SEC. 1214. ESTABLISHMENT OF A GLOBAL SECURITY CONTINGENCY FUND.

(a) ESTABLISHMENT.—There is established on the books of the Treasury of the United States under the Department of State a fund to be known as the "Global Security Contingency Fund".

(b) AUTHORITY.—Amounts in the Fund shall be available to either the Secretary of State or the Secretary of Defense, notwithstanding any other provision of law, to provide assistance to countries designated by the Secretary of State, with the concurrence of the Secretary of Defense, for purposes of this section, as follows:

(1) Assistance under this section may be provided to enhance the capabilities of military forces, and other security forces that conduct border and maritime security, internal security, and counterterrorism operations, as well as the government agencies responsible for such forces, in order to strengthen the foreign country's national and regional security interests consistent with United States foreign policy and national security interests.

(2) Assistance may be provided for the justice sector (including law enforcement and prisons), rule of law programs, and stabilization efforts where the Secretary of State, in consultation with the Secretary of Defense, determines that conflict or instability in a region challenges the existing capability of civilian providers to deliver such assistance.

(c) FORMULATION AND APPROVAL OF ASSISTANCE PROGRAMS.—

(1) The Secretary of State and the Secretary of Defense shall jointly formulate assistance programs under subsection (b)(1). Assistance programs to be carried out pursuant to subsection (b)(1) shall be approved by the Secretary of State, with the concurrence of the Secretary of Defense, prior to implementation.

(2) The Secretary of State, in consultation with the Secretary of Defense, shall formulate assistance programs under subsection (b)(2). Assistance programs to be carried out under the authority in subsection (b)(2) shall be approved by the Secretary of State, with the concurrence of the Secretary of Defense, prior to implementation.

(d) RELATION TO OTHER AUTHORITIES.—The authority to provide assistance under this section is in addition to any other authority to provide assistance to foreign nations, and the administrative authorities of the Foreign Assistance Act of 1961 shall be available to the Secretary of State with respect to funds made available to carry out this section.

(e) AUTHORIZATION OF APPROPRIATIONS.—For the purposes of providing assistance under the authority in subsection (b), $50,000,000 is hereby authorized to be appropriated to the Fund in each of fiscal years 2012, 2013, and 2014.

(f) TRANSFER AUTHORITY.—

(1) Funds available for foreign assistance or to the Department of Defense may be transferred to the Fund by the Secretary of State or the Secretary of Defense, respectively, and amounts so transferred shall be merged with funds made available under this section and remain available until expended for the purposes specified in subsection (b).

(2) The total amount of funds appropriated and transferred to the Fund in any fiscal year shall not exceed $500,000,000. This limitation does not apply to amounts contributed to the Fund under subsection (g).

(3) Funds made available to carry out assistance activities approved pursuant to subsection (c) may be transferred to the most appropriate agency or account to facilitate the provision of such assistance.

(4) The transfer authorities in paragraphs (1) and (3) are in addition to any other transfer authority available to the Department of State or the Department of Defense.

(g) AUTHORITY TO ACCEPT GIFTS .—The Secretary of State may use money, funds, property, and services accepted pursuant to the authority of section 635(d) of the Foreign Assistance Act of 1961 to fulfill the purposes of subsection (b).

(h) AVAILABILITY OF FUNDS.—Amounts in the Fund remain available until expended.

(i) CONGRESSIONAL REPORTING. — In lieu of and notwithstanding the notification provisions of sections 634A and 653 of the Foreign Assistance Act of 1961 or similar provisions in any other Act, and any notification or certification provisions in law relating to the transfer of funds, the Secretary of State and the Secretary of Defense jointly shall provide a report quarterly to the specified congressional committees on obligations of funds or transfers into the Fund made during the preceding quarter.

(j) SPECIFIED CONGRESSIONAL COMMITTEES.—The congressional committees specified in this subsection are—

(1) the Committee on Armed Services, the Committee on Foreign Affairs, and the Committee on Appropriations of the House of Representatives; and

(2) the Committee on Armed Services, the Committee on Foreign Relations, and the Committee on Appropriations of the Senate.

(k) EXPIRATION.—The authority provided under this section may not be exercised after September 30, 2014, except with respect to amounts appropriated or transferred to the Fund prior to this date, which can continue to be obligated and expended pursuant to this section.

