

**STATE, FOREIGN OPERATIONS, AND RELATED
PROGRAMS APPROPRIATIONS FOR FISCAL
YEAR 2008**

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

ON

H.R. 2764

AN ACT MAKING APPROPRIATIONS FOR FOREIGN OPERATIONS, EXPORT
FINANCING, AND RELATED PROGRAMS FOR THE FISCAL YEAR END-
ING SEPTEMBER 30, 2008, AND FOR OTHER PURPOSES

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United States Agency for International Development

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**STATE, FOREIGN OPERATIONS, AND RELATED
PROGRAMS APPROPRIATIONS FOR FISCAL
YEAR 2008**

WEDNESDAY, MARCH 28, 2007

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:03 a.m., in room SD-138, Dirksen Senate Office Building, Hon. Patrick J. Leahy (chairman) presiding.

Present: Senators Leahy, Bond, and Gregg.

UNITED STATES AGENCY FOR INTERNATIONAL
DEVELOPMENT

STATEMENT OF HON. RANDALL L. TOBIAS, ADMINISTRATOR

OPENING STATEMENT OF SENATOR PATRICK J. LEAHY

Senator LEAHY. Good morning. Ambassador Tobias, I'm glad you're here. This is a very busy day. We considered postponing this hearing because the votes are set at 11 o'clock, but we don't have hearing dates available in April, we can't be sure what dates are available in May, so I'm going to put my opening statement in the record.

I would hope that you would summarize yours so we can go to questions.

[The statement follows:]

PREPARED STATEMENT OF SENATOR PATRICK J. LEAHY

I want to begin by welcoming Senator Gregg who is the new ranking member of this subcommittee. Senator Gregg and I come from States that share a border and I look forward to working with him in the same bipartisan way that his predecessor, Senator McConnell, and I worked together for so many years.

I think we both agree that the United States does not need a Democratic or Republican foreign policy, we need an American foreign policy, and that is what I intend to strive for.

Ambassador Tobias, we appreciate you being here. We also appreciate your past leadership as the Global AIDS Coordinator. You got that program off to a good start.

The jobs of USAID Administrator and Director of Foreign Assistance are quite different from either the CEO of a private corporation or the AIDS Coordinator, as I'm sure you have discovered.

Today we want to focus on the President's fiscal year 2008 budget request for USAID, and on your proposals for reforming our foreign aid programs.

I think most people would agree that there is a lot of room for improvement in our foreign aid budget, personnel and procurement policies, and programs. But the issue is how you do it, and what decision-making authority is retained by USAID.

On the positive side, you have developed a more coherent process that will enable your office to more accurately show where and how funds are spent. That will help and we welcome it.

We are also assured by your office that you consulted extensively during this process, although that is not what we have heard from some of those whose views we would have wanted to see reflected, including within USAID itself.

While the budget process may be more coherent and transparent, I am mystified by many of the results.

A glance at your budget request yields as many questions as answers. A country like Colombia, that has received roughly \$565 million in each of the past 5 years, gets the same amount for the same purposes in fiscal year 2008, even though we know that some things have not worked and that conditions in Colombia have changed.

In Nepal, a country where years of fighting has cost thousands of lives, there is a chance to end the Maoist insurgency and replace feudalism with democracy. Yet you propose to cut our assistance.

The Democratic Republic of the Congo, a huge country with every imaginable problem, has emerged from conflict and completed its first election in 40 years. It holds the key to the future of central Africa, yet you propose to cut our assistance.

Vietnam, a country of 80 million people, seeks closer ties with the United States, and there are so many opportunities for working together. Yet, with the exception of HIV/AIDS, you propose to cut our assistance.

The Congress has worked hard to increase funding for global environment programs, particularly to protect biodiversity in the Amazon and central Africa where the forests are being destroyed. Yet you propose to slash funding for those programs.

Last year, you testified before this subcommittee that, and I am quoting you, "our intent is not to have a USAID budget or a State Department budget, but a Foreign Assistance budget that will make all of it more coherent in a way that all of us can better understand."

I have mentioned just a few of many examples. I have to ask what is the purpose of this stated "coherence" if it produces illogical outcomes? What was the strategic thinking behind these decisions? How were the views of USAID program officers in the field and their implementing partners reflected? How were the Congress' views reflected?

We know you have to make hard choices. We all face budget constraints. But Pakistan, Afghanistan, Iraq, and Indonesia are not the only countries where the United States has important economic and security interests. You need to make sense of this for us if we are going to be able to work together.

Senator LEAHY. I do want to begin by welcoming Senator Gregg, who is the new ranking member of this subcommittee. Senator Gregg and I share a border, a beautiful border along the Connecticut River. We've known each other for a long time and, of course, he had a distinguished career as Governor before, and I feel privileged that he's here.

As you know, Senator McConnell and I worked together for years—sometimes he'd be chairman, sometimes I'd be chairman, but I think the hallmark of this subcommittee during that time was that we would try to get the foreign aid bill passed in bipartisan fashion. As a result, we've been able to pass the bill in about a tenth the amount of the time that it used to take. Senator Gregg, would you like to say anything before we begin.

Senator GREGG. Well, let me put my statement on the record and say how much I'm looking forward to working with you.

We had a great relationship over the years on a lot of issues and it's going to be—it's an interesting committee with tremendously important jurisdiction, and I'm excited to have the chance to be the ranking member on it, and to follow in the footsteps of who we've mentioned. It's such a such a great job and certainly a team effort here to try to make sure that our foreign accounts are strongly supported.

[The statement follows:]

PREPARED STATEMENT OF SENATOR JUDD GREGG

Welcome, Ambassador Tobias. You have the distinction of being the first witness to appear before this subcommittee in the 110th Congress.

We appreciate the opportunity to discuss the \$3.8 billion, fiscal year 2008 budget request for the operations and activities of the United States Agency for International Development (USAID), and to learn more about your efforts to reform foreign assistance. Both are difficult and challenging tasks, and I know many of us are curious how you divide your time between your jobs of USAID Administrator and the Director of Foreign Assistance.

When it comes to foreign aid reform, what is past is prologue. Beginning with the Foreign Assistance Act of 1961 (which provided USAID its mandate), numerous Administrations—Republican and Democrat—attempted to improve the efficiency and effectiveness of foreign assistance. Since 1961, the goals and objectives of U.S. aid have changed due to the shifting priorities of Administrations and Congresses which seek to keep apace with an ever-changing world.

The Government Accountability Office notes in reports dating from the late 1970s that investments in large infrastructure projects overseas (intending, in part, to blunt the influence of the Soviet Union) were redirected by Congress to smaller programs targeting agriculture, nutrition, education, healthcare, and family planning for the poor. During the immediate post-Cold War period, U.S. aid supported emerging democracies throughout the former Soviet Union and significant emphasis was placed on activities targeted toward economic growth and development.

Following the September 11, 2001 terrorist attacks, foreign assistance serves a renewed purpose to improve the lives and livelihoods of people who might be open to the hateful and violent ideology of extremists. I expect that everyone who sits on this Subcommittee would agree that foreign aid, if properly managed, can be an effective bulwark against terrorism.

Afghanistan serves as example of the success that can be accomplished through the generosity of the American people. It is interesting to note that U.S. assistance supports large infrastructure projects throughout that country, smaller programs intending to improve the lives of the most destitute Afghans, and economic growth and development programs. We know from the pending supplemental request for Afghanistan that reconstruction is a long-term endeavor and that more needs to be done by all international donors.

Your immediate challenge as Director of Foreign Assistance appears two-fold: first, to convince often entrenched bureaucracies that change is necessary, and second, to work hand-in-hand with Congress to enact proposed reforms, including the fiscal year 2008 budget request. I commend you on the improved Congressional Budget Justification materials, and I look forward to learning more about the process by which the fiscal year 2008 State and foreign operations budget request was crafted.

Senator LEAHY. Thank you, Ambassador, would you—

Ambassador TOBIAS. Mr. Chairman, Thank you very much for the opportunity. I think that I will follow your example and ask that my opening statement be submitted for the record.

[The statement follows:]

PREPARED STATEMENT OF HON. RANDALL L. TOBIAS

Thank you, Mr. Chairman and Ranking Member Gregg, for the opportunity to testify before the subcommittee today on the fiscal year 2008 budget for foreign assistance.

When I came before you last year, I outlined a series of challenges I sought to undertake as the first ever Director of U.S. Foreign Assistance. Now, after nearly a year in this role, I appreciate the opportunity to share with you what we have achieved, and what I hope we can achieve together through the fiscal year 2008 budget process.

RESPONSIVENESS TO THIS SUBCOMMITTEE

I want to begin by thanking this subcommittee for its work and for the support you provided before these reforms even got off the ground. Before discussing the budget, I would like to note our efforts to address your concerns raised in report language. Emphasized in fiscal year 2006 report language, and then re-emphasized in fiscal year 2007 report language, this subcommittee directed that Congressional Budget Justification materials improve in both the timing of their delivery and the

quality of information put forth. I am happy to say that this year, we delivered material to support the Congressional Budget Justification on February 14th, nearly a month before the March deadline put into report language. Further, we included standardized budget tables per country to allow the public to meaningfully compare request levels per country. In addition, we have addressed the coordination concerns between USAID and State programs raised in fiscal year 2007 report language by bringing State and USAID staff and senior managers to the same table to discuss budget priorities for fiscal year 2008.

We have done far more than make process changes, however. With the new budget package comes a carefully considered set of budget priorities that, combined, will help advance our National Security Strategy. I realize that not all of the changes that we are proposing will sit entirely comfortably with each Member of this distinguished subcommittee. To the contrary, it is more likely that at least one of the changes we propose will raise concerns with you about our prioritization. I look forward to engaging with you to discuss your concerns. Part of my drive, to lay out the budget transparently in a way that can be compared across countries, is so that we can have a discussion, using common understandings and terminology, about just where our foreign assistance dollars are going and what we are trying to accomplish by allocating them as we have.

We have taken big steps to increase transparency, accountability, and coherence of strategy in the allocation of our resources, including the creation of one office, under my direction, to oversee all USAID and State foreign assistance resources. I hope to make your oversight responsibility less burdensome by laying our principles and priorities clearly on the table, and providing tools by which we can consistently assess results.

Specifically, we applied six principles to the allocation of the fiscal year 2008 budget, in response to concerns raised by Congress and the President himself about the lack of coordination and coherence in our planning, allocation and monitoring of foreign assistance funds. I would like to take a moment to elaborate on them now.

PRINCIPLES

The fiscal year 2008 State and USAID foreign assistance request is \$20.3 billion, a \$2.2 billion or 12 percent increase over fiscal year 2006 enacted levels, the last year for which we have completed allocations. Given current budget pressures and a shared commitment with Congress for deficit control, this increase reflects the importance this Administration places on foreign assistance, not just as a moral obligation to alleviate suffering, but as a foundation of our national security strategy.

As a result of foreign assistance reform, this year's request reflects a different approach to building the budget from previous years' methods, and I would like to take a moment now to explain the six principles that governed our prioritization.

First, we integrated planning based on the totality of U.S. Government resources and the commitment to a shared goal.—Consistent with your request that we improve coherence and coordination of State and USAID foreign assistance, for the first time in our Nation's history, all \$20.3 billion of U.S. foreign assistance under the authority of the Department of State and USAID, as well as resources provided by the Millennium Challenge Corporation, are being applied to the achievement of a single overarching goal—transformational diplomacy. In response to input received from many of you, our colleagues in the international development community, and our host government counterparts, that goal now reads: To help build and sustain democratic, well-governed states that respond to the needs of their people, reduce widespread poverty and conduct themselves responsibly in the international system.

Over 100 interagency teams, organized by country, were tasked with ensuring that all State and USAID resources were coordinated for maximum efficiency and impact, and targeted to the achievement of shared objectives. Teams considered investments from the President's Emergency Plan for AIDS Relief and the Millennium Challenge Account (MCC) when allocating resources. As a result, in countries that will receive MCC Compact funds in 2008, you will see funds allocated to programs that will support the success of these investments, such as an increase in trade and investment funds and private sector competitiveness in Honduras, and in Ghana, a shift in funding to enhance the capacity of local government, who will be responsible for implementing the MCC Compact's programs.

Second, we focused on country progress.—The ultimate goal of transformational diplomacy is to support recipient country efforts to move from a relationship defined by dependence on traditional foreign assistance to one defined by full sustaining partnership status. Now, I will spend a bit of time on this principle, because, while

it seems like this is what we have been doing all along, this year's approach was quite different.

In past budget years, funds were allocated first by account, then by sector, and lastly, by country. Much of the budget was built by determining so much for family planning, so much for basic education, so much for security assistance, and so on. Funding from within these sector levels was then parceled out to countries on the basis of multiple sector-based strategies—one for family planning, etc. You get the picture.

It is not that these sectors are not critical to a country's development strategy—clearly they are, and we continue to evaluate resources by sector, ensure appropriate targeting, and incorporate best practices. It's a matter of what should drive the country's development program—country-prioritized need or a set global amount for a sector. We must tailor programs to the unique needs of each recipient country in reaching the transformational diplomacy goal.

This year, we led with country progress. We brought together teams of experts from USAID and State, in consultation with their field counterparts, and we gave them an overall planning number for each country—not by account, not by sector, just a total.

We gave them data on the status of country progress against independent indicators assessing poverty, human capacity, life expectancy, governance, and barriers to economic growth. We gave them the new Strategic Framework for U.S. Foreign Assistance, which outlines interventions according to countries' common country traits. We then asked them to allocate that budget to the areas that would best advance individual country progress, based on the opportunities and challenges that exist on the ground, and in turn, advance U.S. policy. The result is an fiscal year 2008 budget focused on country progress.

Third, consistent with concerns raised by this subcommittee to align our foreign assistance resources with our National Security Strategy, we invested in states critical to long-term regional stability and prosperity.—As many of you are aware, the new Strategic Framework for Foreign Assistance categorizes each country receiving U.S. foreign assistance based on common traits and places them on a trajectory to measure their development progress against standardized indicators. The country categories are largely explained by their category name: Rebuilding, Developing, Transforming, Sustaining Partnership and Restrictive.

In the fiscal year 2008 budget request, you will find that 51 percent of Department of State and USAID program assistance resources are concentrated in Rebuilding and Developing countries. These are the countries that are farthest away from sustaining partnership status, as measured by instability, poverty, human capacity, life expectancy, governance, and barriers to economic growth—all critical barriers to regional stability and success in the War on Terror.

We have seen the risks that “ungoverned spaces” can pose to our national security and to their regional neighbors; we are also very aware of the costs of these “ungoverned spaces” to their own citizens. States like Somalia, Afghanistan, Sudan, and the Democratic Republic of the Congo are among the poorest in the world. Their citizens are among the least able to access basic needs—including security.

At the same time, to truly transform the development landscape, we need to focus on Developing States such as Nigeria, Ukraine, Georgia, Pakistan, Jordan, and Indonesia—states that are on the cusp of transitioning to economic, political and social self-sustenance, and that, with continuing progress, can serve as anchors for regional stability and prosperity. We need to work with them to help them strengthen their institutions to make their progress permanent.

Fourth, we focused on demand-driven interventions that are critical levers for sustainable progress and transformation.—Foreign assistance in the past has run the risk of being a mile wide and an inch deep. With a thousand agendas embedded in our foreign assistance programs, our impact was diluted and diffuse. It is important to note, as I often do, that there is very little that we do in our development portfolio that is bad. Someone, some community, is benefiting from the services we are providing and the interventions we are supporting.

But that is not the point. The real question is, are we achieving sustainable impact? Are we, in fact, enabling transformation? Are we giving people what they need to sustain further progress on their own?

Based on the new country-driven process, we have prioritized resources to the areas that we believe will promote and sustain long-term country progress. Funding is increased to programs targeted to improving governance and democratic participation, programs mitigating diseases that threaten the human and economic capacity of countries to progress on their own, programs that expand access to and improve the quality of education, and programs that enhance economic opportunity

and the skills needed to participate in the global economy. These resource allocations reflect the wisdom of our interagency teams of country experts.

I often think about our past practice of allocating funds as being similar to teaching an individual a little French, a little German, and a little Spanish. If we keep doing it, that person will very slowly be able to speak a little more French, a little more German, and a little more Spanish. But if we instead took the resources spent on each language and put them toward one language, that person would be able to communicate fluently, and would then be better able to learn the other languages on his or her own.

Similarly, when we split up our resources into too many sectors in one country, progress will be slow and often imperceptible. If we instead focus our resources, we enhance the ability of countries to gain enough strength and stability in areas critical to sustaining further progress on their own.

Focusing resources in this way has its tradeoffs. When one area goes up, unless there is an abundance of new resources, other areas go down. While the fiscal year 2008 budget increased by \$2.2 billion over fiscal year 2006 enacted levels, we squeezed far more in the budget. The budget includes important increases for HIV/AIDS, malaria, and humanitarian assistance; and for countries in which there are new requirements and opportunities such as in Kosovo, Iran, and Cuba. The fiscal year 2008 budget also reflects efforts to continue to shift program funding, where requirements are predictable, from supplemental requests for Iraq, Afghanistan, Sudan and avian influenza into the base budget.

Within the country-level requests, you will also find quite a bit of smaller, yet equally important, shifts. Country teams prioritized interventions that would help a country's institutions to build the capacity to take on challenges in the longer term. So you will see increases in resources for conflict mitigation, justice systems, executive branch institution-building, anti-corruption, basic education, energy services, agriculture policy, workforce development, and clean environment. But with these increases, certain sectors were not prioritized by the country teams to the degree that they have been funded in the past. These areas include sectors that we realize are important to members of Congress, including family planning, maternal and child health, and biodiversity. We know that putting decreases forward in these areas requires a robust justification of our reasons, and I hope we will have a substantive dialogue about why our teams made the choices that they did.

At the outset of the reform process, some members of this committee expressed concern that greater alignment between State and USAID foreign assistance resources would result in a short-shrifting of long-term development goals. I am pleased to note that in fact the opposite occurred. In fiscal year 2008, resources for the three objectives targeted to achieving long-term development progress—Governing Justly and Democratically, Investing in People, and Economic Growth—increased by 19 percent over fiscal year 2006 levels for these Objectives. The fiscal year 2008 request includes the largest request this Administration has ever made for basic education, and when projected fiscal year 2008 MCC disbursements are considered, investments in these objectives increased by 29 percent over fiscal year 2006.

Fifth, we allocated funds intended for country programs to country-level budgets.—In the past, ambassadors and mission directors often did not have a full picture of the resources being implemented in their countries, because some activities were planned and implemented from Washington. Consequently, they did not exercise full oversight over these programs, and doing so from Washington was costly and time-consuming.

To empower our mission directors, ambassadors, and country teams, who are our people in the field with the best knowledge of country circumstances, the reform process maximized resources implemented at the country level into country-level budgets. Resources within global or regional budgets that had been planned for specific countries were accordingly shifted to those countries' budgets and planned together with other country-based support. As a result, such resources can be implemented consistent with country strategies and benefiting from expertise on the ground.

Recognizing that not all foreign assistance is most effectively implemented on a country basis, and that issues that transcend a single country's borders are best addressed as part of a global or regional strategy, activities such as support to regional institutions, multilateral organizations, or cross-cutting research remain funded within global and regional budgets. Humanitarian assistance, which is allocated on the basis of emerging crises, also remains funded within global budgets.

Finally, we matched accounts with country circumstances and the priorities the country categories are designed to address.—Many of you may be used to hearing

about the budget less in terms of countries and more in terms of accounts. There is a specific reason I have not mentioned accounts until now.

