ababa, the capital of the African Union, where there's now a conversation about how you make sure you focus on the inter Congolese process, where you focus on the dialog between the two presidents, and when you begin to deal with both the political issues the economic issues, the key question is whether you can marry all these things simultaneously as well but I will, I think we should acknowledge what is happening in the Great Lakes it's quite different, it's quite innovative, but there are a number of questions that rightfully should be asked, but I wouldn't condemn it outrightly I think there is an opportunity to be had going down the line.

### **Linzer**

I appreciate that in the... it really speaks to that testing of assumptions, because there are different ways to pay for Reconstruction and aid now across and this is one of them.

### **Adeyemo**

I do think that oftentimes what we had done previously is say, we will give you aid in extent, in exchange for you making governance reforms. And many of these countries would say we want your aid, but we don't want your governance reforms. But what



we're seeing with the Great Lakes example, is that oftentimes, if it's for broader economic relationships where they see greater economic opportunity, you can often get them to have deeper conversations about what reforms need to happen. That's what we're seeing there. This model may not work everywhere, but us thinking more about how bringing in economics sooner may actually lead to governments and countries being able to think about making long held reforms is something I think we need to do differently. Rather than thinking that we're going to get there with traditional aid or MCC compacts, how do we bring more to the table in a way that forces these conversations? Is something that's being tested now in the Great Lakes. We'll see if that works, but it is a different

### **Fore**

I think there are two other things that we also need to keep in mind. One is that all of this takes time. When you're building peace after there's been a conflict, it isn't just like flipping an electric switch. You need to take time to build a peace, and you need to take time to win the hearts and minds of the people that they want peace. So how we articulate it, how the politicians articulate it to their people in their country, is going to be extremely important. How we articulate it to people in this country, extremely important. So journalists, we really need you to be able to build the peace.

### **Linzer**

What are you seeing? Sort of other models like this, and where, in certain to Henrietta's point, are there grassroots efforts or different ways for organizations, including yours, to be in partnership in areas where maybe USAID was more prevalent once.

### **Ero**

Yeah, I mean, look, this is an interesting time, and I don't think the story starts with USAID. I mean, I think you know, international aid was already dwindling. You already saw a number of European countries themselves pulling back on their interest in international aid. And I think last year the number, the decline in number, was about 7.2% and this year is going to be 17% I think that when I stand back, one of the things that we've always called for in Crisis Group, that we said that if you want to guarantee a sustainable process, the answer cannot always come from the outside. Peace. Peace must come from below. Peace must be driven from within the country that nobody can nobody can love your country more than you, and nobody can deliver the peace dividend more than you, although external actors in the manner in which they intervene, if it tilts the balance of power in such a way, that makes it very hard for the civilian government to begin to put forward a peace plan like we saw in Sudan, which undermined the 19, the 2019, revolution, that obviously you get the situation that You're seeing in Sudan, but at the same time, local ownership is fundamental, but let's also not

be Let's also not romanticize local ownership, because not everything that's local is also good or credible, not everything that comes from within is also going to get you to to some mountain top as well. So there has to be a careful weaving of the body politic to get there. Now, if you're asking me, Where this is working, it's difficult to see, but there's an untold story in the Philippines, for example, after years of trying to work with in the southern Bucha Mara region, that careful weaving together of the political fabric in South Philippines with the various actors there, very quietly trying to think through of reconciliation, trying to think through of 30 or 40 years of Maoist insurgencies, and how that's a very local driven process. I worked in Liberia, in the peacekeeping process, when you stood back, we were very nervous that Liberia wasn't going to, meant to work, but a successful Marion of the region, of international actors, of local actors, working together. It wasn't tidy, it wasn't perfect, and there wasn't a magic formula, as you said, but it was very patient capital that was preceding that process as well. And quite frankly, after 30 or 40 years of instability in the Great Lakes region, we needed to do something very different, to try to think outside the box. So again, I don't know what the outcome is going to be, but it is offering a slightly different prescription from everything that we've been watching as well. And I will say one more thing, because you asked about Ukraine, what has been interesting in this transatlantic tussle is the conversation now after wake up call about a coalition of the women and reassurance forces. Now you can say whatever you want about whether this coalition of the women is going to yield anything significant in terms of the reality of Europe's own defense, sort of industrial base and you can also question, the military capabilities but it's also forced an important conversation that needed to be had among European countries and then thinking outside the box looking beyond Europe to other allies like Turkey as well so where it's going to go I don't know but it's been an important conversation to wake up Europe in. this changing world as well.