(l) ADMINISTRATIVE EXPENSES.—Amounts in the Fund may be used for necessary administrative expenses.

1 (m) DETAIL AUTHORITY.—The head of any agency may detail personnel to the

2 Department of State to carry out the purposes of this section with or without reimbursement for

3 all or part of the costs of salaries and other expenses associated with such personnel.

Section-by-Section Analysis

OVERVIEW

This provision would serve as a critical step to transforming the way the U.S. Government provides security and stabilization assistance to foreign partners confronting the complex and dynamic threats that challenge the security of the United States, its partners, and its Allies. The provision draws from the Secretary of Defense's December 2009 proposal for a new model of interagency cooperation, based on "Shared Responsibilities, Pooled Resources" and reflects interagency discussions about the pooled resources approach and the Administration's overall strategic direction for security sector assistance.

Conceived as a three-year pilot program, this provision would establish a fund—the "Global Security Contingency Fund"—to provide military and other security sector assistance and, in cases where civilian providers are challenged in their ability to operate, assistance to the justice sector (including law enforcement and prisons), rule of law programs, and stabilization efforts. Assistance programs would be collaboratively developed by the Department of State and the Department of Defense. The Fund would be an account under the Department of State, with deposits coming from the combination of direct appropriations and contributions from each Department. Available funds would be limited to $500 million per year (combined total of appropriations and transfers). The provision would allow for implementation by the most appropriate agency in a given situation, be it the Department of State, the Department of Defense, the U.S. Agency for International Development, or others.

The organization and substance of the provision is based in part on lessons learned over the past nine years of operating in a rapidly changing environment characterized by transnational, asymmetric threats in which security, political, economic, and social issues are deeply intertwined. The provision is designed to provide the agility and responsiveness to address the emergent threats, new opportunities, and unplanned needs that come with this environment. These dynamic challenges are best met by flexible resources that are not allocated to a specific country until a specific program is approved. This allows the United States to allocate funds to address the most pressing requirements at a given point in time. Moreover, the provision moves the U.S. Government away from a stove-piped approach for security sector assistance to an integrated, synchronized, and committed model for planning, implementing, evaluating, and sustaining such assistance.

By creating an agile and responsive mechanism to deliver holistic security sector and stabilization assistance through true whole-of-government collaboration, the Fund will help ensure the United States has the tools it needs to respond to complex threats and challenges.

SECTION-BY-SECTION

Subsection (a) would establish the "Global Security Contingency Fund" on the books of the Treasury under the Department of State.

Subsection (b) would provide that funds in the Fund would be available to provide assistance to a foreign country designated for such assistance by the Secretary of State, with the concurrence of the Secretary of Defense. Such assistance programs could be executed by either the Secretary of State or the Secretary of Defense, or such other agencies as agreed. Although the Fund would be established as an account under the Department of State, it is anticipated that a subsidiary ("child") account would be established at the Department of Defense which would receive, from the Department of State principal ("parent") account, the funds required for assistance to be provided by the Secretary of Defense.

Country designations would occur as requirements arise and could change throughout the year to maintain maximum agility for the Fund. Criteria for country designations would include, but not be limited to, (a) whether the requirement is to (1) address an emergent threat or challenge, (2) respond to a new opportunity, or (3) address an intractable security challenge, and (b) whether existing accounts and authorities are sufficient to address the issue in the required timeframe.

Subsection (b)(1) would allow the Fund to provide security sector assistance focused on the capabilities of specific recipient country security forces (military, border and maritime security, internal security, and counter-terrorism forces) and the recipient country government agencies responsible for those forces. This subsection would require the Department of State and the Department of Defense to work collaboratively to resource and implement an assistance program across the spectrum of security entities.

Subsection (b)(2) enables the Administration to provide justice sector assistance (including law enforcement), implement rule of law programs, and perform civilian stabilization efforts in areas where the Secretary of State, in consultation with the Secretary of Defense, determines that conflict or instability challenges the existing capability of civilian providers to deliver such assistance. Examples of stabilization assistance that could be provided under this authority include reconstruction assistance, particularly in non-permissive areas that challenge the ability of civilian implementers to provide such assistance, and deradicalization, disarming, demobilization, and reintegration programs.