Account levels did not drive our allocation process. Country progress did. After the country teams submitted their allocations by program, we centrally aggregated them to their appropriate accounts. In doing so, we sought to maximize the use of account authorities and establish clear priorities in support of effective implementation of foreign assistance programs.

This means that, overall, funding for the Development Assistance account (DA), which has traditionally supported assistance in poor countries that demonstrate performance or a commitment to development, has been prioritized to Developing and Transforming countries. The Economic Support Fund (ESF), which focuses primarily on providing economic support under special economic, political, or security conditions, has been prioritized to support activities in the Rebuilding and Restrictive Country Categories.

However, activities to support the poor and invest in development have not changed. For the three objectives supporting long-term development: Governing Justly and Democratically, Investing in People, and Economic Growth, DA and ESF totaled \$3.7 billion in fiscal year 2006. For fiscal year 2008, DA and ESF in these objectives total \$3.8 billion.

The real change is within Restrictive and Rebuilding countries: Total funding in the three objectives supporting long-term development increased by 63 percent over fiscal year 2006 levels. However, the balance between DA and ESF changed, with DA declining from \$331 million in fiscal year 2006 to \$42 million in fiscal year 2008; and ESF increasing from \$525 million in fiscal year 2006 to \$1.4 billion in fiscal year 2008.

Now I realize that this may have many of you worried that this DA decrease and ESF increase means that foreign assistance will now be used increasingly for political ends and that poor people will suffer. I know there is often a skepticism between our two branches when one side or the other presents a series of numbers, so let me address any doubts by citing a group many consider an “Honest broker”—the Global Leadership Campaign. In their February 26, 2007, analysis, they point out, “Overall ‘development-type’ activities do not decline in fiscal year 2008 due to the shift between DA and ESF, and in fact, increase in the aggregate.”

Let me assure you of this point. Our intent in shifting funds from DA to ESF is to draw cleaner lines around their use, as identified by country characteristics. Period. These cleaner lines allow us to justify to you why we have requested amounts for each account. There is no intent to take the “development” out of any of our development resources.

REGIONAL FUNDING TRENDS

Consistent with the principles mentioned above, I would like to review briefly the regional funding trends you will see in the fiscal year 2008 budget.

Africa.—When projected MCC disbursements are included, the fiscal year 2008 request for Africa represents a 54 percent increase over fiscal year 2006. Including actual disbursements and projected fiscal year 2008 disbursements from the MCC, resources for Africa have nearly quadrupled from 2001–2008. Over 75 percent of the fiscal year 2008 budget will focus on Investing in People in order to address the crippling effects of disease and poverty, a \$2 billion increase from fiscal year 2006. These increases are largely due to HIV/AIDS resources, but not entirely. When HIV/AIDS, MCC and the emergency-oriented accounts of Public Law 480 Title II food aid, Migration and Refugee Assistance, and International Disaster and Famine Assistance are excluded in both fiscal year 2006 and fiscal year 2008 (as allocation of emergency funds is often unknown until the end of a fiscal year), there is actually a 15 percent increase in resources to Africa.

East Asia and the Pacific.—With projected fiscal year 2008 MCC disbursements included, proposed fiscal year 2008 funding for the region increases by 15 percent over fiscal year 2006. Democratic challenges and terrorist threats require that peace and security programs emphasize counterterrorism and conflict mitigation while also maintaining military assistance for key War on Terror partners. Resources for these types of key security programs make up 18 percent of the request for the region. Countries such as Indonesia, the Philippines, and Mongolia collectively receive 53 percent of the region’s request.

Near East.—The fiscal year 2008 request for the Near East represents a 4 percent increase over fiscal year 2006, including reduced levels for Egypt and Israel under glidepath agreements. The fiscal year 2008 request emphasizes continued investments in Peace and Security and political reform. Accordingly, funding for Peace and Security increase by 4 percent, while investments in Governing Justly and

Democratically increase by more than 80 percent. The fiscal year 2008 request is concentrated in Iraq, Israel, Egypt and Jordan, representing 93 percent of the region's budget.

South and Central Asia.—Funding to South and Central Asia increased by 6 percent in the fiscal year 2008 request compared to fiscal year 2006 levels for the region. Funding will continue to support the Global War on Terror through security, reconstruction, development and democracy efforts, particularly in Afghanistan and Pakistan, which represent 84 percent of the region's request. Success in these countries is critical to achieving peace, stability, and development progress throughout South and Central Asia. Funding for the five Central Asian countries declined by nearly 24 percent from fiscal year 2006 to fiscal year 2008. Much of the decline comes in Uzbekistan, where the government has worked actively to limit U.S. assistance related to reform, and in Kazakhstan, whose oil wealth lessens the need for our assistance.

Western Hemisphere.—Foreign assistance for Latin America has risen dramatically since the start of the Administration, rising from \$862 million in fiscal year 2001 to a requested \$1.4 billion in fiscal year 2008 for State and USAID Administered programs. If the fiscal year 2008 request is fully funded and MCC fiscal year 2008 disbursements are taken into account, resources to the Western Hemisphere will have doubled under this Administration, from \$862 million in fiscal year 2001 to \$1.66 billion in fiscal year 2008—a 4 percent increase over fiscal year 2006.

The focus of resources within the region has also changed. The Western Hemisphere, in general, has made significant progress over the last decade, although major challenges remain. Funds have therefore shifted from service-delivery in health and basic education, where the region has made progress relative to other regions, to economic growth and activities to help consolidate democratic gains. Our programs are targeted to improve government capacity and provide access to economic opportunity to all citizens, especially the poor and marginalized, by catalyzing private sector investments, reducing the cost of doing business, and expanding access to microcredit. With MCC disbursements considered, economic growth resources are up 80 percent in fiscal year 2008. Resources to improve government capacity and strengthen democratic institutions are up 5 percent.

I am aware of recent briefings where concern has been expressed about declining funding for our neighbors. In fact, my very first trip since submitting the fiscal year 2008 budget was to Bolivia, Ecuador, and Peru, three countries that have sustained decreases in the fiscal year 2008 budget. In each of these countries, the positive impact of our past investments was clear, and our ability to build on them with innovative programming and partnerships was also evident.

Europe and Eurasia.—This region represents another success story in development. The fiscal year 2008 request for Europe and Eurasia represents a 26 percent decrease from fiscal year 2006, reflecting success achieved in the region. When projected fiscal year 2008 MCC disbursements in Georgia and Armenia are included, the reduction is 13 percent from fiscal year 2006. While United States assistance has played a substantial role in supporting further integration of countries in Eastern Europe and the Western Balkans into Euro-Atlantic institutions, a number of difficult challenges remain across the range of foreign assistance objectives. Funds for Kosovo and Serbia represent 27 percent of the region's request. Countries at the forefront of reform—Ukraine, Georgia, and Moldova—and countries that present democratic challenges—Russia and Belarus—together represent 30 percent of the region's budget.

CONCLUSION

For too long, the debate between Congress and the Administration regarding foreign assistance has lacked focus. Very much like a ship with too many calibrations, the foreign assistance boat would move in one direction for a while, then shift directions with a new Administration or a new Congress, oftentimes back-tracking over the same course it had traveled just a few years ago. As a consequence, many recipient countries have not been given the tools they need for a long enough period of time to help their countries sustain progress. Globally, progress has been slow and often imperceptible.

The fiscal year 2008 Foreign Operations budget, built on the basis of the principles and methodologies described above, reflects country-based strategies for progress, evaluated within the context of regional challenges and opportunities, and responsive to a shared goal and objectives targeted to achieve that goal. And since budget planning was thoroughly integrated, the fiscal year 2008 budget, like a Rubic's Cube, relies on each individual piece to maintain the integrity of the whole.

In addition to developing the new Strategic Framework for Foreign Assistance, we have developed a standardized set of definitions, or a "Development Dictionary," if you will, of the programs that relate to our five priority objectives, and ultimately to the transformational diplomacy goal. The Development Dictionary describes what we mean, across all programs and sources of funding, when we describe a program as "justice system reform" or "conflict mitigation." We published this reference on line and have invited comments from your staffs and the NGO community. Every dollar of the fiscal year 2008 budget is identified against these common definitions, making comparisons across fiscal years, countries, programs, and regions transparent and easy.

We have developed common indicators for each of the programs defined in the development dictionary, such that we will be able to compare partner, program, and country performance across agencies and sources of funding. We developed these indicators with input from the NGO community and have posted them on line, together with an email address to collect comments.

We have wrapped the money, definitions, and indicators into one system that will be able to tell you who is getting the money, what they are spending it on, and what results we expect to be achieved. This information will come together in an annual Operational Plan submitted to Washington for each country where foreign assistance funds are provided. For the first time, starting with fiscal year 2007 funds, we will be able to tell you what a \$1 million change from *X* activity to *Y* activity will mean for a program so that you can better determine whether such a change, and its opportunity cost, best reflects the impact you want to have.

In making these changes, we sought explicitly to be responsive to concerns raised by Congress about the transparency of our decisionmaking, the coherence of our resources, and our ability to account for results. My hope is that the first steps taken over the past nine months will support a robust dialogue between the legislative and executive branches about funding priorities. Because with this new transparency of information comes a new responsibility on both of our parts to raise concerns where we feel our differing priorities will have a detrimental impact on transformational diplomacy progress. I look forward to hearing your input regarding the prioritization of resources that we have laid on the table.

Far more than just moving the deck chairs, the reform reflected in the fiscal year 2008 budget represents the re-calibration of the ship. But only when we discuss our differing priorities, in the spirit intended by the balance of powers between the executive and legislative branches, will the ship find its most appropriate and progressive course. We need to develop common priorities for the ship's movement to sustain permanent progress.

I look forward to engaging and working with you over the coming months to develop our common path and urge you to fund the full fiscal year 2008 request.

Thank you.

TRANSFORMATIONAL DIPLOMACY

Senator LEAHY. Well, thank you and it will be. You say in your statement that for the first time in the Nation's history all of our foreign assistance resources are being applied to the achievement of the single over-arching goal, transformational diplomacy, and how democratic, well-governed states respond to the needs of their people, reduce wide-spread poverty, and conduct themselves responsibly in the international system. I think that is a fair summary of what you said, and I support that. We all do.

But isn't that what we've been trying to do ever since World War II?

Ambassador TOBIAS. Well, yes, I think we have. I think the question is: Have we been as effective in doing it as we might be and what can we do as we go forward to do a better job of it?

Senator LEAHY. I think what I mean is we do a lot of things. We train teachers, we strengthen healthcare systems, we reform judicial systems which is extremely important to build trade capacity. So may I ask you this: What have we been doing that we're not going to do and what are we going to do that we haven't been doing?

Ambassador TOBIAS. Senator, I think that it begins with all of us, those in the Congress and those in the administration, as well as people in the NGO community and others that have an important interest in all of this coming to a common conclusion around what is it we're really trying to get done here, and what is the best way to get it done. So the administration has laid out this framework as a point of at least starting the discussion, with the idea being that in some instances I think our activities, well intended as they have been, have been more successful in building dependency than they have been in building a sustainable set of programs to allow countries to progress on a trajectory and eventually graduate from the need to be dependent on foreign assistance.

I think that our foreign assistance has sometimes had a thousand objectives. We've been a mile wide and an inch deep, and we haven't been clear and crisp—

FOREIGN ASSISTANCE BUDGET

Senator LEAHY. But I can think of some of the times when we supported some of the worst heads of state because they said they were anti-communist.

Then after the breakup of the Soviet Union it was Mr. Putin's method of governing. I'm not sure what the major changes are sometimes but after that, we said we would support anybody who said they were anti-drugs, because that became the mantra, and in a number of instances we closed our eyes to severe problems in countries that we were supporting because of that.

Now if they say they are anti-terrorist, even some countries that have harbored terrorists, well, then we support them.

These mistakes have been made by both democratic and republican administrations.

You testified that contrary to concerns expressed by some Members of Congress in fiscal year 2008, resources for the objectives targeted to achieving long-term development, governing justly and democratically and investing in people increased by 19 percent over fiscal year 2006 levels.

But if you take the Millennium Challenge Corporation and HIV/AIDS out of the equation, then how do fiscal year 2006 and fiscal year 2008 compare?

Ambassador TOBIAS. Well, first of all, I'm not a fan of taking HIV/AIDS and the Millennium Challenge Corporation out of the equation.

Senator LEAHY. Well, the reason I ask that is because the Millennium Challenge Corporation has a huge amount in the pipeline but hasn't spent much at all, so that's why I asked the question.

Ambassador TOBIAS. Well, the way we have done the calculation is to work with the Millennium Challenge Corporation to determine what they believe their actual outlay will be during the year 2008 in each of the countries where they have a compact. We have assessed what we believe our foreign assistance will be on a country-by-country basis—not on the size of the compact but on what will actually happen in 2008.

But in many countries in Africa, for example, if you look at an education program in a country where 20 percent of the teachers are dying every year, it becomes pretty clear that the AIDS initia-

tive is dealing with more than just AIDS; it's dealing with the fundamental fabric of the country, so I really do think it's appropriate to count all of it.

Senator LEAHY. Let's talk about that. For example, in Nigeria, you said you want to help them strengthen their institutions and make progress permanent. But if you take out the AIDS money—and I'm not suggesting we do—I've been a strong supporter, as you know, of adding money for HIV/AIDS long before it became popular. But if you take out AIDS you only propose an additional \$20 million for Nigeria, a country of 125 million people. You cut aid to the Ukraine by \$16 million, I believe. Georgia by \$21 million. How does this show us strengthening their institutions? You see what I'm getting at?

Ambassador TOBIAS. Of course I do.

Senator LEAHY. We're going to put the money in for HIV/AIDS. I've worked closely with the President and others on that. Even when he hasn't had it in the budget we've put it in, but how do we strengthen democracy with only \$20 million for Nigeria?

Ambassador TOBIAS. Well, we're proposing to spend a significant amount of money on democracy programs because they're so incredibly important. Indeed, in a number of countries, unless we have rule of law and solid democracy programs, it's not likely that other things are really going to work in a sustainable way.

But in all cases, we have put the budgets together on a country-by-country basis using people with expertise both here in Washington and in the field assessing the resources that we felt we could make available, and making a determination based on what the most compelling issues are in that country as to where can we spend the money and make the greatest difference in moving that country forward.

Senator LEAHY. Sure, but in Nigeria that's about 20 cents a person, and I'm not sure you're going to build an awful lot of democracy or better court systems in that way. I know we have a huge amount of money going to Pakistan and Afghanistan and Iraq. We have a huge amount of money that goes to Israel and Egypt, and a lot goes to Colombia even though it hasn't stopped drugs coming into this country.

I worry about the areas where—I think you'd agree with me—there are going to be problems if the United States does not get involved. My time is up, and I yield to Senator Gregg.

FORMER SOVIET REPUBLICS

Senator GREGG. Thank you, and picking up on that note I recognize that you've got to cover the whole globe and you have to—therefore you end up not putting a lot of money except into a few nations that have high-visibility issues, such as Iraq, Afghanistan, Egypt, and Israel.

But accepting that as the context, why is the budget deduce the funding for the former Soviet Republics that are, basically it seems, some of the most fertile ground in the world for developing democracies, and the rule of law in countries that would be natural allies, especially since many of them are on the rim of the Middle East and represent marginally Islamic countries that could be friendly.

Ambassador TOBIAS. Are you talking about Russia or are you talking about—

Senator GREGG. The former Republics.

Ambassador TOBIAS. The former Republics. Well, again, we've tried to prioritize within each region the countries in that region that our people with expertise have felt were the greatest priorities, and then within each country we've tried to prioritize those particular areas where people have felt we could make the most difference. I'd have to go through on a country-by-country basis, which I'd be happy to do, but at the end of the day it's—

Senator GREGG. Let's do that, because your funding to the Former Soviet Republics which are now independent has been cut.

Ambassador TOBIAS. Senator, I'm sorry. I'm having a little trouble hearing you.

Senator GREGG. The funding to the Former Soviet Republics has been cut in this budget; I'm wondering why. So let's go through each one. Let's start with Georgia. Why did you cut funds to Georgia?

Ambassador TOBIAS. Do you want me to find the list now?

Senator GREGG. No. I want you to answer the question: Why did you cut funds to Georgia?

Ambassador TOBIAS. Well, funds were reduced in the sense of looking at the resources that were available, and the people with the expertise on the region and on the countries in the region making the choices that with scarce resources, we would put the money in the places that—

Senator GREGG. Because there was obviously a tactical decision made, or a strategic decision made, that you would focus dollars on other accounts at a more significant level and reduce dollars to what are now Republics that used to be Soviet client states. I guess the bottom-line question is: Why was that decision made? Clearly there was a decision made to do that.

Ambassador TOBIAS. Well, again, I don't know how to answer it other than to say that it was a matter of—

Senator GREGG. Give me some specifics as to what made that—

Ambassador TOBIAS. There was no systematic intent to reduce levels in the former Soviet Republics. We considered each country program on an individual basis and in the broader context of competing needs around the globe. The request for the region overall reflects successes in promoting reform and creating legacy institutions, as well as increases for some countries with pressing needs or significant opportunities. As a result, you will see funding increases for Turkmenistan, for example, in response to opportunities presented by the transition of power in the presidency, and for Tajikistan (excluding emergency food aid) to respond to the urgent need to secure its border with Afghanistan and promote reform. Funding has decreased in Uzbekistan, where the government has worked to actively limit United States assistance related to reform and in Kazakhstan, whose oil wealth lessens the need for our assistance. In Georgia and the Ukraine, we see increasing capacity and contributions from host governments, thereby justifying lower assistance levels.

Senator GREGG. Well, I honestly can't believe that as head of the foreign assistance and head of USAID, you can't give me something—a specific rationale for why we are—we have decided to turn away from those nations and move the dollars to other nations. Other nations seem to be such fertile ground for our capacity to develop stable nations and nations which have democracy, which have rule of law, and which are potentially significant allies in the war against fundamentalism.

Ambassador TOBIAS. Well, it certainly isn't that we've decided to turn away from them; it's simply been a matter of taking the resources that are available and trying to make a determination about what is the best way to use those resources. But I will be very happy to respond on a specific basis on what the rationale was in each case.

USAID ADMINISTRATOR AND DIRECTOR OF FOREIGN ASSISTANCE

Senator GREGG. Well, it doesn't make sense to me that there was a rationale in each case, because it had to be a philosophical decision because it's so apparent that you have moved away from this region of the world and moved money into another region of the world, specifically Africa, it looks like. It was a regional decision; it wasn't country-by-country, I don't think, but certainly the dollars have been flying out. How do you divide your time between being head of foreign assistance and USAID?

Ambassador TOBIAS. In a typical day, Senator, I start my day, when I'm in Washington, in the State Department and spend the morning, usually, in the State Department. Then at about lunchtime I go over to USAID and we set up the schedule for meetings and things over there for the afternoon.

Some days I'm over there longer; some days I'm in the State Department longer, depending on what's going on on that particular day, but that's my basic plan.

Senator GREGG. How does that work? I mean, that seems inherently disjointed.

Ambassador TOBIAS. Well, I think it's working well. I think it will work even better a year from now, because when my predecessor was the head of USAID and there were two separate foreign assistance budgets, one for USAID and one for State Department foreign assistance, you'd have programs coming from different directions in a country. There was an enormous amount of coordination that needed to take place, and the Administrator of USAID spent an awful lot of time talking to a variety of people in the State Department in an effort to coordinate.

I'm now talking to myself for those kinds of things, and I think the coordination is much easier and much better, so I think it's been a significant improvement.

Senator GREGG. Should there even be more integration then? Should, I mean, the physical location of the two organizations be merged?

