

Press Releases: Remarks at the Blockchain Forum

Remarks

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DEPUTY SECRETARY SULLIVAN: Thank you, Thomas, for that introduction. We discovered in talking this morning that if you spend enough time in government you overlap and meet so many people. Thomas and I spent time together at OPIC about 10 years ago.

So good morning, everyone, and thanks for all of you being here and supporting this event. I am encouraged to see so many representatives from various U.S. Government agencies, including, of course, our colleagues from

USAID, but from other government agencies, the private sector, academia, nonprofits, and foreign embassies. Your presence underscores the importance of this forum in gathering a group of people from every sector to talk about this exciting technology, so thank you for being here.

Blockchain has the potential to become a transformative technology of our lifetime. It is increasing its footprint in our daily lives every day and is expected to play a major role in trade, business, healthcare management, and finance, and we hope at the State Department as well. We are – we're – in fact, we are quite confident of that. Through Blockchain we can track movements of goods in the shipping industry; we can verify someone's ID; we can safely transfer money and payments across borders in real time.

It's no wonder that Blockchain technology, a market that could grow to more than \$40 billion by 2022 according to at least one estimate, has captured the attention of governments and international organizations worldwide. Estonia, a leader in this technology, has embraced the use of Blockchain to offer government-issued digital IDs. Last year, the Georgian Government launched a project in partnership with the private sector to register land titles using a private Blockchain. In the UAE, the government has started a goal of using Blockchain technologies to create a paperless Dubai by 2020. The Singaporean Government has also partnered with the private sector to open a center for Blockchain technology. And finally, the UN is working with a number of companies to create Blockchain pilot projects that help vulnerable populations, such as refugees, by developing economic identities and delivering humanitarian aid more efficiently.

So Blockchain technology is on the move around the world. It is, therefore, essential that we better understand this cutting-edge technology, as it becomes more ubiquitous in our economy. Today, as we consider this far-reaching technology and its potential applications across all sectors, we should have a couple of goals in mind.

First, speaking on behalf of the U.S. Government, we want to educate ourselves about how we can better leverage Blockchain technology. With so many groups here, we recognize the opportunity to explore together the potential applications of this technology, to strengthen our national security, and promote greater economic prosperity. And in particular, we're excited about the many ways Blockchain technology could also increase transparency and accountability here at the State Department and across the federal government. In the simplest terms, we're always open to exploring new ways to preform government functions more efficiently and effectively.

This forum also has implications, as Thomas suggested, for our ongoing redesign efforts at the State Department and USAID. We're interested to learn whether Blockchain technology could have direct applications to many of the key features of our proposed redesign plan – for example, in maximizing the impact and accountability of foreign assistance. Two major challenges in foreign assistance that Blockchain technology could address are, first, corruption, fraud, or misappropriation of funds and, second, inefficiencies within the aid delivery process itself. This forum will include discussions of Blockchain-based aid-tracking systems that promise to bring more

transparency to foreign assistance dollars from the donor to the beneficiary. That's incredibly important to our work here.

Blockchain technology could also play an important role in improving our IT platforms. A breakout group this afternoon will evaluate the attributes of Blockchain technology that are relevant to cyber security, encryption and hashing of data, immutable records, and decentralized and distributed networks. Protecting our cyber infrastructure and providing resilient and relevant technology to the women and men of the State Department and USAID is crucial to helping them do their jobs efficiently all around the world, 24 hours a day.

In addition to learning more about your experiences with this technology and how we can better utilize it at the department and across the federal government, our second goal for this forum is to support public-private collaboration by providing an environment that will enable those potential partnerships to develop. The global challenges we face are too complex for any single entity to tackle alone. We need each other. Through these partnerships, we can take advantage of the creativity, unique capacity, and resources of all sectors to advance our diplomacy and development objectives. Nowhere is this partnership more relevant than with the new technologies that are quickly evolving.

So we look forward to spending the day exploring ways we can further collaborate and build more public-private partnerships. Blockchain technology is not a panacea; it's not the answer to every problem. But we're certainly hopeful that the State Department and the federal government can leverage this technology to make us more efficient and better able to serve the American people. And we know, without a doubt, that it will take all of those represented in this room and many more working together to harness this technology for more efficient and effective diplomacy and a stronger, more resilient United States.

Thank you all for being with us today. And I look forward to our discussions at this forum. (Applause.)

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