Subsection (c)(1) would provide that the security sector assistance programs carried out under subsection (b)(1) (relating to assistance for military and security forces and related government agencies) be jointly formulated by the Secretary of State and the Secretary of Defense, and that these programs must be approved by the Secretary of State with the concurrence of the Secretary of Defense. Similarly, subsection (c)(2) would provide that assistance programs carried out under subsection (b)(2) (relating to justice sector, rule of law, and stabilization programs) be formulated by the Secretary of State in consultation with the Secretary of Defense, and that these programs must be approved by the Secretary of State with the concurrence of the Secretary of Defense.

The requirement for joint formulation and consultation in subsections (c)(1) and (c)(2), respectively, and the requirement for dual-key approval of all programs recognizes the shared responsibility of the two Departments to address important national security challenges. The intent is that the Departments of Defense and State will work closely at all levels, including at the Embassy and Combatant Command level, to collaborate on project initiatives that demand a holistic U.S. Government solution. It is also envisioned that, in cases where other departments or agencies possess the necessary expertise and are expected to implement a program under the authority in either subsection (b)(1) or (b)(2), such departments and agencies may be consulted in the formulation of programs.

Subsection (d) would provide that the authority under this provision would be additive to existing authorities of both the Department of Defense and the Department of State to provide assistance to foreign nations. It is designed to complement, not replace, existing funding authorities to address the complex challenges we face globally, through the duration of the pilot period.

Subsection (e) would authorize a $50 million direct appropriation to the Fund in each of fiscal years 2012 through 2014.

Subsection (f) would provide transfer authorities to allow amounts to be added to the Fund from a variety of sources and transferred to the most appropriate implementing agencies or accounts.

Subsection (f)(1) would allow the Secretary of State (from funds available for foreign assistance) and the Secretary of Defense (from any account) to transfer amounts to the Fund, and would allow such amounts transferred to be merged with and available for the same period as the Global Security Contingency Fund.

Subsection (f)(2) would limit the total amount of funds credited to the Fund from appropriations and transfers to $500 million per fiscal year.

Subsection (f)(3) would allow funds available to carry out programs approved pursuant to subsection (c) to be transferred to other agencies that possess appropriate expertise so that they may implement programs.

Subsection (f)(4) would provide that the transfer authority in subsection (f) would be in addition to any other transfer authorities already available to the Departments of State or Defense.

Subsection (g) would allow the Secretary of State to use assets received as gifts under section 635(d) of the Foreign Assistance Act of 1961 (22 U.S.C. § 2395(d)) to fulfill the purposes of subsection (b).

Subsection (h) would authorize amounts in the Fund to remain available until expended.

Subsection (i) would require that the Secretary of State and the Secretary of Defense provide quarterly reports to the relevant congressional committees (as detailed in subsection (k)) on obligations made during the preceding quarter.

Subsection (j) would provide that the relevant congressional committees would be the Senate and House appropriations committees and authorization committees for Defense and Foreign Affairs.

Subsection (k) would provide that the authority in this provision would expire on September 30, 2014, but would allow amounts credited to the fund prior to September 30, 2014, to be obligated and expended. The three-year duration of the pilot will allow the Department of State and the Department of Defense to develop the necessary implementation processes and undertake an evaluation of the fund to make informed recommendations about whether this approach should be made permanent.

Subsection (l) would provide that amounts in the Fund could be used for necessary administrative expenses. It would be the Administration's intent to limit those expenses to those necessary to formulate, manage, and implement programs carried out under the authority in subsection (b).

Subsection (m) would provide authority for agencies to detail staff to the Department of State to carry out the purposes of this provision either without reimbursement or with reimbursement for all or part of the costs of salaries and other expenses associated with such personnel. This subsection is key to establishing a small interagency staff responsible for the management and administration of the Fund.

Budget Implications: This proposal would provide for a $50.0 million base increase to the Department of State budget to establish the Fund.

RESOURCE REQUIREMENTS ($ MILLIONS)									
FY	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Approp From**	**Budget Activity**	**Line Item**
Dept of State	50	50	50	0	0	0			

Changes to Existing Law: This proposal would insert a new provision in the FY 2012 National Defense Authorization Act as shown above. It would not change any other existing provisions.