Ambassador TOBIAS. Well, I would not favor that. I think that we need a strong USAID, we need a strong organization of professionals who are focused on foreign assistance who have chosen to focus their careers in that way, and I'm very, very proud of the peo-

ple in the organization, for their dedication, their knowledge, and their hard work.

At the same time, I think that we need to ensure that we have USAID strategically lined up with what the United States Foreign Policy interests are in the countries where we are working.

I think on the ground, on a country-by-country basis, historically and currently, I think it's probably worked better than it has here in Washington, where the U.S. Ambassador is leading the U.S. Government team on the ground. The USAID Mission Director reports, in part to the Ambassador, and in part back here to USAID, but is the principal professional development person on the Ambassador's team, and the integration of what the U.S. Government is doing on the ground, you know, begins there.

But in the planning process, and the coordination process, and the technical expertise and so forth that takes place in Washington, it's been more fragmented than it needs to be. But I don't think the solution would be to totally merge the two organizations.

Senator GREGG. Thank you.

STATEMENT OF SENATOR CHRISTOPHER S. BOND

Senator BOND. Thank you very much, Mr. Chairman, and I would say to you and ranking member Gregg that even though I spend a very large part of my time working on military defense matters and intelligence matters, I believe this committee is extremely important because the old saw that in a battle against ideology, it's 20 percent kinetic and 80 percent economic development, ideological, and this committee, I believe, has a much more important role than we have been able to recognize in the budget to achieve our goal through diplomacy and economic development. So I think this is extremely important, and I am very much concerned about some of the things that are going on, Mr. Ambassador. Excuse me. You wanted to say?

Senator LEAHY. I was just going to say I appreciate that. I, having served on the intelligence committee here, was the vice chairman of it, and you see a global view that the rest of us do not see, and I appreciate that very much.

AGRICULTURE DEVELOPMENT IN AFGHANISTAN

Senator BOND. Well, thank you. I think our members of the intelligence committee would agree. But Mr. Ambassador, I have some real concerns about some of the specifics I've learned.

A little over a year ago I was in Afghanistan. This year, Senators Mikulski, Hutchison, Brownback, Cornyn, and I are again requesting \$20 million be made out of USAID's 2008 foreign operations bill for the establishment of a U.S. land grant consortium to be led by Texas A&M to implement widespread training activities, to assist farmers to comprehensive level not being achieved, to teach them how to use best techniques to grow pomegranates and other alternative crops and set up independent credit cooperatives.

Last year USAID totally ignored the congressional intent when we put in \$5 million and the money was dribbled out to individual initiatives—underway with individual colleges. The intent of that money was, and still is, to strengthen a nationwide agricultural extension system through programs planned and delivered by people

who have been working over 100 years to help farmers in the United States.

I remain concerned about what appears to be a deeply entrenched relationship between Kimonics and USAID and Kabul and DC. It's making it very difficult if not impossible for other proven contractors and even other NGOs from getting funds.

I've spoken with a number of people inside and outside of Afghanistan who are trying to do some good and are extremely frustrated when they run into the monopoly between USAID, Kimonics, and other large USAID contractors. Some of those people, I will tell you, include our military commander in Afghanistan, a top expert from USDA Department of Agriculture who was there, and President Hamid Karzai who told me that he wanted to have this assistance.

I understand over the last 4 years USAID have gone through some \$600 million on agricultural development in Afghanistan and had shown darn little for it.

Now, I know it's easier to shovel out a couple of hundred million dollars to a big contractor, but when it's not getting the job done, what I want to know is: Why will you not take the time and make the effort to utilize resources where we can get volunteers from extension services, men and women who have been trained for years to help farmers, why you are not willing to accept this idea for Afghanistan?

Ambassador TOBIAS. Senator, I'm a big supporter of the contributions that the land grant universities make. I just came back from Lebanon a few weeks ago where I saw a program where dairy farmers who had been selling their products on the side of the road 2 or 3 years ago, are now competing in global markets because of a USAID project that created a cooperative, and the expertise that has come from land grant universities in this country to help them have the skills they need to provide high-quality products.

I'll take a fresh look at what we're doing in Afghanistan and see who all is involved, and whether or not there's more we can do, because—

FINANCIAL SERVICES VOLUNTEERS

Senator BOND. I want a response for the record. I know in—I was in India about a year ago, and the President's agricultural knowledge initiative envisioned you using land grant colleges. What I want to know is why the hell we can't get you to follow congressional intent to start out on a small program in Afghanistan and save a whole bunch of money that nobody seems to know what good it has produced.

I think this is—it's unbelievable that the amount of money that's been spent, and the apparent lack of any demonstrable progress. I think you can do a very good job if you'll work with volunteer organizations.

By the way, that brings to mind, I had a visit recently from some of the outstanding leaders who had the Financial Services Volunteer Corp. These are experts in financial systems, banking from—some volunteers from our largest banks, from accounting institutions. They have worked in countries to—they developed the cur-

rency for Afghanistan. They were working in Indonesia to help them develop a system for countering money laundering.

They have—they bring on a volunteer basis, with just support services needed, the expertise of our top financial professionals in the United States, the countries who need that help. They tell me that they are not getting funding anymore from USAID, and I would like to know why a dedicated group of professionals who are doing a highly sophisticated job for countries that need it, are being shut out. Do you know what the reason is?

Ambassador TOBIAS. No, I don't, Senator, but I'll take a good look at that. I'm familiar with the organization, but—

Senator BOND. I mean, they had John Whitehead, they've had other top professionals, and I'm just dumbfounded that you wouldn't be looking, looking for pools of volunteers that could help like that. Thank you, Mr. Ambassador. Thank you, Mr. Chairman.

FOREIGN ASSISTANCE BUDGET CUTS

Senator LEAHY. Thank you very much. I have some of these same concerns about grants going just to a small handful of contractors, big contractors who also have lobbyists here in Washington, and then it closes out others who often have very innovative and very good ideas.

Now, the changes you've made to the budget process may be more coherent and transparent, but I'm mystified by some of the results. Take a country like Colombia that has received roughly a half a billion dollars, \$565 million, in each of the past 5 years. They get the same amount this coming year, although we know a number of things that have not worked. We know conditions in Colombia have changed.

We know that the idea of stopping cocaine from coming into America has been basically a failure. The price of cocaine and availability is the same today as it was before we took billions of dollars out of programs that might've stopped people from using cocaine, put it into Colombia to stop it from coming in here.

In Nepal, a country where years of fighting has cost thousands of lives, there's a chance to end the Maoist insurgency and bring democracy to replace a feudal system, but you propose to cut our assistance.

Democratic Republic of the Congo, a huge country. I can't think of many places that have more problems, but they had their first election in 40 years. It holds the key, I think, in many ways to the future of all of central Africa, and is very important to us. You want to cut our assistance.

Certainly other countries, like China and others, seem to be ahead of us in realizing its importance but you propose to cut our assistance there.

Vietnam, a country of 80 million people that is trying to build closer ties with the United States and the President actually went there last fall. With the exception of HIV and AIDS, you're going to cut our assistance there.

Congress has tried to increase funding for global environment programs which have bipartisan support, particularly biodiversity in the Amazon. Central Africa where forests are being destroyed at breakneck speed. I mean, in 5 year's time what may have taken

400 or 500 years before, you're slashing funding for those programs.

Last year you said our intent is not to have a USAID budget or State Department budget, but a foreign assistance budget that would make all of it more coherent in a way that all of us could better understand.

I'm all for that, but what good is coherence if it produces illogical outcomes? I mean, what do people say in the field? It certainly doesn't reflect what a lot in Congress and both parties have been saying. What is the thinking behind these outcomes?

Ambassador TOBIAS. Senator, you are making very eloquently the point that I would hope to make this morning, and that is that I'm very, very hopeful that this year the Congress will not cut the administration's fiscal year 2008 request for foreign assistance, because we need every penny.

If I take the \$20.3—

Senator LEAHY. If I might, and I apologize for interrupting, but you know, we need every penny, but I want to know where it's spent.

I've had times up here when we've had grandiose proposals for budgets in various administrations knowing that there's no money for the things that many people feel we should have and somehow we have to find the money. At Millennium Challenge there's huge amounts of money in the pipeline. I think you have to admit that started off with a very, very slow start.

Ambassador TOBIAS. Well, if I take the \$20.3 billion in the request for foreign assistance, and if I back out of that the Global AIDS Initiative, and if I back out of that the approximate \$1.8 billion in funding request for those contingency accounts that will be allocated as we go through the year, like emergency food aid, and refugee assistance, and that kind of thing, and then if I take the 31 largest country programs, which I think tend to be less controversial, and represent those programs at \$50 million or higher, I'm left, out of that \$20.3 billion, with \$3.6 billion to spread over the 124 remaining country programs.

So we have made some very, very difficult decisions in allocating this budget. We have tried to do it in a far more transparent way than it has ever been done historically, with a level of detail that neither the Congress, nor the administration has had access to in the past, so that as we continue our dialog we can determine why the decisions were made in putting this budget together, and understand where we did not get it right. What are the things that we may need to think about in different ways?

But this has been a very conscious good-faith effort to try to be sure that each country's program is driven by what people on the ground in that country and here in Washington believe, given the resources available, can make the most difference in moving that country on a path toward independence.

Senator LEAHY. Well, what are the five countries that get the most money?

Ambassador TOBIAS. Let's see. They are Israel, Egypt, Afghanistan, Pakistan, and Sudan.

Senator LEAHY. Sudan gets more money than Iraq? Or are we talking about—

Ambassador TOBIAS. Israel, Egypt, Afghanistan, Pakistan, Sudan, South Africa, Colombia, Kenya, Nigeria, Jordan, Ethiopia, and Iraq. I'm talking there about the 2008 budget request.

Senator LEAHY. Well, maybe we have different ways to count how much goes into Iraq. I noticed recently the President cut funds for the cops program but we're adding increased money for police forces in Iraq. I heard in the paper today that we've trained them so well they went in and killed 40 people as revenge killings, the police did, today in Iraq.

Anyway, my time's up. Let me yield to Senator Gregg. We're all trying to do the same thing. I'm just worried that we spend an awful lot of money in places where we aren't getting much out of it, and there's been too little in places where we have a great potential.

Ambassador TOBIAS. Well, Senator, I share that concern and that's why we are trying, on the one hand, to make the most conscientious effort we can to be sure that we are spending the money in the most appropriate, effective way we can, and to lay out the data as transparently as possible so that we will all know how those decisions are made, and I think it will be easier for us to collaborate going forward as to what we ought to be doing.

ASSISTANCE FOR THE MIDDLE EAST

Senator GREGG. Can you read those five countries again? Egypt, Israel—the five countries that have the highest? Egypt, Israel—

Ambassador TOBIAS. Israel, Egypt, Afghanistan, Pakistan, and Sudan.

Senator GREGG. How much money have we given to Egypt over the last 20 years?

Ambassador TOBIAS. The 2008 request is \$1.720 billion.

Senator GREGG. What's the total we've given to Egypt and Israel in the last 20 years?

Ambassador TOBIAS. U.S. assistance to Egypt and Israel has been governed by similar "glidepath" agreements since 1998. The agreement between the U.S. Government and the Government of Egypt established steady Foreign Military Finance (FMF) assistance at roughly \$1.3 billion per year. In contrast, Economic Support Fund (ESF) assistance has declined \$40 million per year from a starting level of \$815 million in 1998.

In the 10 years prior to the signing of the glidepath agreement (1988–1998), the United States obligated approximately \$24 billion of economic and military assistance to Egypt. We have provided approximately \$19 billion to Egypt since the signing of the glidepath agreement in 1998. This total includes fiscal year 1999 levels through the fiscal year 2008 request, if fully funded. The share of Peace and Security assistance as a share of total assistance has increased from approximately 61 percent in 1998 to 73 percent in 2007. Peace and Security assistance funds primarily Egyptian purchase of U.S. military equipment to shift Egyptian orientation to the United States and to increase our interoperability.

The agreement expires in 2008, and we are currently working with both Israel and Egypt on what the future may hold with regard to foreign assistance levels.

Senator GREGG. So there's a lot of money going to the same places over and over again.

Ambassador TOBIAS. That's right.

MILLENNIUM CHALLENGE CORPORATION

Senator GREGG. But there's not a lot of money to places where we might have an opportunity to do some significant activities, such as we talked about earlier, the Former Soviet Republics. How much money is in the Millennium Challenge right now?

Ambassador TOBIAS. I'm sorry?

Senator GREGG. How much money is in the Millennium Challenge right now?

Ambassador TOBIAS. I think their request, which is separate from the \$20.3 billion, I believe their request in the budget is \$3 billion in the 2008 budget.

Senator GREGG. Do you know how much is unspent?

Ambassador TOBIAS. No, I don't. I don't.

Senator GREGG. How many countries qualify for the money in Millennium Challenge?

Ambassador TOBIAS. I don't know. I don't think I have that data.

Senator GREGG. I mean, do you expect any more countries to come on line and qualify for the Millennium Challenge in the near future?

Ambassador TOBIAS. Well, there are a number of countries that are working hard to meet the MCC requirements. There are several countries who are in a so-call threshold status where we are funding threshold programs to work with them to get them to the point where they will meet the criteria, and yes, I would expect there will be more countries coming on board.

Senator GREGG. You don't know who's in line, though, do you?

Ambassador TOBIAS. No, I don't.

Senator GREGG. I notice you've got Laos listed as something above the lowest category of nations where it seems to me it's a pretty repressive nation. Shouldn't it be lumped in there with Cuba and North Korea and—

Ambassador TOBIAS. Well, these designations are determined by a lot of indicators that come from various organizations like Freedom House, and the World Bank, and so forth, and they fall where they fall.

Senator GREGG. The State Department doesn't have any role in making those designations?

Ambassador TOBIAS. Well, we have used a set of indicators, but the purpose of that categorization is to try to give us a sense of the kinds of development interventions that we likely need to be using in each of these categories of countries. Obviously in countries like that, we would expect that more of our effort would be focused on democracy programs.

Senator GREGG. Well, I wish you'd go back and explain to us why Laos and Sudan are not in the restrictive category. I just don't see how either of those elements could possibly not be in the restrictive category. The import/export bank, what's the status in that?

Ambassador TOBIAS. Senator, that's beyond my area of focus and expertise. I'll be happy to pursue anything that you'd like for me to, but I'll have to do that for the record.

AFGHANISTAN

Senator GREGG. Okay. We've now spent how much money in Afghanistan?

Ambassador TOBIAS. Since 2001 through fiscal year 2006, the U.S. Government has provided over \$14.2 billion in foreign assistance to Afghanistan. Of this amount nearly \$9 billion has gone for security assistance and \$5.2 billion for reconstruction, humanitarian and governance assistance.

Senator GREGG. Well, what are we spending the money on? Let's try it this way. How are we spending the money in Afghanistan?

Ambassador TOBIAS. A lot of the money is going into building infrastructure that will help the economy. There's been a lot of money going into roads, a lot of money going into electricity, money going into programs to provide and enhance the capacity and capability of the government ministries.

I have visited programs in Afghanistan out in the rural areas where we're teaching farmers, who have been former poppy growers, the skills to grow alternative crops. We have programs where farmers who have been poppy growers are being taught to be electricians, or plumbers, or other skills that can give them a livelihood in other areas.

Senator GREGG. Do we expect that you're going to change the forces of the marketplace in Afghanistan and cause people to stop growing poppies when it's the most lucrative crop?

Ambassador TOBIAS. Well, that's probably one of the most difficult issues in Afghanistan, and there's a hard look being taken right now at the whole poppy issue to look at what we've been doing, what's worked, what has not worked, what lessons can we learn from other places in the world.

I just visited a program in Peru a couple of weeks ago where villagers that are growing coca leaves, it's made very clear to them that their coca plants are going to be eradicated, but if they are willing to band together and sign a compact with the government that they're going to get out of the coca plant business, then we are working with them to address other issues that may improve the quality of life in those villages—building a school, building a health clinic, whatever kinds of things that the village may think is a priority, and—

Senator GREGG. Is that in Afghanistan?

Ambassador TOBIAS. That's in Peru, but the program's been very successful and we're not doing that in Afghanistan but we're looking at that as something to take to Afghanistan as an example.

Senator GREGG. I'd be interested in knowing to what extent the poppy growing has been abated by the dollars we've spend in Afghanistan. Do we have any studies to that?

Ambassador TOBIAS. The United Nations Office on Drugs and Crime published a report in February 2007: Afghanistan Opium Winter Rapid Assessment Survey. With increasing ties between narcotics traffickers and elements of insurgency in southern Afghanistan, poppy cultivation in the South has increased. In contrast, a mixture of political will and incentives and disincentives, such as eradication programs funded by the U.S. Government, contributed to a decline in opium cultivation in the Northern prov-

inces. As a result, several Northern provinces with very low amounts of poppy are well on their way to becoming poppy free.

Senator GREGG. What percentage of our dollars—we've spent somewhere in the vicinity of \$3 billion in Afghanistan—what percentage of those dollars have been directed at poppy-growing suppression?

Ambassador TOBIAS. Since 2001 through fiscal year 2006, the U.S. Government has provided over \$14.2 billion in foreign assistance to Afghanistan. Approximately 9.5 percent has been provided for counter narcotics.

There are other areas in Afghanistan where we can look at the things we've been doing and there's been significant progress. School enrollment in the Taliban time was about 900,000 people, it's now about 5 million. When the Taliban was there, about 8 percent of the Afghan population had access to healthcare; it's now about 80 percent. It used to take 15 hours to get from Kabul to Kandahar; it now takes about 6 hours on the highway that's been built.

The economy in Afghanistan has gone from about \$2.5 billion to \$4 billion at the time the Taliban was there, to about \$8.8 billion now, so there are a number of areas where we're making progress, but the drug part of the equation has not been, and that's why we're all taking a very hard look now at what's failed, and what's worked, and how can we do better.

Senator LEAHY. Afghanistan is a difficult case. We've made colossal mistakes in the past and again, you know, if you're anti-communist, so we arm the Taliban with a lot of weapons that they're still using. We get them Stinger missiles to go after—or shoulder-fired missiles to go after the Russians. I don't know if those things deteriorate after a while, but a lot of them they never turn back in, obviously, and still have.

You say some things have worked and some haven't. If you're in an area where the Taliban has control, I don't know of any program that works. We did build the highway and I think that's good news, but the fact of the matter is most of the economy you've talked about is in the Kabul area.

Some have said that President Karzai is really president of Kabul, not of Afghanistan, and that there is lawlessness outside. I would like to see everybody go to school. I want to see both boys and girls go to school, and it is hard to find a country that is more oppressive toward women than Afghanistan under the Taliban, but I'm afraid that a lot of that power is still with the Taliban.

EGYPT

In your budget justification—and I was thinking of this as I read some of the press in the last few days—you say that the U.S. Government supports the enactment of the political reforms outlined by President Mubarek during the 2005 presidential campaign, namely replacement of the emergency law with a modern counter-terrorism law, revision of the modernization law governing the judiciary, revision of the media law to expand press freedom, revision of the penal code to narrow the power of authorities to hold people without charge, and parliamentary input on broader constitutional reform. Any one of those happen?

Ambassador TOBIAS. Well, we've been working very hard with the Egyptian Government in a variety of ways.

Senator LEAHY. I've talked to President Mubarek a number of times.

Ambassador TOBIAS. Oh. I'm sorry. I misunderstood what you said.