### **Linzer**

Well, we jump in here, because your point at the moment is, on the assumptions part again, is that the carrot and stick approach is changing. It's changing everywhere, and it's one of the things that's sort of been unique to Trump's second term in the way that he's sort of seeing the table. I think Comfort mentioned too, about the trip to the Gulf in particular, to just talk a little bit about that, and sort of where you see the connections. There was the tariff war and trade. How are these things sort of aligned, and how did it play off? I mean, are these sticks to be used in another environment?

### **Adeyemo**

Yeah, I think that it's not only changing here in the United States, it's changing globally. Because if you talk to a country outside the United States and their aid recipient, their concern is that what we have done is set them up to simply be an aid recipient over

time, they would like to make this transition from being an aid recipient to being a trade recipient. And what are we doing to do that? AGOA was a first step, but without modernization. How does that work? And I think Comfort is right that ultimately the assumptions we have to make is that that that we need to try and defeat, I think, are that the institutions, rules and norms that have governed these issues for the last 80 years are going to be the ones that govern it going forward, I think, is not true. Ultimately, we're ending it. We're going into an era where coalitions of the willing are going to be more important, and those coalitions are going to have to be built on mutual interest, not just the interest of the giver, but also the person who's the recipient. And thinking about, what are the benefits that we are both receiving in this, and being very clear about it, I think, is going to be a big piece of this. The other thing we have to do is think through our assumptions we've made about our institutions and our government. The idea that what we are assuming is that at some point there will be a new administration, they'll simply go back to business as usual, I think, is completely wrong. I don't know that we're going back. And I think the point you made about new tools is critical. How do we think about new tools to replace the tools that may no longer be effective? I think is going to be an important piece of this, because the nature of global cooperation is changing, and we need tools to be able to meet that moment where you're combining things like assistance with the private sector, to think about how you develop deeper relationships with countries that will mean that, in exchange for creating a minerals deal, you're actually making sure that in this country, they have advanced processing happening. so they are getting some kind of economic benefit, but those broader conversations that are very clear about the consideration involved on both sides I think is going to be a big part of these building coalitions of the willings on a set of issues not just in aid and trade but across health and a number of other domains.

### **Fore**

So Wally, you are right that we need new tools, and some places we can use existing institutions. So you look at some of our institutions, like the World Bank, they could be enormously helpful and a powerful public private entity. We just haven't run it that way. We haven't had that kind of a tool. When you look at some of the new tools, whether it's blockchain or others, they're all very usable within our ecosystem, and we just have to look at the tools differently, to see how we can deploy them in a public and private manner.

### **Linzer**

Comfort, is that possible on the ground right now?

### **Ero**

I mean, we have to watch and wait to see some of these processes. But the one reality check I think we also have to recognize is that we are now entering an era where, although we may try to do things differently. We're doing less with less as well. I mean, when you look at the UN, for example, the liquidation crisis that it's going through right now, again, regardless of the return of the Trump administration, there was already a liquidation crisis. There was already an inefficiency crisis. There was already question marks about the legitimacy and after the way in which the UN was doing its business, calling into question some of the assumptions that it's built.

### **Linzer**

And some accountability issues. Accountability sort of at the forefront of a lot of this right now.