Senator LEAHY. Because I've talked to President Mubarek a number of times. Everybody, and they're most gracious people, friendliest, they'll always talk to you, but name anything that's happened. We pour a huge amount of money in there. Name anything that's happened. I mean, any reforms, whether of the judiciary, or press freedom, any reform of political parties, any reforms in arresting people without charge? I mean, there may have been, I just totally missed it.

Ambassador TOBIAS. Well, there's been some recent reforms in the financial services industry, for example, where they've gone from monopoly, a government-owned bank, to a more competitive banking industry, and our people there are working very hard with reform-minded people inside and outside the government.

Senator LEAHY. What has that done for people's rights?

Ambassador TOBIAS. I'm sorry?

Senator LEAHY. What has that done to improve anybody's rights?

Ambassador TOBIAS. Well, I think as the economy has grown and as civil society has grown, that has certainly put people on a journey in the right direction, but there's much, much more to do.

Senator LEAHY. You said puts them on a journey. If you're the person being thrown in an Egyptian jail because you dared speak out against the government, you're not on a journey in the right direction.

We haven't had the right to legal counsel strengthened, we haven't had the media law expanded for press freedom, we have not had revision of the modernization law governing the judiciary. I don't see where the emergency law has been replaced. I don't see that they have narrowed the power to hold people without charge. Tell me honestly. Do you feel there's forward progress in Egypt?

Ambassador TOBIAS. I think there is in some areas, but I think there's a great deal more to do, and I think it's important to ensure that the money we're spending and that the programs that we have in place are tied to clear expectations about what we believe ought to happen in that partnership, and lots of people are working very hard on those issues.

Senator LEAHY. I know they're working very hard. We have a huge embassy there, we've got all kinds of people running around, and it's wonderful—it adds to the traffic jams in Cairo, and I know they're dedicated people, but I don't see where we're getting a heck of a lot for our dollar there.

I understand there are political considerations in sending money there, but we don't have money for other things. Senator McConnell and I worked to expand programs to strengthen the rule of law in China. Your budget justification, the fiscal year 2006 level for these programs was \$1.1 million. In fiscal year 2006 we provided \$20 million in the human rights and democracy fund for China, Hong Kong, and Taiwan. Where did that money go? Certainly the

administrative cost wasn't \$19 million out of that \$20 million. How come there's only \$1.1 million in there?

Ambassador TOBIAS. I don't know the details of that program, but—

Senator LEAHY. I'm sure you're going to want to get me an answer.

Ambassador TOBIAS. Well, what my effort is really focused on is trying to go forward and ensure that you know and we know exactly what we're proposing the money be used for, and that we have a very transparent way of measuring that, and that we're doing the best job we can focusing it.

IRAN

Senator LEAHY. If the transparency is there, somebody let me know where the money went. I mean, when we went from \$20 million to \$1 million, just what's happened. You propose \$75 million for Iran to support human rights defenders, labor activists, women, student, religious, ethnic, minorities, rule of law and justice programs. Heck, I'd love to see money for all those things, but in Iraq if you accept money from the United State you become a target. Won't the same thing happen to Iran?

Ambassador TOBIAS. Well, I think there are probably a lot of brave people who are willing to engage and take that risk. Some of that money is in—

Senator LEAHY. Take money from the United States?

Ambassador TOBIAS. I'm sorry?

Senator LEAHY. Willing to take money from, as they call it, the Great Satan?

Ambassador TOBIAS. Well, some of the money in that program is intended to develop a new independent media in order to reach the people of Iran with messages, and news, and information that's—

Senator LEAHY. Inside Iran?

Ambassador TOBIAS. Probably not.

Senator LEAHY. I'm all for getting more media in there, and I understand—I've not been to Iran—but I understand from people I know and respect who've been to Iran that there's a great deal of interest in the United States. I have other questions for the record.

Some of these questions Senator Gregg and I and Senator Bond ask, we're not trying to play "gotcha," we're just very concerned where the money goes. I understand some of the political considerations; every administration's had political considerations. But it's one thing to speak of lofty goals; it's another to affect the people on the ground. I'd like to see more competition among those who seek these kind of grants.

Ambassador TOBIAS. One of the considerations that I have put into the country Operational Plan Process is that any country where the U.S. Government program is spending more than 15 percent of its resources with a single source, I want to see it put on the table and justified as to why we're doing that.

Now as you said, in some cases where people are shorthanded and operating expenses have been cut, it's easier to administer 1 big contract rather than 10 small contracts. We, the Congress and the administration together, need to address that, and be sure that

people have the tools to be able to operate with a lot more and newer participants and I'm trying pretty hard to do that.

Senator LEAHY. Especially among those 10 separate contracts, there may be three or four that are really going to hit the mark and would be a model for elsewhere.

Ambassador TOBIAS. Yes.

Senator LEAHY. Okay. Well, thank you. I will place the rest in the record. I thank you for being here. You have one of the most difficult jobs in Government and I don't envy you that at all. Thank you.

Ambassador TOBIAS. Thank you, Senator.

SUBCOMMITTEE RECESS

Senator LEAHY. Thank you all very much. The subcommittee will stand in recess to reconvene at 10:30 a.m. on Wednesday, April 18, in room SD-138. At that time we will hear testimony from Dr. Kent R. Hill, Assistant Administrator, United States Agency for International Development.

[Whereupon, at 11 a.m., Thursday, March 28, the subcommittee was recessed, to reconvene at 10:30 a.m., Wednesday, April 18.]

**STATE, FOREIGN OPERATIONS, AND RELATED
PROGRAMS APPROPRIATIONS FOR FISCAL
YEAR 2008**

WEDNESDAY, APRIL 18, 2007

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:30 a.m., in room SD-138, Dirksen Senate Office Building, Hon. Patrick J. Leahy (chairman) presiding.

Present: Senator Leahy.

UNITED STATES AGENCY FOR INTERNATIONAL
DEVELOPMENT

BUREAU FOR GLOBAL HEALTH

STATEMENT OF DR. KENT R. HILL, ASSISTANT ADMINISTRATOR

OPENING STATEMENT OF SENATOR PATRICK J. LEAHY

Senator LEAHY. I apologize for being late. It's not often we have this distinguished a panel. We had votes that were supposed to have been earlier today, partly to accommodate this hearing, and then as sometimes happens in the Senate, things slipped.

This hearing focuses on the aspects of our global health programs which address the core public health needs of the world's poorest people. I think of when children of people in my office, or my own grandchildren, get immunizations and it is a routine thing, and I think of so many children around the world where this does not happen, for them or their families.

The chart on my right shows funding for HIV and AIDS, which has—for obvious reasons, and with bipartisan support of this subcommittee—increased dramatically in recent years, but funding for maternal and child health, and family planning and reproductive health, has languished.

I don't want this to be an either/or thing, by any means. But, I am concerned, when you consider what a difference these programs make, and what we take for granted in our own country.

Over the past 30 years, expanded immunization programs, often costing only pennies a child, have saved millions of lives. Family planning and reproductive health programs have also made enormous differences in child survival and women's health. USAID has been in the forefront of these efforts.

But despite the great progress and countless lives saved, 11 million children—11 million children under age 5—die each year, mostly from easily preventable and treatable causes, like diarrhea, pneumonia, or measles. Eleven million children each year—that’s about 20 times the total population of my State of Vermont. Twenty times. That’s each year.

The administration’s fiscal year 2008 budget request for these programs is \$373 million, but that’s compared to \$420 million in fiscal year 2007. An estimated 200 million women still lack access to family planning. Half a million yearly maternal deaths would be prevented with basic reproductive health services. The administration’s budget request for these programs is \$325 million, compared to \$436 million in fiscal year 2007.

What I worry about is we’re short-changing the programs that have a proven and long history of success. We’re also witnessing an alarming exodus of health professionals from developing countries, to higher-paying jobs in industrialized countries. The short- and long-term consequences of this brain drain, coupled with the deaths of countless health workers from AIDS, are staggering.

I think of a country as great and powerful as the United States, and a country that has great economic means, that spends far less on maternal and child health, and on family planning and reproductive health for the world’s 2 billion poorest people than we spend for the same purposes in the State of Vermont, with 625,000 people. We are far from being a wealthy State. I think most Vermonters would find that unacceptable, and I hope most Americans would find it unacceptable.

Dr. Hill, who is the Assistant USAID Administrator for Global Health, will describe the administration’s request.

Dr. Helene Gayle is currently the President of CARE, one of the country’s leading organizations fighting global poverty. She previously headed USAID’s HIV/AIDS programs, and at the Gates Foundation she was the Director of HIV, TB, and reproductive health. Dr. Gayle and I have had discussions before, and my wife has, too, with her, and we consider that a privilege.

Laurie Garrett is Senior Fellow for Global Health at the Council on Foreign Relations. Her Pulitzer Prize-winning book “The Coming Plague”, and her recent book “Betrayal of Trust, the Collapse of Global Public Health”, should be read by every Senator, and every House Member, for that matter.

Dr. Nils Daulaire is an old friend from my own State of Vermont, he’s President of the Global Health Council, and after serving as USAID’s Senior Health Advisor, he has been a friend and advisor to me and to others.

So why don’t we start with Dr. Hill, and place your full statement in the record. I wonder if you might sum up in 5 or 6 minutes. Then we will go to Dr. Gayle, and Ms. Garrett, then Dr. Daulaire.

SUMMARY STATEMENT OF DR. KENT HILL

Dr. HILL. Thank you, Chairman Leahy. I want to thank you, first of all, for holding this hearing, for your personal passion on these issues, which has been evident for so many years, and for the op-

portunity to testify with my esteemed colleagues and friends about these important issues.

As you're well aware, over many years USAID has contributed to impressive reductions in child and maternal mortality, and in helping women and couples achieve the size of family they desire. In the process, we have strengthened health systems, built the capacity of developing countries to reduce maternal and child deaths, and provided basic health services.

Maternal and child health, and family planning are often seen as separate and distinct, vertical and disconnected. But USAID is working very hard to integrate our programming, an approach that promotes efficiency and sustainability.

I will talk about maternal and child health, and family health planning separately, but I do so only for ease of presentation—as they are, in fact, implemented in an integrated fashion in our country programs.

Mothers and their young children bear a disproportionate share of the burden of diseases and preventable mortality in developing countries each year. More than 500,000 women die of complications of pregnancy and childbirth.

Women in sub-Saharan Africa have more than a 150-times greater risk of dying in childbirth over a lifetime than women in the United States. Our programs focus on interventions targeting the high mortality complications of pregnancy and birth that account for two-thirds of maternal mortality; this would be hemorrhage, hypertension, infections, anemia, and prolonged labor.

In USAID-assisted countries, skilled birth attendance has increased from an average of 37 percent in 1990 to 50 percent in 2005. Ten USAID-assisted countries have reduced maternal mortality by 33 percent on average over a decade, demonstrating that substantial progress is achievable.

In this chart, which I won't detail for you, you can see all the lines going down; these are all countries that, over 10 years, have seen a substantial decline in maternal mortality.

But, every year, 3.7 million newborns fail to survive even the first month of life. Newborn mortality has not been reduced as much as mortality among older infants and children, making it the unfinished agenda of child survival.

Let me now turn to child survival. Twenty years ago when USAID and UNICEF launched the Child Survival Revolution with the support of Congress, an estimated 15 million children in the developing world died every year. Without action, the number of deaths today would be more than 17 million each year.

Instead, as a result of global child survival efforts, by 2005, the number of child deaths was reduced to about 10.5 million—still far too many, but representing more than 6 million children's lives now being saved every year.

Over the past 20 years, the United States has committed more than \$6 billion to this effort, which has yielded public health successes at an unprecedented global scale. For example, almost 1 billion episodes of child diarrhea are treated with oral rehydration therapy each year, reducing deaths from diarrhea by more than half since 1990. More than 100 million children receive basic immunizations every year. More than 75 million cases of child pneu-

monia receive treatment. Child malnutrition has been reduced by 25 percent, from 1 in 3 to 1 in 4. An estimated 5 million children have been saved from death from paralysis through the polio eradication initiative. Finally, 500,000 children were saved last year by micro-nutrition supplementation.

These accomplishments are not attributable to USAID alone. Yet, as the graph to my left shows, in almost 30 countries with sustained USAID investment in child survival, we have seen significant reductions in mortality of children under the age of 5. The takeaway here is that the lines that are higher, in blue, are 1990, and the red shows what it's been reduced to. Wherever we've had a chance to work on these issues, we have been able to make a tremendous difference.

These are great accomplishments. But even greater challenges remain, such as saving the lives of the more than 10 million children who still die each year. I appreciate the chairman mentioning that fact—we must focus on the work left to be done.

As the next graph shows, over two-thirds of the remaining child deaths—6.5 million—are preventable. Now, I want to make a point here. You saw the 15 million that were dying in the Eighties; you can see how many would be dying today if we did not act and that is 17 million. You see the number, the 10.5 million that are still dying. Despite saving the lives of 6.5 million, the point I want to make is the next one. Of that 10.5 million, two-thirds of those deaths can be averted through proven interventions. Only 4 million of that 17 million represent things that would be very tough for us to get at.

Now, to be sure, a lot of that remaining work is in remote areas and would cost a bit more, but it is what we ought to aim at. By replicating our best practices, I hope some of this came through. Anyway, by replicating our best practices and new approaches and interventions, we believe that it is possible to achieve reductions of 25 percent in under 5 years and maternal mortality in most of these countries by 2011.

Now, let me turn to family planning for a minute. USAID and Congress's joint support for family planning has resulted in many successes since 1965. The use of modern family planning methods in the developing world has increased by a factor of four, from less than 10 percent to over 40 percent in the 28 countries with the largest USAID-sponsored programs. The average number of children, per family, has dropped from more than six to less than four. Enabling women and couples to determine the number and the timing of their births has been crucial in preventing child and maternal deaths, improving women's health, reducing abortion, preserving often scarce resources, and ensuring a better life for individuals and their communities.

To be sure, the United States is the largest bilateral donor and the acknowledged world leader in advancing and supporting voluntary family planning services.

Because of our success, we are now able to address those countries with the greatest need for family planning and have strategically shifted our resources to do so. Many countries in Africa, for example, are characterized by low rates of contraceptive use, high fertility, and high unmet need for voluntary family planning.

Between 1994 and 2000, there were nearly 39 million unintended pregnancies in Africa, and 24 percent of the women there expressed an unmet need for family planning. Nearly half of the world's maternal mortality occurs in Africa. As you can see in this particular chart, the unmet need is highest in sub-Saharan Africa, but it is very great in areas of Asia, the Middle East, Latin America and Central Asia. To be sure, we try to graduate countries, and we have done so successfully.

One final issue, perhaps, deserves our attention and that has to do with the "brain drain." One challenge that faces us is the movement of trained healthcare providers away from the developing countries into more developed countries, commonly referred to as a "brain drain."

USAID is trying to deal with this, and deal with health worker retention, in almost every country in which we work by strengthening in-service training, by reinforcing supervision systems so that they provide positive support to these workers, and by instituting quality improvement methods. This won't completely solve the problem, but this is what we have to work very hard on. There has been an increase in retention in places like Ghana, Namibia, and Uganda.

PREPARED STATEMENT

USAID-supported maternal-child health programs and family planning programs have a proven success record. Our support has reduced under-5 mortality in almost 30 countries and maternal mortality in 10 countries. USAID-supported family planning programs have been successful in increasing access to and use of modern contraceptives in all regions of the world. We now have program approaches and interventions that will allow us to build on these successes. We have the experience to do it, and with the continued support of Congress, we will be able to contribute to further gains in maternal and child health, and family planning throughout the developing world.

Thank you very much.
[The statement follows:]

PREPARED STATEMENT OF DR. KENT R. HILL

INTRODUCTION

Chairman Leahy, Senator Gregg, and other distinguished members of the Committee, I would like to thank you for convening this important hearing and for inviting me to testify. U.S. development assistance has brought dramatic improvements in health, income advancement, and education to much of the developing world in the last 50 years. Average life expectancy in low and middle-income countries increased significantly during this same period. Good public health underpins these advances. Indeed, research findings and country experience have demonstrated an inextricable link between investments in improving individual and collective health status and a nation's economic development and performance. Many of these advances are due, in large part, to your continued support for maternal and child health and reproductive health programs.

USAID has a proven track record that has contributed to impressive reductions in child and maternal mortality and in helping women and couples achieve the size of families they desire in all regions of the world. Our support has helped to reduce under-five mortality in almost 30 countries and maternal mortality in ten countries. USAID-supported voluntary family planning programs have been successful in increasing access to and use of modern contraceptives in all regions of the world. In the process, we have strengthened health systems and built the capacity of devel-

oping country institutions to reduce preventable maternal and child deaths and provide basic health services. Your on-going commitment and support for maternal and child health has been and is critically important. As I often remind my staff, it is a great privilege to have work to do which matters, which saves lives of children and mothers, and it is you in the Congress whose compassion and support makes this work possible. And I want to express my great appreciation to you for this.

In talking to you about our work in improving maternal and child health (MCH) and family planning and reproductive health (FP/RH), I would like to focus on five key points:

- Our programs have a proven record of success.
- Despite real progress, our work is not done.
- We have pioneered program approaches and continually develop new interventions that have made and will make a difference in our progress.
- There are crucial opportunities to accelerate progress.
- We can take advantage of these opportunities by capitalizing on existing resources and by focusing on key countries.

Maternal and Child Health and Family Planning are often seen as separate and distinct—vertical and disconnected. But USAID is working to integrate our programming to the fullest extent possible, an approach which increases the affordability and sustainability of our global efforts to tackle these important public health challenges. For example, we are making substantial progress integrating our programs for women and children and building consolidated platforms such as antenatal care and community-based distribution approaches for family planning, child vaccinations, and other important health interventions. Most of our missions already support integrated MCH/FP programs and help to build broad-based health systems. These programs strengthen drug management, supervision, community outreach, and other critical systems needed to deliver basic public health services.

In all our health programs, including MCH and family planning and reproductive health, we work to build human and organizational capacity, including taking steps to address the so-called “brain drain.” Our programs help strengthen human resources to implement quality health care services through workforce planning, allocation, and utilization; strengthened systems for sustained health worker performance on the job; and training of health professionals. While, as a development agency, we cannot affect recruitment policies of the developed world, we are working on ways to keep health workers in their countries by working with governments on developing appropriate incentives, providing clear and equitable career paths, and offering continuing education and professional development. Other projects also work to strengthen management systems and increase leadership capacity.

By strengthening and building upon common service delivery platforms, we help to support the specific goals of new high-intensity initiatives like the President’s Emergency Plan for AIDS Relief (PEPFAR) and the President’s Malaria Initiative (PMI), and therefore advance countries’ ability to deliver the full range of health services.

I will talk about MCH and FP in separate sections, but I do so only for ease of presentation, as they are implemented more and more in a fully integrated fashion in country programs.

Using cost-effective tools and approaches, USAID and its international development partners have an unprecedented opportunity to accelerate progress in MCH and family planning, leading to further reductions in maternal and child mortality and unintended fertility.

MATERNAL, NEWBORN, AND CHILD SURVIVAL AND HEALTH

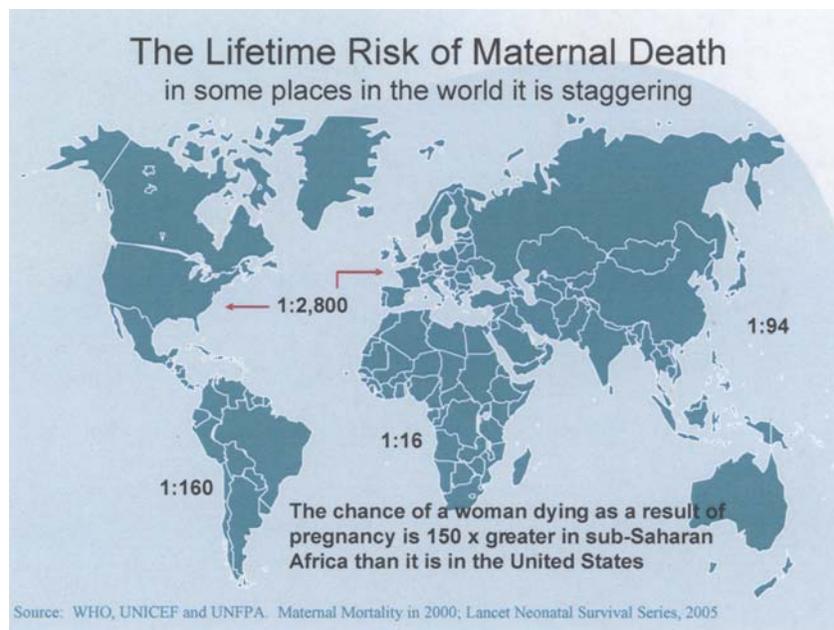
To achieve impact in maternal, newborn, and child health, USAID has consistently applied an approach that focuses on:

- working with countries having high burdens of maternal and child mortality and malnutrition;
- developing and delivering high impact maternal and child health interventions such as increasing skilled attendance at birth, control of post-partum hemorrhage, oral rehydration therapy (ORT), immunization, and vitamin A;
- bringing these interventions as close as possible to the families who need them;
- supporting results-oriented research to develop new interventions and strengthen programs;
- monitoring progress; and,
- strengthening the capacity of countries and communities to save the lives of their own women and children.

MATERNAL AND NEWBORN HEALTH

The burden of maternal and newborn mortality and disability

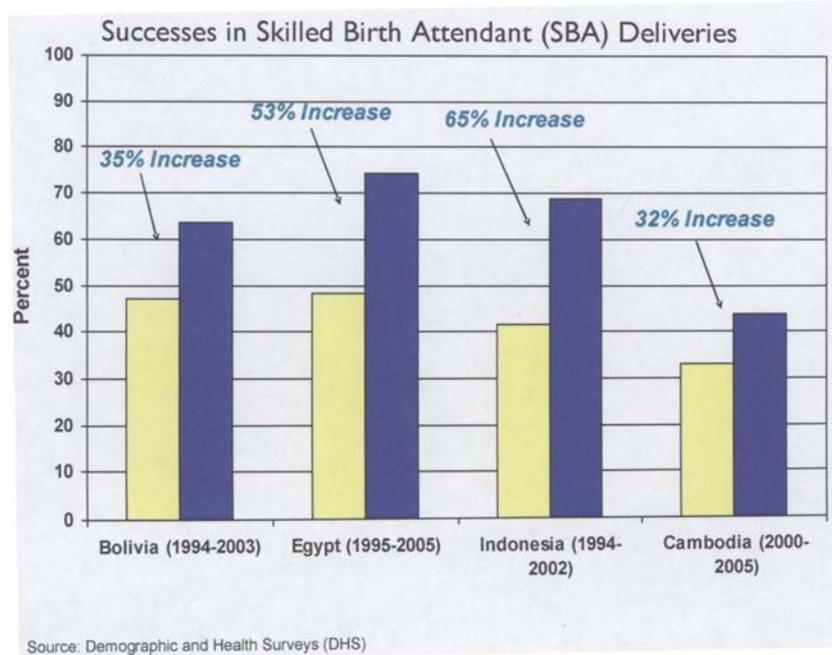
Each year more than 500,000 women die of complications of pregnancy and childbirth. Indeed, this is the second most common cause of death of women of reproductive age. While the number of deaths is disturbing enough, it is estimated that an additional 15–20 million women suffer debilitating consequences of pregnancy. Pregnancy-related mortality shows the greatest inequity of all health indicators between the developed and the developing worlds. For example, the one-in-16 chance over a lifetime that a woman in sub-Saharan Africa has of dying as a result of pregnancy is more than 150 times greater than the one-in-2,500 risk of a woman in the United States. In many Asian and Latin American countries, improved national averages often obscure the substantial risk of pregnancy that still remains for women living in poverty.



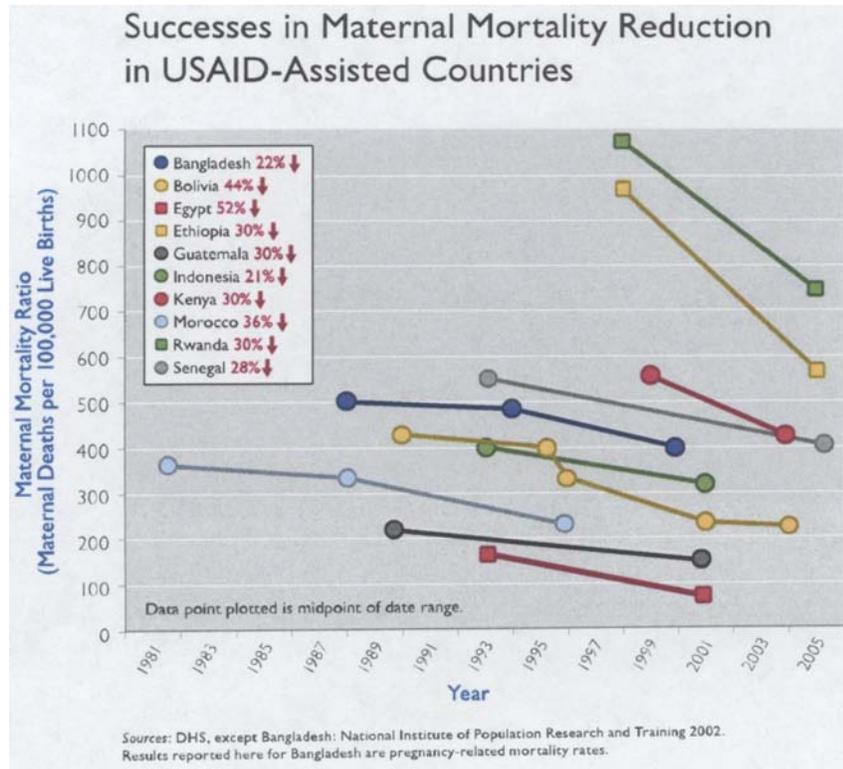
In addition, 3.7 million newborns die annually, failing to complete even the first month of life. As noted, newborn survival is inextricably linked to the health and nutritional status of the mother before and during pregnancy, as well as her care during labor and delivery. For this reason, USAID's programs always link mother and infant. As we make progress in reducing under-five mortality in general, the deaths of newborns in the first 28 days of life comprise a greater proportion of under-five and infant deaths. Globally, newborn mortality represents over one-third of all mortality among children under age five; however, in countries which have made greatest progress in child survival, newborn mortality can be more than half of the remaining deaths of infants and children. Thus, further progress in child survival must emphasize reduction of newborn deaths as a critically important element.

We have shown that substantial progress can be made in reducing maternal and newborn deaths

Despite the challenges faced in reducing maternal mortality, USAID has helped demonstrate that real progress can be made. Because maternal mortality is normally measured every 5–10 years, the globally-accepted proxy for maternal mortality is coverage at birth by skilled attendants. Across all USAID-assisted countries, skilled attendance has increased from an average of 37 percent in 1990 to 50 percent in 2005; the greatest progress has been in the Asia and Near East region, where coverage has more than doubled, increasing from 21 to 47 percent.



Most important, although global progress in reducing maternal deaths has generally been slow, ten USAID-assisted countries have achieved average reductions of maternal mortality of 33 percent over a decade.



Family planning also makes a substantial contribution to saving the lives of women by reducing the number of unintended pregnancies (each of which exposes a woman to risk) and by reducing abortions.

For newborn mortality reduction, USAID funded-research has documented a 33 percent decline in newborn mortality in Sylhet, Bangladesh with a package of home-based essential newborn care, and a 50 percent decline in Shivgarh, India with a similar program. Such programs have the potential to produce widespread impact on newborn survival in settings where most births take place at home, and they are now being scaled-up. In large controlled trials, community-based programs for detection and antibiotic treatment of life-threatening neonatal infections have also demonstrated the potential to reduce newborn mortality by almost half. We and other partners are replicating these trials and—if they are successful—will work with countries to apply the results in MCH programs. Neonatal interventions are relatively new in such programs, so we do not yet have examples of national-level mortality reduction. However, very recent analyses suggest that, as these interventions are scaled-up, we are beginning to see overall declines in newborn mortality at the global level.

This success can be scaled-up through expanding the use of proven, low-cost interventions

Our work demonstrates that many of the major causes of maternal death are substantially preventable and treatable with low-cost interventions. USAID has sharpened its focus on a set of highly-effective interventions targeting specific high-mortality complications of pregnancy and birth—hemorrhage, hypertension, infections, anemia, and prolonged labor. Together, these complications account for two-thirds of maternal mortality. Hemorrhage alone accounts for almost one-third, and USAID has been in the forefront of promoting “active management of the third stage of labor,” a highly-effective technique for preventing postpartum hemorrhage.

USAID has recognized that attention to the newborn is essential to success in our child survival programs. Increasing evidence and program experience indicate that

we can significantly reduce newborn mortality by combining focused antenatal care, a package of essential newborn care that enhances the survival of all infants, detection and treatment of serious neonatal infections, and community and facility-based approaches to special care for low birth weight babies. These approaches especially target newborn infection and birth asphyxia, which together account for more than 60 percent of newborn deaths. USAID is presently supporting introduction or expansion of newborn care programs based on these elements in 20 countries.

Accelerating progress

While we have been able to demonstrate important progress in maternal survival in a number of countries, we recognize that sub-Saharan Africa has generally made little progress and represents a special challenge. In response to this stagnation of progress in sub-Saharan Africa, USAID has initiated a new "Safe Birth Africa" initiative to increase skilled attendance at birth, beginning in Rwanda and Senegal. This initiative includes a focus on decreasing financial barriers for families so that they will be more likely to bring expectant mothers for skilled care at birth. It also involves expanding the mandate of frontline providers so that they can perform life-saving measures, along with quality improvement approaches to ensure that good clinical practice standards are systematically applied. USAID plans to expand this work to other high burden countries in order to increase skilled attendance at birth and coverage with life-saving care.

In all countries where maternal mortality is high, as well as in countries where there is wide disparity in birth outcomes between rich and poor, USAID is intensifying its work to spotlight specific life-saving interventions. To expand the use of "active management of the third stage of labor" to prevent postpartum hemorrhage, USAID launched the Prevention of Postpartum Hemorrhage Initiative in 2002. As of 2006, this approach had been introduced into MCH programs in 15 countries. In support of this intervention, we are working to get oxytocin, the drug that contracts the uterus to reduce bleeding after birth, into single-use UNIJECT injection devices, so that it can be provided by skilled birth attendants to women in peripheral health centers and homes. Because oxytocin is sensitive to heat, we are also exploring a time/temperature index to be put on the oxytocin vial, similar to the Vaccine Vial Monitor, to ensure that medication given to women is potent and that health workers do not unnecessarily discard oxytocin that has not been refrigerated.

In addition to further expansion of essential newborn care at birth, USAID is applying research results on treatment of sick newborns with antibiotics in the community. One step is testing the delivery of antibiotics in UNIJECT devices, so that treatment can be administered easily and safely by frontline-care providers. These newborn activities represent the combination of technical leadership and program application that USAID brings to MCH programs, working in partnership with other donors and recipient countries.

Reversing maternal disability

While our efforts continue to emphasize safe births and prevention of maternal mortality and disability, we are also providing compassionate care for women who suffer the devastating problem of obstetric fistula, a consequence of prolonged labor that can cause a woman to leak urine or feces, often resulting in divorce and social isolation. In 2004, USAID began a program to provide surgical treatment for such women. By the end of 2006, USAID was supporting eighteen fistula repair centers in eight countries of south Asia and sub-Saharan Africa. This support included physical upgrading of centers, training of surgeons, nurses and counselors, and mobilizing more than 5,000 community agents to change norms to delay pregnancy, reduce stigma of affected women, and promote use of family planning and maternity services. Over 2,000 surgeries have been completed.

CHILD SURVIVAL

Let me now turn to the child survival component of our MCH program. This is one of the cornerstone components of USAID's health programming. Arguably, the quantifiable, at-scale results generated by the child survival and family planning programs helped build the confidence that paved the way for later investment in other global health programs, from TB and malaria to HIV/AIDS and Avian Influenza.

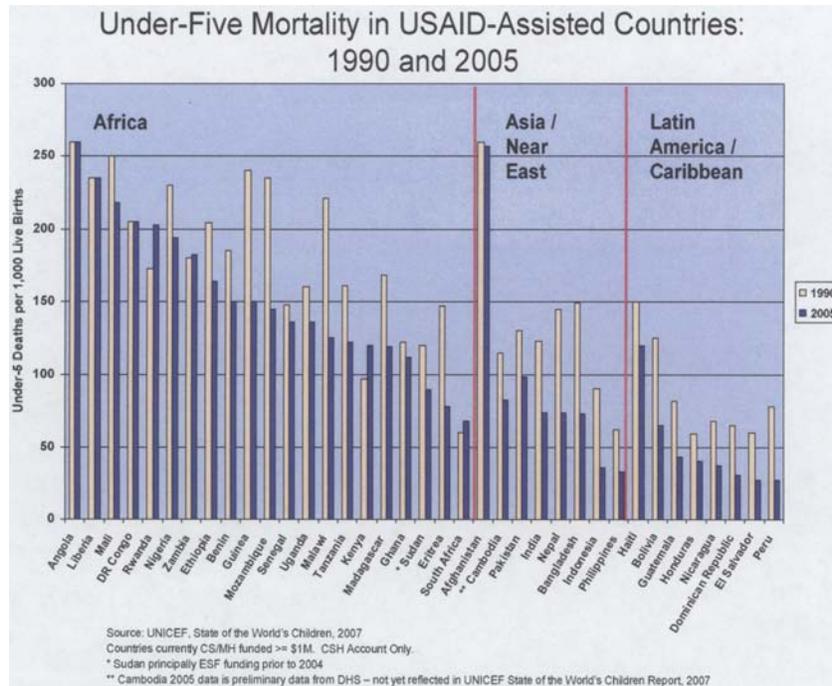
The child survival program has a proven record of success, achieved by delivering high-impact interventions. Twenty years ago, when USAID and UNICEF launched the "child survival revolution" with the support of Congress, an estimated 15 million children under age five in the developing world died from common, preventable diseases each year. Across the developing world, more than one in 10 children did not survive to see their fifth birthday; in some countries, it was one in five. If the same

rates of infant and child mortality existed today, the number of deaths would be more than 17 million each year. In contrast, for 2005 WHO and UNICEF estimate the number of children under five who died to have been reduced by more than one-third, to 10.5 million—this is still far too many preventable deaths, but it means that more than 6 million children's lives are now being saved every year through global child survival efforts.

Over the past 20 years, the United States has committed more than \$6 billion in support of USAID's global child survival efforts. In collaboration with international, national, and private sector partners, this effort has yielded public health successes on an unprecedented global scale:

- Almost a billion episodes of child diarrhea are treated with lifesaving ORT each year, reducing child deaths from diarrheal disease by more than 50 percent since 1990.
- More than 100 million children receive a set of basic immunizations each year, and tens of millions more receive supplemental immunizations against polio, measles, and other killer diseases.
- More than 75 million cases of infant and child pneumonia are taken for treatment by trained health workers.
- Malnutrition among children under age five has been reduced from one in three to one in four, a 25 percent reduction.
- The Polio Eradication initiative has saved an estimated five million children from death or paralysis.
- Half a million children are estimated to have been saved last year alone by micronutrient supplementation programs.

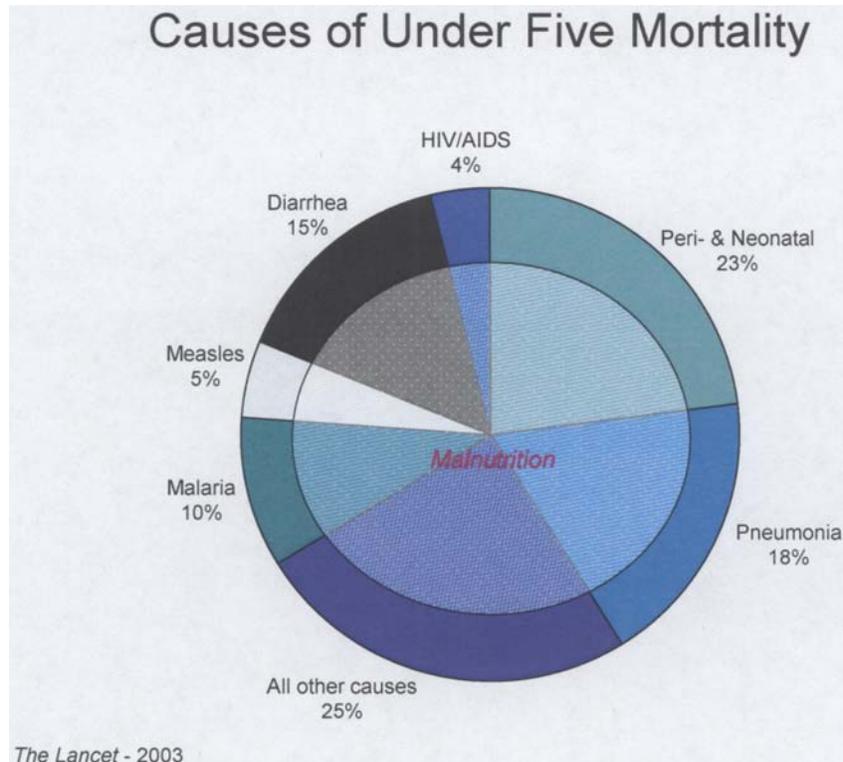
These accomplishments are not attributable to USAID alone. In virtually all countries where it carries out child survival and maternal health efforts, USAID invests its resources in ways that best interact with and leverage the contributions of other donors and of the country itself. Yet, as the attached graphic demonstrates, in almost all the countries where USAID made an average annual investment of at least \$1 million of child survival and maternal health funds each year during 2003–2005, we have seen significant reductions in mortality of children under age five.



Despite real progress, there is still a substantial job left to do

Sustaining this progress is itself a challenge, especially in the poorest countries with the weakest governments and health systems. A greater challenge is saving

the lives of the remaining 10.5 million children who still die each year. As shown in the graph from the 2003 authoritative review of Child Survival in the medical journal *The Lancet*, the causes of most of these child deaths continue to be malnutrition, the common infections of newborns and young children—diarrhea, pneumonia, infections of newborns, and, especially in Africa, malaria—and other life-threatening newborn conditions.¹



The *Lancet* analysis indicates that over two-thirds of these child deaths are preventable with interventions that are available or in the pipeline, including Oral Rehydration Therapy for dehydrating diarrheal illness; basic treatment of serious infections including pneumonia, malaria, and newborn sepsis; improved nutrition through breastfeeding, better child feeding practices, and management of acute malnutrition; and delivery of micronutrients, especially vitamin A and zinc, which improve children's ability to resist infections or help them fight them off when they occur.