### **Ero**

Yeah you know the questions about whether there was a trust deficit with it, with the UN, especially you mentioned Syria, very complicated relationship there. But a number of people were asking about also the duplicated nature of the UN. How many, how many agencies do you need to deal with women, to deal with populations, with climate to deal with development issues. So this is a time also as you're thinking about institutions, norms and people that you ask yourself, as we are going forward, what of these institutions do you retain? What of these norms, we were talking about this earlier, what are these norms do we think are likely to accompany us, or do we need to think about new norms, and what is the kind of alliances that are going to be built? Because these institutions are not not, are not necessarily the first port of call any longer. I mean, a number of countries do not run to the UN because they see it as dysfunctional in the same way. And the question is, what does that next phase look like? And I think the jury is still out, because we are still living in that world and transitions, which is what you're implying.

### **Linzer**

Well that seems fair. We're going through a huge transformation in government in this country, and the expectation, perhaps, is that institutions that we partner with on aid, that it's time for them to sort of do a little bit of introspection as well.

### **Adeyemo**

Yeah, and I think you're right, that ultimately, maybe the answer is some right sizing and thinking about what the focus of these institutions should be. Because ultimately, even before the Trump administration, we had been resource constraining these institutions, not just here in the United States, but across Europe as well. Less and less has been put into this. I think, fundamentally, some of the questions I have looking back now is

that we talk about soft power being critical to power in general, but we don't budget for it that way. Our foreign assistance budget is very separated from our defense budget, which is the only part of the discretionary budget that I will mention is growing in the United States. When we talked about NATO's 5% it did include infrastructure, but it didn't include aid to the countries that may be countries that we don't want to have to use our weapons in. So I do think that part of this has to be when you think about the institutions that do exist today, they are going to have to think through their missions differently. We spent a lot of time thinking about what we could do with the MDBs. I think reform is hard. We have to admit to that. Reform is hard of these institutions because of the ways that we built them, but we're going to have to focus on it because we have fewer resources, and frankly, for more countries, including the United States, more of what we do is likely going to be done through coalitions of the willing going forward, which will mean those institutions are even more starved going forward.

### **Linzer**

Is it a coalition of the willing or is it also like minded, in terms of structure and purpose and sort of message and mission to international donors?

### **Fore**

It is, I mean you're absolutely right on that. It's a time for efficiency, but it is that like minded and the operational capacity for countries. So it's a very interesting time to redesign and rethink and look forward.

### **Ero**

There will be, I mean, everything is trust based. Again, this didn't start today. It's part of statecraft as part of international relations. There will always be ad hoc coalitions for different sort of reasons. You know, we saw one on climate and energy, for example. We saw one, by the way, in relation to Haiti as well. You know, you know, Kenya put together, decided that it was going to head an international police force calling other countries to support it, from Latin America and other parts of the world. So that was a coalition of often willing to support a country that is far away from that was unusual, that was unique, that was that was quite creative as well, although we are at an inflection point, and when it comes to Haiti, where there's recognition that actually we need to go back to the traditional structure of UN blue helmets to go into that country to help deal with just the fact that you can't use this kind of architecture to deal with gangsterism in the country and to deal with the nature of the violence that's happening in the country. So in a sense, you've had to go back to basics to deal with the Haiti crisis as well. But I think we have to be honest with ourselves, and it's not it wasn't working before the 20th of January, and it's not as a result of everything before as a result of the 20th of January, the ODA, for example, the Overseas Development Assistance was already

broken, was already in a state of crisis as well. And as I said at the beginning, Europe itself was already on a retreat from a number of these processes. And the recipient doesn't want to be treated as a charitable country. They want to have a conversation where they're treated as partners. They recognize that there's an evenness in the relationship, but they also want to think creatively about how we build an industrial base in our country. They don't want to be talking in the context of aid any longer. They want to also have a conversation. The one thing I would ask Wally to think about is, how can we get investors also to help with one part of the deal, which is about the regional processing that's going to be important to help get this joint mining deal up and running in the Great Lakes. Because investors themselves are wary for all sorts of reasons, for extractive reasons for the corruption, reasons for the security reasons, of helping give life for example, to this joint mining deal in the great, great nature, how do you attract investors now to think about the potential that they could be contributing to to help make life or meaning to what's been signed in the Great Lakes as well.