Countries and the global community—with USAID playing an important leadership and program role—have been able to make substantial progress in delivering these high impact interventions. In addition to our substantial contributions to increased global coverage of interventions including immunization and oral rehydration therapy, there are several areas where USAID's contribution has been especially important. One of these is vitamin A. USAID supported a large part of the research demonstrating that vitamin A deficiency was widespread among young children in developing countries, and that preventing or repairing this deficiency could reduce overall mortality among children under age five by about one-fourth. Since then, integrating vitamin A supplementation into maternal, newborn, and child health programs has been one element of our work in most countries, working with UNICEF and the Canadian International Development Agency. One result is that by 2004 (the latest year with complete estimates) almost 70 percent of children

¹“All other causes” includes principally congenital anomalies, malignancies, all other infectious diseases, and injuries & accidents.

in the developing world had received at least one semi-annual dose of vitamin A supplementation, and almost 60 percent had received both doses needed each year for full protection. This achievement, combined with the increasing coverage of micronutrient fortification programs, of which we are also major supporters, means that tens of millions of children are receiving this important nutritional intervention.

Another area worth special comment is breastfeeding, because malnutrition underlies over half of all under-five child deaths. Breastfeeding is one of the highest impact child survival interventions, but improving feeding practices and children's nutrition is one of the most challenging areas of child survival. The global rate of improvement in exclusive breastfeeding of children for the first six months of life is less than one percent annually. However, USAID demonstrated that this challenge can be effectively addressed through a multi-pronged approach that incorporates community workers, media, health services, and policy changes. Using this approach, seven USAID-assisted countries have made at-scale improvements in exclusive breastfeeding of as much as 10 percentage points a year, well above the global trend. We are now working with partners to apply this experience in additional countries.

A major challenge is that many of the remaining child deaths are occurring in places where existing services often do not reach: in the poorest countries and countries emerging from conflict (like Sudan, Afghanistan, and the Democratic Republic of Congo), in the huge rural areas of countries like India and Pakistan, and increasingly in the slums of the developing world's rapidly growing urban population.

We have new program approaches and new interventions that will make additional impact

Our response to these challenges is not just to do more of the same. Bringing high impact interventions to additional children who need them requires new approaches. One of these is our increasing emphasis on community-based programs, learning from our extensive partnerships with U.S. Private Voluntary Organizations and our experience working with countries that have pioneered these approaches as part of their national program strategies.

One example is community treatment of pneumonia. At the end of the 1990s, our analyses showed that progress in delivering simple oral antibiotic treatment to children with pneumonia—a treatment that research had shown reduces mortality by at least one-third—had leveled off, with only about 50 per cent of children needing treatment actually getting it. The reason was that in most countries, this treatment was restricted to formal health facilities. With the support of USAID and others, a few innovative programs in Nepal, Honduras, and Pakistan had, however, implemented treatment through trained community health workers. In Nepal, this approach more than doubled the number of children receiving treatment for pneumonia, and did so with excellent quality of care. We documented and presented this program experience to international partners including WHO and UNICEF, with the result that this is now the recommended approach to pneumonia treatment for countries where formal health services fail to reach many children. USAID itself has helped introduce this approach in Africa, beginning in Senegal; six additional countries are now implementing this community-based approach, and several others are introducing it.

Similarly, we helped pioneer “Child Health Weeks,” which are outreach approaches that bring vitamin A, immunization, insecticide-treated nets, and other health interventions to underserved areas. The aim is to get basic interventions to all children possible now, while building countries’ systems and capacities to do so through more systematic approaches in the future.

Our program has also played a key role in developing, testing, and introducing new interventions and technologies that will save additional lives.

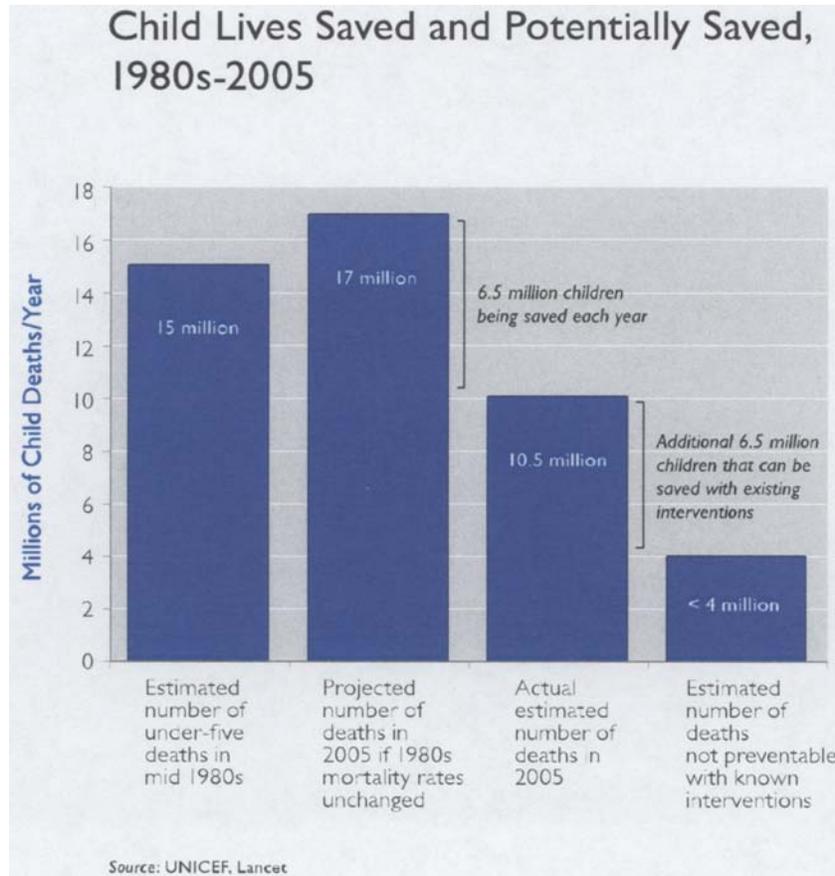
One of these is zinc treatment for child diarrheal illness. Research—much of it supported by USAID—has clearly shown that zinc treatment reduces the severity and duration of these illnesses; as a result, zinc is now recommended by WHO and UNICEF as part of the treatment of diarrheal illness, along with oral rehydration. To implement this recommendation, we are supporting introduction of zinc treatment in countries including India, Indonesia, and Tanzania. We are also collaborating with UNICEF and potential zinc supplement producers to assure the availability of safe, standardized, high quality products to supply these new programs.

Another example is “point-of-use” (POU) water disinfection technologies. These simple and cheap methods were first developed and used through collaboration of USAID and the Centers for Disease Control and Prevention (CDC) during cholera outbreaks in Latin America in the 1990s. Subsequent research showed that “POU” water treatment can reduce diarrheal and other water-transmitted illnesses by one-

fourth or more. Since then, we have collaboratively developed programs for their production and distribution in twelve countries. In some countries, like Indonesia, this is a purely private sector partnership, with the United States providing just the technical know-how. In poorer countries like Madagascar and Zambia, we are using social marketing approaches that involve some degree of subsidy to make sure they are available to low-income households (often most impacted by bad quality water). In emergencies—including the 2004 tsunami—these “POU” technologies have played an important part in reducing disease transmission, especially among children. Because over a billion people in the developing world still live without access to safe water, these simple technologies can play an important role in reducing the disease burden on young children.

One other important new intervention is “community therapeutic care” (CTC), an innovative approach to therapeutic feeding and medical treatment of children with acute severe malnutrition in field environments with few human and medical resources. Many families impacted by emergencies cannot reach therapeutic centers, or cannot spare the family members needed to accompany a child in such a center for the days or weeks required to reverse malnutrition. In response, USAID has worked with non-government agencies and international relief organizations to develop this approach for children with severe acute malnutrition. A central innovation of CTC is the use of ready-to-use therapeutic foods such as Plumpy’nut, an energy-dense peanut paste. Plumpy’nut can be safely given by parents in the home, eliminating the need for a prolonged stay in feeding centers. CTC has already been introduced in several African countries as well as in Bangladesh. USAID is now working with WHO and UNICEF to endorse CTC as the standard of care in all countries for managing acute malnutrition.

My testimony on child survival may best be summarized by the following graph.



As I noted early in my statement, global efforts to improve Child Survival now result in the saving of over 6 million children's lives each year. This is a tremendous accomplishment, and one that needs to be sustained. At the same time, authoritative analyses tell us that we can save at least an equal number of those children who still are dying unnecessarily, using the tools and program experience that are already available to us. It is our intention to do our utmost with the resources provided to us to accomplish this important goal.

There is now an important opportunity to accelerate progress in maternal, newborn, and child survival

During the past few years, we have seen new commitments that we believe can lead to a "second wave" of global effort to improve maternal and child survival. There are new resources appearing from private sector partners like the Bill and Melinda Gates Foundation, from bilateral donors like the U.K. and Norway, and from multilateral partners including UNICEF. One of the largest increases is through funding from the International Funding Facility of the U.K. and Europe for immunization, through the Global Alliance for Vaccines and Immunization (GAVI). The European Union is providing substantial amounts of new funding to several countries to support maternal mortality reduction.

The Millennium Development Goals (MDGs) are stimulating increased international attention to the need for accelerated progress to reach the child and maternal survival goals; this attention is producing new international cooperation, like the inter-agency "Countdown 2015" collaboration to monitor and report on progress toward these goals and the inter-agency "Partnership for Maternal, Newborn, and Child Health." The African Union has recently developed and approved a new

“Framework for Accelerated Progress in Child Survival” as well as a new reproductive health regional strategy; work on a similar regional framework for maternal, newborn, and child health is beginning in Asia.

Partly in response to the MDGs, and partly in response to their understanding of the need to accelerate social development, some countries themselves are substantially increasing their own investments in maternal and child health. One impressive example is India, whose Prime Ministerial “National Rural Health Mission” and new second stage Reproductive and Child Health Project represent the commitment of over \$2 billion a year to improved health status among the underserved. There is also increasing public visibility, including ongoing attention by The Lancet to child survival, maternal and newborn health, and global public health in general.

Against this background, we have a strategy to use our existing resources to substantially reduce maternal, newborn, and child mortality and malnutrition in a focused set of high burden countries

To take advantage of this opportunity, we plan to focus resources on a set of countries which have the highest need, in terms of both the magnitude and the severity of under-five and maternal mortality; that is, countries that have the largest number of preventable deaths as well as the highest rates of mortality. We will focus on countries that have strong commitment to improving MCH and the capacity to program resources effectively, and wherever possible, offer the potential for interaction with other USG investments, including the President’s Malaria Initiative and GAVI funding. We believe it is possible to achieve reductions of 25 percent in under-five and maternal mortality in most of these countries by 2011; and in many of them, we also believe it possible to achieve reductions of 15 percent in the number of children who are below weight-for-age.

We will do this by applying our successful lessons from the past and the new approaches and interventions we now have. We will work with countries and partners to identify the most important maternal, newborn, and child health and nutrition problems, and the most important interventions that can be implemented at scale to address those problems. We will support those interventions through appropriate integrated delivery approaches, involving the public health system, private sector providers, NGOs, and community-based approaches. We will identify the best fit of our resources alongside those of other initiatives, partners, and the countries themselves. We will join with countries and partners to monitor progress in terms of improved coverage, and ultimately improved survival, health, and nutrition status. And we will identify and invest in developing the capacity of communities, health systems, and human resources to achieve and sustain progress.

Our belief that such rapid progress is possible is not hypothetical. It is based on the real recent performance of a number of USAID-assisted countries, shown in the following table.

RAPID REDUCTION IN UNDER-5 MORTALITY BY USAID-ASSISTED COUNTRIES

Country	Under-5 mortality (deaths/1,000 births)	Year	To	Under-5 mortality (deaths/1,000 births)	Year	Percent reduction
Bangladesh	116	1996	→	88	2004	24
Cambodia	124	2000	→	83	2005	33
Ethiopia	166	2000	→	123	2005	26
Malawi	189	2000	→	133	2004	30
Madagascar	164	1997	→	94	2003	41
Nepal	139	1996	→	91	2001	23
Tanzania	147	1999	→	112	2004	24

Most of these recipient countries are still very poor. Yet they have demonstrated that through commitment to effective programs and to bringing needed services to children and families, rapid progress can indeed be achieved. These achievements, along with those I have already presented in maternal mortality reduction, give us confidence that our continuing work with countries and partners can produce equally important results during the next 5 years.

Finally, the question comes up of determining when a country is ready to go on its own in MCH, without continued USAID support—the “graduation” question. We plan to approach this process in a phased approach. By looking at past experiences and current conditions; progress on key indicators including under five and maternal mortality; and such factors as equity of health status, we will develop and apply graduation criteria and analyze each country receiving MCH assistance against

these criteria. Based on this analysis, we will identify countries that have strong chances of successfully graduating in the near term. We will then work with the country to focus our program investments and to address institutionalization of health systems, including human resources, financing, drug management, quality improvement, and information systems and evaluation, that will promote sustainable capacity. This process will produce a 3- to 5-year phase down plan developed with the country. In this way, we plan to have a responsible process for dealing with countries that make good progress, while at the same time keeping our eye on the unmet need of countries with continued high burdens.

FAMILY PLANNING AND REPRODUCTIVE HEALTH

The United States is firmly committed to promoting the reproductive health and well-being of women and families around the world. Over the years, USAID has become the acknowledged leader in implementing the U.S.'s global voluntary family planning assistance program. Our portfolio of interventions strongly emphasizes method choice and includes a mix of contraceptives that are country appropriate and can include long-acting methods, injectibles, and fertility awareness options, sometimes known as natural family planning. We are fully committed to informed choice and to ensuring that family planning users know the risks and benefits of the method they choose. USAID supports these contraceptive options with a range of activities to advance service delivery, the quality of the medical care and counseling, and the effectiveness and sustainability of family planning programs. Our work includes helping to create an enabling environment for family planning programs, support for research on improved contraceptive methods, training of health care providers, and helping nations create a commodities logistics system.

Since our program began in 1965, the use of modern family planning methods in the developing world, excluding China, has increased by a factor of four, from less than 10 percent to 42 percent. In the 28 countries with the largest USAID-supported programs, the average number of children per family has dropped from more than 6 to 3.4. Moreover, abortion rates have declined in Eastern Europe and Eurasia. Using Romania as an example, abortion was the primary method of family planning through the early 1990s, with women having as many as four abortions in their lifetime. When modern contraceptive use more than doubled between 1993 and 1999, the abortion rate decreased by 35 percent and abortion-related maternal mortality dropped by more than 80 percent.

USAID's program is unique in a number of ways: it is comprehensive in its support (with activities ranging from contraceptive development, to community-based delivery of FP/RH services), it works through multiple channels of delivery (including private sector and NGO sector—while other donors tend to focus on public sector and increasingly on basket funding), and it has on-the-ground health experts that direct, oversee, and manage bilateral activities. We have pioneered program approaches and continually develop new interventions that will accelerate progress.

- Our efforts have made family planning services accessible to people in hard-to-reach areas. These include door-to-door distribution, clinic-based services and employee-based programs.
- USAID introduced contraceptive social marketing. These programs privatize contraceptive distribution and marketing, using the commercial pharmaceutical sector to reach more people at lower cost, decreasing countries' dependence on the donor community for supply and distribution of affordable commodities.
- We support the world's largest information/education programs that use in-country media and local entertainment outlets, performers, and groups to educate millions of people about contraception, child care, and health.
- USAID created and standardized the largest repository of fertility and family health information, the Demographic and Health Survey, which is used by policy makers and program managers in developing countries and the donor community to assess impact and make informed decisions about program design and management.
- We are the major donor in developing new and improved contraceptive methods and supporting research to improve existing contraceptive technology. These innovations provide couples in developing countries with superior and safe methods of family planning. Americans also profit from USAID-supported improvements, such as the introduction of low-dose oral contraceptives and the female condom.
- USAID has always given high priority to providing contraceptive supplies and related assistance in logistics and quality assurance. USAID provides 50 to 70 percent of all contraceptive assistance in the developing world and nearly all logistics management assistance.

We have successfully graduated numerous countries and others with mature programs are on the road towards graduation from family planning assistance, allowing us to respond to countries where unmet need is still critical. Currently we are strategically shifting family planning resources towards sub Saharan Africa. The fiscal year 2008 budget request targets 43 percent of family planning resources to the region.

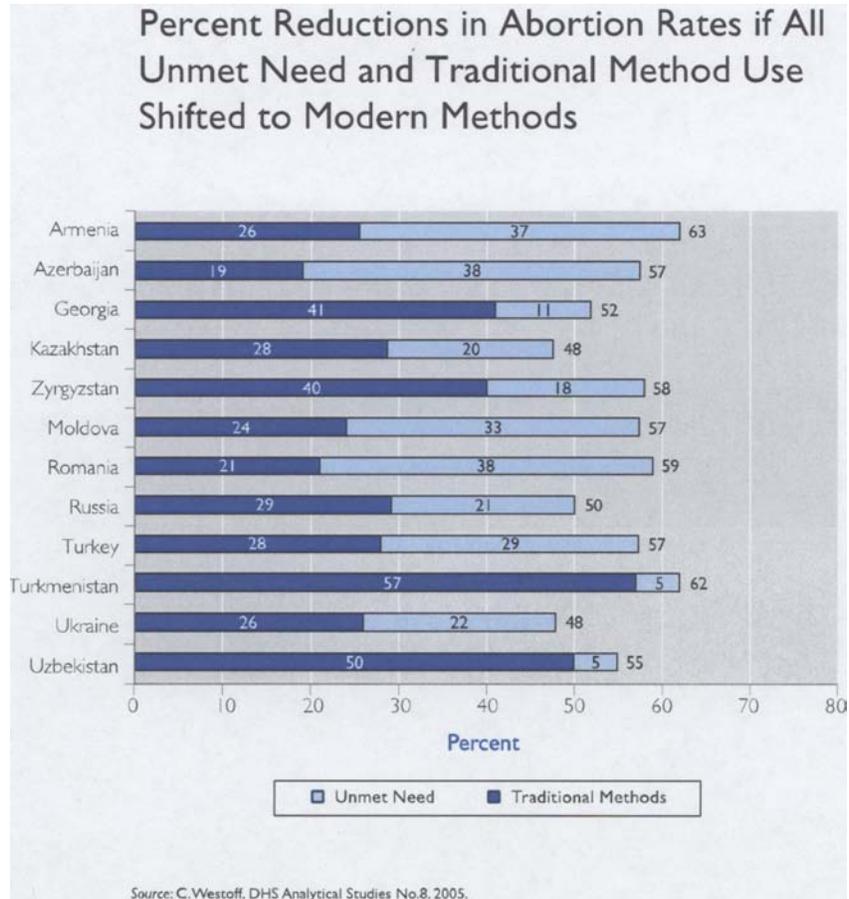
Graduation of several countries from U.S. government assistance for family planning also is an indicator of USAID's success. In addition to the overall measures of lowering fertility and high levels of contraceptive use across income groups, successful graduation from family planning assistance requires that a number of specific elements are in place, including national commitment to family planning, adequate financing for programs, contraceptive security, sustainable leadership and technical skills, availability of high quality information, appropriate engagement of the private sector, and attention to access of underserved populations.

The Asian countries of Indonesia, Thailand, and Turkey have graduated from family planning assistance. Egypt will graduate by 2010. In Latin America, Brazil, Mexico, Colombia, and Ecuador are no longer receiving family planning assistance. Family planning programs in the Dominican Republic, Jamaica, and Paraguay are on track to graduate from USAID family planning assistance in the next few years. In Europe and Eurasia, programs in Kazakhstan, Kyrgyzstan, Moldova, Romania, Russia, and Uzbekistan have successfully increased contraceptive use and thereby reduced abortion.

As the world's largest bilateral donor, USAID delivers assistance in more than 60 countries through bilateral and regional programs. Each year, U.S. reproductive health programs deliver services to more than 20 million women, including clinical services as well as non-clinic based approaches to deliver services to the hard-to-reach. The Agency works directly with hundreds of non-governmental organization partners, the majority of which are foreign NGOs, to provide technical assistance to family planning programs at the local level. Assistance is also provided through U.S.-based universities, and private sector companies and organizations.

Despite our strong record of achievement, our work is not done. Women's health burden remains great:

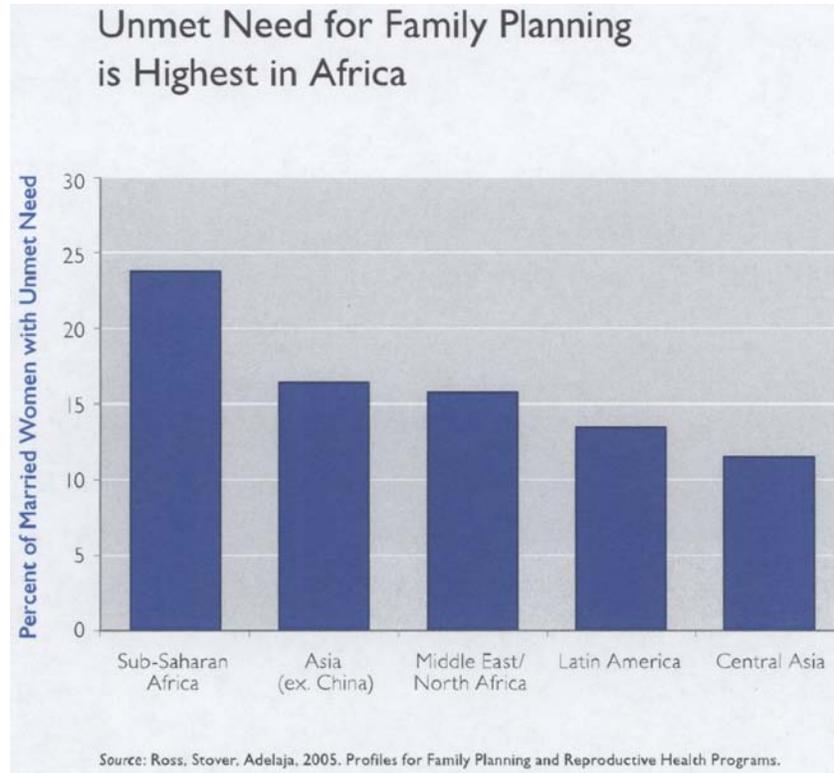
- More than 500,000 women die annually from maternal causes, almost all of them in the developing world. Family planning helps reduce maternal mortality by reducing unintended pregnancy and the perceived need by many to resort to abortion, as well as by ensuring that the proper spacing is achieved between wanted pregnancies.
- Of these annual pregnancy-related deaths worldwide, about 13 percent (or 78,000) are related to complications of unsafe abortion. The United States believes one of the best ways to prevent abortion is by providing high-quality voluntary family planning services and providing assistance to prevent repeat abortions through the use of family planning. As a result, USAID-supported family planning programs in Eastern Europe have resulted in significant declines in abortion as contraceptive use has increased.



Unmet need continues to be a challenge

There remains a great need—and desire—for family planning. While more than 400 million women in the developing world are now using family planning, there are an estimated 137 million with an unmet need and 64 million using traditional, rather than modern, contraceptive methods.

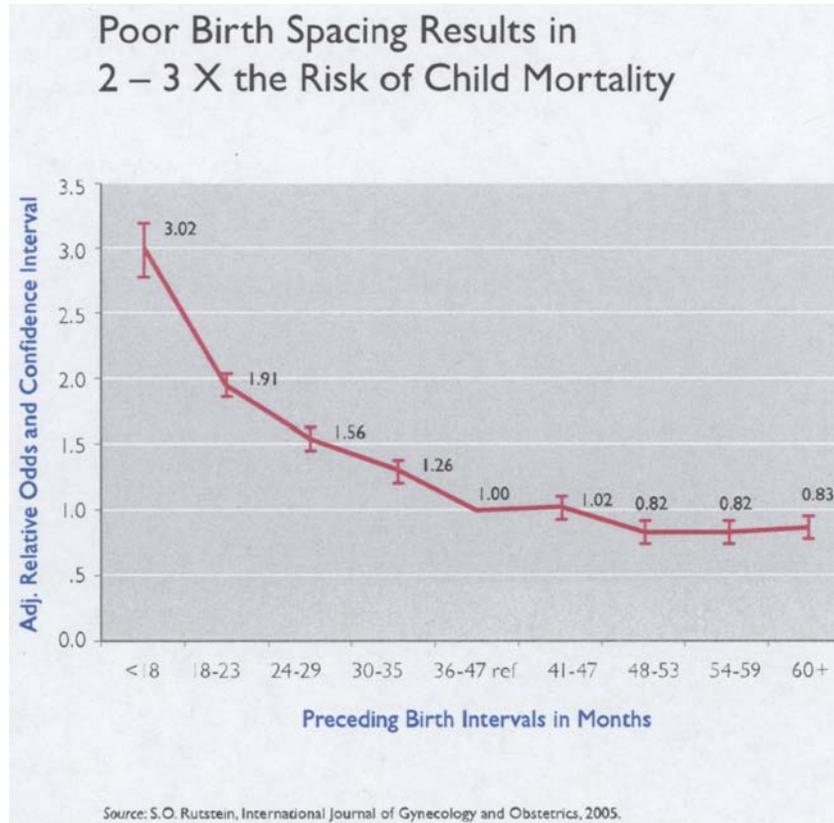
Unmet need is particularly great in Africa. There, nearly half of the world's maternal mortality occurs and on average only 15 percent of married women use contraceptive methods. The desired fertility in the region is considerably lower than actual fertility, which remains high at 5–7 children per women in most countries. Although demographic and health surveys reveal that a high proportion of women and men—well more than half in many African countries—said they wanted to wait at least 2 years before having their next child or that they had the size family they wanted, there were, in fact, nearly 39 million unintended pregnancies in Africa between 1994 and 2000—clear evidence of the need for family planning. In too many African countries, attention to family planning has declined and donor and government funding has stagnated.



There are significant opportunities to accelerate progress

Though family planning is primarily viewed through the prism of women's health, research has shown that the women themselves view family planning in broader terms. They believe that having smaller families and spacing births not only improves health, but increases opportunities for education as well as for greater domestic and community involvement. Their instincts are right—women are critical to achieving development goals.

The impact of family planning on children's lives often is not considered. More than 10.5 million children under the age of 5 die every year in the developing world. Many of these deaths can be reduced by expanding access to family planning. Births that are spaced too close together, too early, or too late in a woman's life decrease both the mother's and infant's chances for survival. Children born too close together face increased risk of contracting and dying from infectious diseases and can suffer high rates of malnutrition. By helping women space births at least 3 years apart and bear children during their healthiest years, family planning could prevent many of these deaths. Research done in 2003 has shown that if women had not had any births at intervals less than 24 months, almost two million deaths to children under age 5 could have been averted. Additional deaths also would have been averted if mothers had spaced births at least 36 months apart.



The education of women is critical. Research has shown a strong link between girls' literacy and many other development objectives. Women who start families before age 20 are less likely to finish school than those who wait even a few years. Early and frequent childbearing can limit women's education. The importance of family planning in allowing women to stay in school goes beyond the women themselves. Mother's education is an important predictor of children's educational attainment and therefore of their future earnings. Conversely, education also improves use of family planning services. Studies show that women with as little as 2 or 3 years of formal schooling are significantly more likely to use reliable family planning methods than women with no formal education.

Employment allows women to earn income, which increases life options and involvement in the community. Family planning users often are more likely than non-users to take advantage of work opportunities. In addition, high levels of female labor force participation and higher wages for women are associated with smaller family size. As women enjoy greater economic opportunities and as family income rises, they spend more money on the education and nutrition of their children, continuing the cycle of opportunity. This in part explain why micro-finance is such a powerful tool today in development, both economic and social development.

Working with key international partners, family planning has now come to embrace a broader mandate.

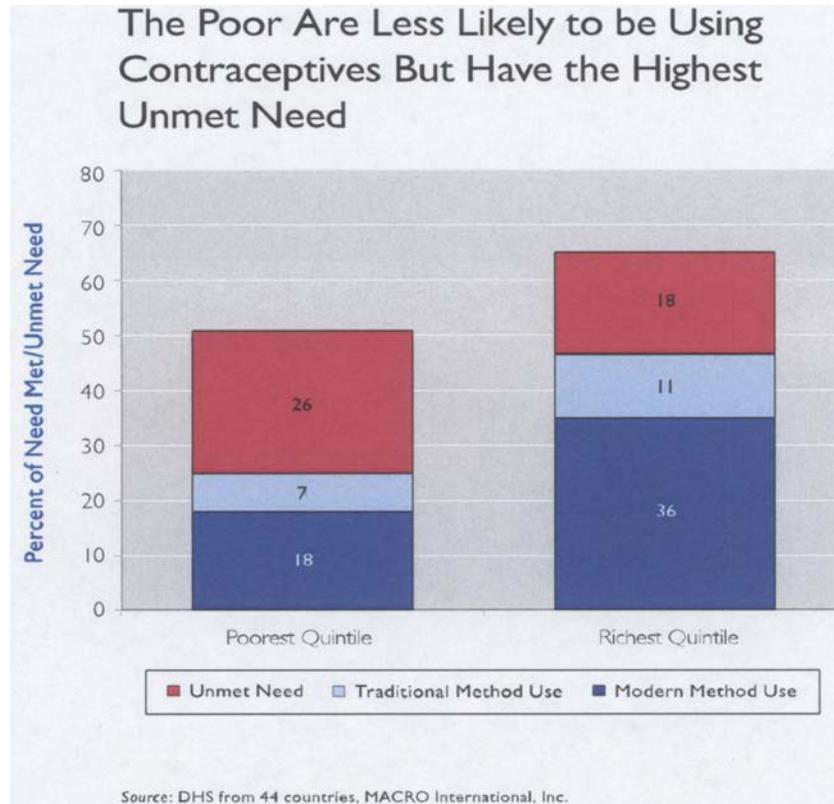
- Ensuring that family planning is introduced into policies, programs, and services whenever there is a natural link. At the country level, this aims to ensure that there are no missed “good” opportunities.
- Recognizing that program development is situation specific, USAID will draw on the best current programmatic evidence to determine priority interventions and conduct further research to identify the best approaches that can be scaled up.

- Programming for impact: underscoring that opportunities and challenges differ in each country, local data and experiences will be used to help determine which approach to strengthening family planning will have the greatest impact.
 - Exploring strategies to reduce the large inequities—among the poor and hard to reach—in family planning access, method choice, and information among population subgroups.
 - Promoting national ownership and responsibility for the strengthening of family planning services despite current shifts in priorities and economic environments.
 - Ensuring optimal allocation of resources and strengthening of technical and managerial capacity as prerequisites for sustainable family planning programs.
 - Multisectoral approaches: strengthening linkages between health and other sectors so as to make use of all available entry points and opportunities to introduce family planning and address unmet need.
- USAID also has several special initiatives that broaden our work beyond “bread and butter” family planning programs. Among them:
- Reproductive health programs can be effective partners in HIV/AIDS prevention in developing countries. Incorporating education and counseling to promote condom use and other HIV/AIDS prevention methods in reproductive health programs can contribute to the fight to stop the spread of the epidemic. In addition, research shows that adding family planning into programs for the prevention of mother to child transmission of HIV (PMTCT) can greatly reduce the number of orphans while saving the lives of thousands of women and children.
 - Slowing the rate of population growth gives nations time to develop sustainable solutions to other development challenges. Access to reproductive health programs can contribute to preserving the world’s endangered environments by conserving scarce resources. Currently, more than 505 million people live in areas already experiencing chronic water shortages, a number that is expected to increase to 2.4 billion in the next 20 years. In addition, in the past 3 decades, growing populations have caused 10 percent of the world’s agricultural land to be lost due to residential and industrial needs. When reproductive health and family planning information are widely available and accessible, couples are better able to achieve their desired family size. This not only directly impacts the well being of families, but also contributes to both better management and conservation of natural resources.
 - The Office of Population and Reproductive Health has other special initiatives that address women’s health and status in society in innovative ways. These include working to bring about the abandonment of female genital cutting; increasing male involvement in family planning; gender violence; health equity which is how to ensure the poorest of the poor receive our services and programs; the reproductive health of refugees; the availability and sustainability of health commodities including contraceptives and condoms; and repositioning family planning as attention and resources to this crucial health intervention are sometimes neglected because of the understandable focus on such pressing health concerns as HIV/AIDS.

We can take advantage of these opportunities by capitalizing on existing resources and by focusing on key countries

USAID must address the great unmet need for family planning that continues to exist by:

- Maximizing access to good-quality services;
- Emphasizing communication;
- Focusing on men as well as women;
- Increasing our efforts to reach the very poor.



Also, family planning programs can develop better links with other services for new mothers and young children. Making common cause among such programs should be efficient because unmet need is concentrated among women who are pregnant unintentionally or who have recently given birth. We are developing approaches to address high levels of need in the poorest countries of the world. I have spoken of the profound need to expand our programs in Africa. Significant need also continues to exist in low contraceptive prevalence countries in Asia, such as Afghanistan, Cambodia, northern India, Pakistan, and Yemen, where prevalence is below 25 percent. In Latin America, USAID is concentrating its family planning resources in Guatemala, Bolivia, and Haiti where contraceptive use ranges from 22 to 35 percent.

However, USAID's targeted countries, particularly those in Africa, face a number of challenges in their quest to meet the family planning needs of its population. Among these are weak health systems, poor access to family planning commodities, the non-involvement of men in family planning interventions, and inefficient utilization of resources.

We also must employ interventions that will ensure family planning remains on the agenda of all sectors and continue improving access to all services. Other interventions include strengthening national capacity for sustainable programs, strengthening community participation, addressing family planning needs of vulnerable populations, and conducting operations research.

BUILDING CAPACITY WHILE SAVING LIVES

Our programs are aimed at achieving impact in saving the lives and improving the health of mothers and children. At the same time, we are a development agency—we therefore believe that everything we do should also build the capacity of countries and people to improve their own situations. To do this, our program investments aim to build integrated, sustainable approaches and develop key compo-

nents of the health systems countries need to deliver all basic health services. Let me touch on several specific areas of particular importance.

Integration

As I noted in my introduction, we recognize the important positive connections among voluntary family planning and birth spacing, good maternal care, and child health and nutrition programs in terms of health outcomes for women and children. To achieve these synergies, and at the same time build strong and cost-effective platforms for broader primary health care services, we implement integrated maternal-child health and family planning programs in almost all countries where we work.

One example is the delivery of antenatal, delivery, and post-partum care services. We know that good antenatal care—including promotion of adequate nutrition and anemia prevention, detection and treatment of infections and complications, and planning for adequate care at birth—can have important positive effects on outcomes for both women and their babies. It is also an important opportunity to begin discussing family planning options for women who want to delay a future pregnancy, which will help preserve their health and that of their infants. In areas where malaria is prevalent, we promote antenatal care as a key opportunity to provide antimalarial treatment and promote use of insecticide-treated nets, protecting women from anemia and illness, and protecting their unborn children from the low birth weight caused by maternal malaria infection. In high HIV environments, antenatal care is one of the best opportunities to offer testing and counseling services and identify mothers requiring anti-retroviral treatment or prevention of mother-to-child transmission of HIV (PMTCT). High quality care at delivery is one of the most critical interventions for the survival and health of mothers and newborns; it prevents or resolves life-threatening complications and provides essential immediate care to newborns who need it. It also provides a key opportunity for PMTCT. We are now increasingly extending care into the post-partum period, allowing for the detection and treatment of serious maternal and newborn complications and better promotion of breastfeeding and essential newborn care. This post-partum period is also one of the most important opportunities to counsel women in voluntary family planning methods. Thus, in practice, our MCH-FP programs are delivered holistically, giving greater impact, greater sustainability, and greater support for other important health programs.

The same is true for the community-based program approaches that we support in areas where formal health services cannot meet all basic health needs. We support outreach programs that often deliver multiple interventions including immunization of mothers and children, vitamin A and iron supplements, insecticide-treated bednet distribution, and antenatal care. We support community health worker and social marketing programs that often deliver family planning advice and commodities, condoms and information for HIV prevention, oral rehydration, and increasingly treatment for malaria and other child illnesses. We support programs for women's groups that promote family planning, breastfeeding and child nutrition, and birth planning; these groups often engage in income-generating and micro-finance activities that enhance their effectiveness and influence in their communities.

Such integrated approaches reap the benefits of synergies among specific interventions and parts of our health programs. They also maximize the potential for sustainability by making the most effective use of each contact of services with families.

Strengthening Health Systems

Achieving impact while investing in health systems is challenging, given the low levels of resources available in most countries with high fertility and mortality, and thus the huge number of potential claims on additional resources. As has been seen in some countries where a broad focus on health systems has replaced a clear focus on health outcomes (Zambia in the 1990s, Ghana recently), investment in systems not linked to outcomes will not necessarily improve the survival and health of women and children. USAID is recognized as a major contributor to approaches that strengthen key elements of health systems, while doing so in ways that link these investments to outcomes. Our efforts have made important contributions in several critical dimensions of health systems, including:

Quality improvement.—USAID has been a global leader in the application of modern quality improvement approaches to health and family planning programs in developing countries. The Agency's "Maximizing Access and Quality" initiative has impacted every country we assist and has even further reach. For example, quality improvement approaches have led to the development of a Global Handbook that documents protocols and best practices for family planning services. This document,

which has been translated into eight languages, is published by the WHO and is used by USAID funded programs in more than 60 countries through WHO's reach. Quality improvement approaches have led to the development of "standards of care" for maternal and child health services and the use of these standards to measure and improve quality of services. These approaches are being used to improve basic services, such as reducing delays in management of life-threatening obstetric complications and improving care of severely ill children; in hospitals in Nicaragua, this approach reduced child deaths from malaria by 86 percent, from diarrhea by 57 percent, and by pneumonia by 38 percent.

Drug and Commodity Supply and Logistics.—USAID is a major supporter of systems that provide, distribute, and track contraceptive commodities and other essential public health commodities. Last year, shipments for contraceptives and condoms were provided to 52 countries and additionally, many of these countries also received anti-retroviral drugs and diagnostics. Additionally, technical assistance pharmaceutical management and/or supply chain strengthening was provided in at least 39 countries. For maternal and child health, where most drugs and commodities are parts of routine health systems, efforts have focused on making MCH drugs parts of "tracer" systems that evaluate the functioning of overall logistics systems by tracking the availability and use of selected drugs. For new products, like zinc for treatment of diarrhea, USAID works with the U.S. Pharmacopoeia to develop quality and manufacturing standards needed to allow international procurement by UNICEF and countries, and also works with manufacturers to assure adequate quantity and quality of products required by programs.

Financing.—USAID worked with WHO and the World Bank to develop "National Health Accounts," tools that for the first time allow country governments and their partners to see all the resources available for health—not just from government, but from donors and from families themselves. These important decision-making tools are now being utilized in approximately 70 countries, with direct USAID assistance to 26 of these. Another important area of USAID engagement is support for "risk pooling" approaches that remove cost barriers to care. One important approach is technical assistance to community-based insurance plans, or "mutuelles," which is an innovative way to finance health care in Africa. These community-based plans now exist in about a dozen African countries; in Rwanda alone, where USAID is providing assistance, by 2006 there were over 300 community-based plans serving over 3.1 million people (or 40 percent of the population).