### **Linzer**

Wally, how do we do that?

### **Adeyemo**

Yeah, I think this comes down to derisking, and that includes money, and I think it costs far less money to derisk into a deal. So this is a place where the World Bank and other institutions should step in. And to the point you made, the World Bank has a huge balance sheet, but so much of use given to governments, rather than deep in the private sector coming in to do more. But it also comes down to those countries making a very clear deal that ultimately our companies are not going to come in and do business here, unless you make the governance reforms, they're going to give them comfort. So that has got to be part of this conversation. And it also means working in coalitions. And I think the thing that we have to walk away from this is not that global cooperation is done, but rather it's going to change. And the nature of it needs to be that, if you're thinking, for example, about the Great Lakes, ultimately, the thing we're trying to be able to make sure that China doesn't own all the minerals there, and then have the ability to process them. We should be fine if that processing ends up being done in another third country. We should be fine if the company that ends up owning the mining deal is from Switzerland, and a US firm is doing a piece of it. But ultimately, to get to that stage, we're going to need to work together to provide both derisking capital and also helping to move these countries on through.

### **Fore**

Can I just add to that? I so agree. What happens is that when you're doing these projects, the governments talk to the governments. So the real key here is, and we have

some bankers here that I've been running into. They can figure out all kinds of if you get the private entities involved, they're very, very creative. And if you pair them with the public sector, I mean, we really this could be a time of real growth and accomplishment.

**Linzer**

We have a couple minutes left. I should open it up for questions.

**Ed Luce**

I'm Ed Luce from the Financial Times. Just let me answer a quick question to you, how quickly, presuming the next administration, would it take to rebuild USAID? How much damage do you assess having been done so far?

**Fore**

So Nick and I have served in the State Department when a ID was under State Department oversight with Condi Rice and where it reports is not as important as what it does and what the facilities and tools are that you give to it. So I think you can start now, and I think that the administration is going to need it. I mean, the President really believes in wanting peace in Ukraine and in Gaza and Israel. He's going to need to have the tools of foreign assistance, of international assistance. So I think we start now, and we just need to gather our best ideas on what the redesign can be and how we can help. Secretary Rubio. Thanks.

**Unnamed audience member**

I'm with the Rising Leader program. With the changing nature of US international aid, to what extent do you think US foreign aid should be tied to strategic competition with China and Russia? And then how do we balance this humanitarian imperative, you know, with strategic signaling in the competition in contested regions like Africa, Southeast Asia?

**Linzer**

Wally?

**Adeyemo**

Yeah. And I think the challenge we have is that oftentimes we want to talk about aid through a lens of strategic competition. And I would say that we should talk through it in terms of our domestic interest, because most Americans, if you go to a small town, they don't think about strategic competition. They think about my economic well being my safety. And I think that, yes, we should think about the ways we talk about aid through those lenses and make part of that, the fact that if we don't do this and make sure that those markets are open to the United States over time, China is going to deny us the

ability to sell things to some of the fastest growing markets in the world. Having them own the shipping lanes, for example, is going to make it harder for our commercial fleets to travel through these places. But making it more about the domestic self interest of the American people, to me, is probably the thing that we do the least, because we likely want to talk about it, about the global clock, about the global competition between US and Russia and China in ways that are less relevant to the day to day lives. So I think that's important, but I would start from the standpoint of what is in the interest of the American people from an economic from a security standpoint, that they feel, frankly, in talking about this.

**Linzer**

I have to wrap up. There's so many hands that went up. I'm so sorry. Hopefully you guys will stick around and we can talk over the next couple of days. The next panel is waiting and please help me thank everyone on stage.