Human Resources and "Brain Drain"

One challenge which faces virtually all of our health programs is the movement of trained health care providers away from developing countries and into more developed countries—commonly referred to as the "brain drain."

As a development agency, USAID has little influence on the policies of wealthy countries that receive emigrating health professionals, the demand side of this issue. Our strategy in this area focuses on retaining trained providers in their countries' health systems, the supply side of the issue.

The in-country factors affecting the healthcare human resource supply are more than a shortage of workers or absentee-ism due to training. Low salaries and poor working conditions drive workers to other types of employment even within their own country. Weak human resource management systems do not support workers. The recruitment, deployment and promotion of workers are often politicized and not performance-based. Additionally, an inappropriate alignment of the workforce means that tasks are often assigned to the wrong types of workers causing overly burdensome workloads.

USAID is actively engaged in multiple efforts within countries to increase retention and contribute to greater worker productivity. Specifically, in almost every country where USAID has programs, USAID is developing and/or strengthening in-service training systems to provide workers with the knowledge and skills needed to do their jobs; often utilizing innovative learning approaches, such as distance learning and self-directed learning, in order to minimize the time workers are out of post for training. USAID is collaborating with Ministries of Health to strengthen supervision systems so that they provide positive support to workers, and is instituting quality improvement methodologies that encourage workers to take an active role in ensuring the quality of the services they provide.

Keeping workers on the job is essential to increasing the number of workers. In five African countries, several approaches are being tested and implemented in USAID programs, including: piloting financial and non-financial incentives; developing clear and equitable careers paths; offering continuing education and professional development. There has been an increased retention of workers in Ghana,

Namibia and Uganda with improvements to the working environments and benefits such as transportation reimbursements.

Improved management and modern quality improvement approaches are affordable and have the potential to improve dramatically the way health systems manage their human resources, helping to retain workers. USAID provides support for workforce planning and rationalization in six countries. Human resource (HR) managers are assisted to develop the skills needed to scan and analyze HR data, determine relevant policy questions, and make policies to ensure that workers with appropriate skills are available when and where they are needed. In several countries, HR Directorates in Ministries of Health are being strengthened through training of key staff and through secondments of HR experts who then share their knowledge and skills so as to create strong HR managers. In a number of countries, USAID is assisting MOHs, licensing and certification bodies, private-sector organizations and other stakeholders to develop the human resource information systems they need.

Sustainability

Sustainability of MCH and family planning programs is a critical goal of USAID. To this end, we aim to:

- Increase funding by host governments of national MCH/FP programs.
- Increase diversification and long-term funding of MCH/FP activities by donors and international organizations.
- Improve the quality of national MCH/FP activities and establish critical masses of health workers competent in MCH/FP interventions.
- Achieve high and sustained national coverage rates for MCH/FP interventions.
- Reduce inequities in access to health care and in health outcomes.
- Involve community, voluntary and private sector organizations in MCH/FP activities at national, district and community levels.

With progress on each of these elements, MCH/FP programs will become more effective and sustainable. More importantly, national leaders, health managers, and the general population will expect and demand effective, nationwide MCH/FP programs and will help to make this happen. There will also develop an international mandate that no country will suffer stock-outs of essential MCH/FP commodities. This has already occurred for child vaccines. Finally, national governments and international donors and organizations will be judged by the quality and coverage of their MCH/FP programs.

There is now evidence that USAID, other donors, and national governments are helping to make important progress on all these key elements of sustainability. For example:

- There is evidence that host government contributions to MCH/FP programs have increased in real dollar terms over the past 10 years.
- Coverage rates for key MCH/FP interventions are steadily increasing. For example, the worldwide coverage for the third dose of the DPT vaccine is 74 percent and for vitamin A is over 50 percent.
- As highlighted above, there are major new commitments of international partners to MCH/FP and some new funding mechanisms that promise long-term support for the sub-sector.

Complementary Funding and Global Development Alliances

USAID funds have complemented over \$4.6 billion from partners to advance development objectives worldwide.

USAID provides leadership in the Reproductive Health Supplies Coalition (RHSC), a coalition of 21 members—multinational organizations, bilateral and private foundation donors, low and moderate income country governments, civil society, and the private sector—that works to increase political commitment and public and private financial resources, as well as more effective use of resources to ensure sustained access to quality reproductive health supplies through public, private, and commercial sectors.

USAID supports the Global Alliance for Improved Nutrition (GAIN) to accelerate micronutrient fortification programs globally and to mobilize the private sector to deliver fortified products to the poor. The Alliance includes 14 governments; three donors; the United Nations; the private sector including Proctor and Gamble, Unilever, Danonoe, and Heinz; development agencies such as the World Bank; education and training institutions; and civil society. The Alliance has supported 15 national food fortification programs projected to reach 446 million people.

Between fiscal year 2001 and fiscal year 2006, USAID contributed \$352.5 million to GAVI as one of the largest government donors representing nearly 20 percent of GAVI's funding. Since GAVI's inception in 1999, the Gates Foundation combined with a variety of donor governments has contributed a total of \$1.9 billion.

CONCLUSION

USAID sees improved health for the world's poorest people not only as a moral imperative but also as a pragmatic investment of U.S. funding for peace, security, and world-wide economic growth. USAID-supported MCH/FP programs have a proven record of success which is helping to save lives and build health systems. Our support has helped to reduce under-five mortality in almost 30 countries and maternal mortality in ten countries. USAID-supported family planning programs have been successful in increasing access to and use of modern contraceptives in all regions of the world. We now have program approaches and new interventions that will allow us to build on these successes and make additional progress. We also have valuable experience in delivering these interventions and approaches in a fully integrated and cost-effective manner at district, health center, and community levels so that these life-saving services can be affordable and sustainable. With the continued support of Congress, we will be able to contribute to further gains in maternal and child health and family planning throughout the developing world. Thank you for your support.

Senator LEAHY. Thank you very much. I read your testimony last night, and I know your personal commitment to this.

Dr. Gayle, thank you for being here. I've heard you speak many times before, and I just appreciate you taking the time here.

STATEMENT OF DR. HELENE GAYLE, PRESIDENT, COOPERATIVE FOR ASSISTANCE AND RELIEF EVERYWHERE

Dr. GAYLE. Thank you very much, Chairman Leahy, and thank you for having us here, and thank you for your consistent and passionate commitment to these issues.

I'm really honored to be here in front of you, and with the other witnesses here who, also, as you said, bring a lot of experience, and are very distinguished in this area.

I represent the organization CARE, which is committed to reducing global poverty, and have broadened from what I was doing in the past, focusing on health issues, because I believe strongly that poor health and poverty are very intertwined. And so, that's the context in which our work is done, where we feel that health has such an important contribution to our work in eradicating global poverty, and vice versa.

I'm not going to go through a lot of the facts, I think people have put those on the table, and I think have very eloquently pointed out that there are very unacceptable gaps in maternal mortality and child health and child survival around the world, and important unmet needs in family planning and contraception.

Also, I think the testimony that Dr. Hill gave pointed out the incredible advances that the U.S. Government, particularly through USAID, has made, and the real leadership role that we have played around the world on these important health issues. I think—if nothing else—I would say our message is that we would like to continue to see the United States play that kind of global leadership role in these issues, and that we have an opportunity to continue to build on these incredible advances that have already been made.

So, important progress has been made, but I think as has been pointed out, there is still a lot that remains, and that in some ways, we've become complacent about basic public health issues, like maternal and child health, and family planning as we have moved to focus on very key, specialized issues, like HIV and malaria and others, where we have seen incredible, and important, growth. But, I think, in the meantime it means that we've kind of

let our eyes off of some of these very basic and core issues, where we have such a basis for continuing to build.

Let me just make a few points from our experience, and then some recommendations. I'll make first, four points. First of all, that technical solutions alone will not bring about lasting results. Obviously, it's important to continue to look for better and new technologies, but for health impacts to be sustainable, they must also address the underlying causes of poor health, and the reasons why people don't have access to these technologies to begin with, and making sure that we have a focus on that.

So, for example, we had a project in Peru, in an area in rural Peru, where CARE found that only one-third of women who needed obstetrical services actually accessed them. I mean, this is in an area where mortality—maternal mortality was about 15 times higher than it is here in the United States.

But, by working to understand the needs of the rural women, for example, giving respectful attention from staff to speak to women in local language, provide access to transportation, provide basic facilities that met the needs of those women, and by connecting health workers at various levels, and really looking at, how do you distribute health services at different levels, and removing blocks to emergency referral care and services, CARE was able to reduce maternal mortality by half.

So, even if the services are there, if they're not appropriate, if they don't take local circumstances into consideration, the needs won't be met. And so, we have to look at coupling our technology with ways to get it to people that are appropriate.

Second, we learn that by being marginalized and powerless within a society, is often closely linked to one's ability to access healthcare services, and is linked to overall health status of the most vulnerable. The—less power means that people have less voice, and often less access to services. In most developing countries, women and youth are the least powerful, and the roots of health problems they face are often hidden.

An example, from our work in Bangladesh, where CARE is working on a Safe Motherhood Initiative, we found that domestic violence was really the—one of the greatest risks that women faced during pregnancy, and that if we didn't address the domestic violence issues, and look at women's needs in a holistic fashion, that our obstetrical care programs didn't work. We were able to modify our approach to incorporate efforts to prevent violence against women in our Safe Motherhood Work, and found that our programs were much more effective and were actually able to reduce maternal mortality.

Third, and Dr. Hill mentioned this as well, we've learned that dividing public health into various categories—while it may be convenient for allocating donor funding—that it really doesn't, is not the most effective way to approach health services.

So, for example, maternal mortality and child survival are not separate activities. In some countries, if the mother dies, the risk of death for her child and her children under 5 doubles or triples. Sometimes, as with HIV/AIDS, and reproductive health, we not only pursue them as separate issues, but also build parallel sys-

tems to develop services, so that we're not wasting resources that make our services more ineffective.

So, by providing HIV information and testing to reach women, within the context of reproductive health, we obviously have much more effective programs.

Then finally, we at CARE are dismayed by what seems to be a tendency to move away from evidence-based programs within the U.S. foreign assistance programs, particularly as they relate to sex and reproductive health. So, for example, the abstinence until marriage earmark in the Global AIDS Act of 2001 is a concern, whether or not it impedes the ability to have comprehensive and evidence-based programs that focus on the best programs and the epidemiology within local circumstances.

Let me just wrap up by saying a few things that we would like to recommend. First, investing more, and more strategically in reducing maternal mortality and enhancing child survival. Over the past 5 years, the commitment to maternal and child health funding has not kept pace with the unmet needs or growth in other international health accounts, as has been well outlined. We urge you to provide strong funding levels for international maternal and child health programs. In particular, CARE strongly supports the U.S. Fair Share levels that Nils Daulaire will outline shortly.

Second, a recommitment to the importance of family planning. This is one of the most cost-effective investments the United States can make in the future of women, children, communities and nations. The administration's budget request proposes a 23 percent cut in family planning funding for 2008, noting that these efforts do not require as much U.S. investment, because they've been so successful. Well, this is obviously the case, and we urge you to, not only restore those cuts, but to increase funding levels for international family planning.

Also like to draw attention to the reports that the World Bank's new Health, Nutrition, Population Strategy that's going to be discussed here in Washington, appears to diminish their commitment to family planning, and we see this as an area of great concern.

Third, commit to evidence-based reproductive health programming for youth. With the impending youth bulge that is going to occur, that's anticipated by demographers, the needs for reproductive health services that are tailored to the conditions for youth are critical and important.

Fourth, removing any legal barriers that get in the way of evidence-based, effective programming in reproductive health and HIV. As mentioned, our concerns about any particular earmarks that don't provide for comprehensive funding.

PREPARED STATEMENT

Finally, investing more globally in global health and development, in ways that help to strengthen the health infrastructure. As is previously noted, the importance of building a workforce capacity, without that, and without a strong commitment to the overall health infrastructure, none of these individual programs will be successful.

[The statement follows:]

PREPARED STATEMENT OF DR. HELENE GAYLE

Chairman Leahy, Senator Gregg, Subcommittee Members. I am honored to be here, discussing issues that are vital to the future of millions of people. For the past 61 years, CARE has worked across a spectrum of poverty-fighting arenas—from child survival to clean water, and from basic education to HIV/AIDS. We believe that poor health and extreme poverty are intertwined, and that one cannot be overcome if the other is neglected. That is why we work on a broad range of health issues, including maternal and child health, infectious diseases, ranging from HIV/AIDS to avian influenza, and reproductive health. My testimony today reflects CARE's experience in thousands of poor communities throughout the world over the course of half a century.

We are here today to consider some basic, yet heart-wrenching, questions. Why does one woman die every minute of every day from complications related to pregnancy and childbirth? (99 percent of these deaths occur in developing countries, and the reasons are basic: women hemorrhage to death, they lack access to antibiotics to prevent infection or they don't have the option of a cesarean section.) Why do 10.5 million children die each year before their fifth birthday (greater than the number of adults who die from AIDS, malaria and tuberculosis combined), when most of these deaths are preventable? Why, at a time when contraception is cheap and effective, do 120 million couples have an unmet need for family planning? Why, when some 70 percent of young women in Africa become sexually-active as adolescents and more than 20 percent have their first child by 18, do we hesitate to confront that reality?

Despite the magnitude of unmet need that remains, the U.S. Government can be proud of the difference it has made in the global health arena.¹ For example, American leadership in family planning has contributed to some impressive gains. In 1960, only 10 percent of married women in developing countries used modern contraception. By 2000, this figure had risen to 60 percent—and the average number of births per woman had fallen from six to three. More broadly, in the past 50 years, life expectancy in the developing world has risen from 40 to 65 years, and a child's chance of living to the age of five has doubled.

We have learned that large-scale improvements in public health are achievable. We have seen the real difference made in lives saved and economies strengthened. Sri Lanka's long-term commitment to a range of safe motherhood services has, over four decades, decreased maternal mortality from 486 to 24 deaths per 100,000 live births. In Egypt, a national campaign that promoted the use of oral rehydration therapy helped reduce infant diarrheal deaths by 82 percent between 1982 and 1987. China's national tuberculosis program helped reduce TB prevalence by 40 percent between 1990 and 2000, and translated directly into social and economic benefits: for each dollar invested in the program, \$60 was generated in savings on treatment costs and increased earning power of healthy people.²

Even though important progress has been made, the need remains enormous and urgent. The knowledge and experience we have already gained position us to invest resources more wisely—and the partnerships formed reflect greater capacity to turn resources into effective action. Yet, even as efforts to fight HIV and AIDS are receiving greater attention and resources (as they should), we are becoming too complacent about basic public health issues like maternal and child health, family planning, and adolescent reproductive health. And we are not paying sufficient attention to building the strong, accountable health systems (both infrastructure and workforce) required to support any health interventions, be it neonatal care, family planning or AIDS treatment. Ultimately, CARE's experience in poor communities strongly supports both the need for increased investment of resources, and better use of those resources.

Our first, and most important, insight has been that "technical solutions" alone don't bring lasting results. For health impacts to be sustainable, they must address underlying causes of poor health, be tailored to each cultural context and be broadly owned by local communities. For example, emergency obstetric care is vital to reducing maternal mortality, but lasting improvements in maternal health are not achieved simply by making such care available.

In rural Ayacucho, in Peru, CARE found that only one-third of women who needed obstetric services actually accessed them; and of every 100,000 live births, 240

¹A recent analysis of six projects funded by USAID's Child Survival and Health Grants Program indicates that mortality of children under 5 has been reduced by approximately 8 percent in project areas due to interventions supported by the program.

²Center for Global Development, *Millions Saved: Proven Successes in Global Health*, 2007 edition.

women died (by contrast, in the United States, this ratio is 17 of every 100,000 live births). CARE did not approach this challenge as an exclusively medical problem. Rather, we tried to understand the health system in Ayacucho as a unique social institution embedded in a specific community. We found that women did not seek care because health center staff often did not speak Quechua (the local language) and women did not feel welcome there. Health center staff felt inferior to regional hospital staff and often felt ridiculed by them when they referred an emergency case; they also did not have means to transport emergency cases. Hospital staff were frustrated that emergency referrals were often misdiagnosed or came too late to save women's lives.

By working to understand the needs of rural women and health workers at various levels, and removing blocks in the emergency referral system, CARE has helped to reduce maternal mortality in Ayacucho by half. Now, all health centers in our project area and the regional hospital have Quechua-speaking staff, a friendly environment, and culturally-appropriate options for childbirth (such as vertical birthing chairs, preferred in Ayacucho). Emergency obstetric protocols were developed by collaboration among doctors, nurses, midwives and Ministry of Health staff, drawing from ideas and realities of rural health personnel. As a result of competency-based training provided to rural health personnel and cost-effective resources like two-way radios and ambulances, women's conditions can now be diagnosed more accurately and they can be transported to hospitals quickly. Currently, 75 percent of women who need obstetric services can access them. A key aspect of CARE's approach was building broad political will to address the exceedingly high maternal mortality rate. As a result of Ayacucho's success, in January 2007, the Peruvian Minister of Health established new national clinical guidelines for obstetric emergencies, based on those developed by this project.

Second, CARE has learned that individual and collective empowerment has much to do with access to health care services, accountability of health systems and the ultimate health status of the most vulnerable. Less power means less voice and less access, and that inequity results in poorer health. In most developing countries, women and youth are the least powerful, and their needs are often neglected. The roots of the health problems they face are often hidden, but we must strive to uncover, understand and address them.

In Bangladesh, where CARE had been implementing a safe motherhood initiative, we concluded that domestic violence was one of the greatest risks that women faced during pregnancy. Even the best prenatal, obstetric and post-partum care could not fully help these women, unless the phenomenon of rampant violence against women was also addressed. CARE's modified approach, of incorporating efforts to prevent and respond to violence against women into safe motherhood work, holds much more promise not only of helping women have healthier pregnancies but also of securing safer societies. In isolated southern Maniema province, in the Democratic Republic of Congo, local health systems were devastated by war and women had encountered brutal violence and rape in war-time. Many women had married young and had multiple pregnancies, and CARE's promotion of family planning and birth spacing was welcomed as a respite—a chance to control at least one aspect of their bodies and lives. A young woman named Anifa told us: "Normally, I'd be pregnant again, and able only to concentrate on my new baby, and not my other children. Now that I can control my pregnancies, I can be sure that my kids go to school. I will see a better life through my children."

Third, we have learned that dividing public health into various categories may be convenient for allocating donor funding, but these inherently related issues have to be understood and addressed within a broader and more integrated context. For example, we talk about maternal mortality and child survival as separate issues, but we know that they cannot be separated. In some countries, if a mother dies, the risk of death for her children under 5 doubles or triples. When women cannot space the births of their children, both they and their children are less likely to be healthy. Sometimes—as with HIV/AIDS and reproductive health—we not only pursue them as separate issues, but also build parallel systems to deliver services. This is ultimately a less efficient investment of resources as well as a barrier to effectiveness—for example, HIV information and testing could reach many more women, in ways that are potentially less stigmatizing, if they were made available through family planning or prenatal care services. Even within CARE, which is considerably less complex than the U.S. government, maintaining a system-wide view and integrating across various sectors and technical specialties is a challenge. We are constantly trying to do better.

Finally, we at CARE have been dismayed to witness the increasing politicization of U.S. foreign assistance related to programs that deal in any way with sex or re-

production.³ For example, the abstinence-until-marriage earmark in the Global AIDS Act of 2003 requires that one-third of all HIV prevention funding be spent on abstinence programs. Administrative guidance issued by the Office of the Global AIDS Coordinator translates this earmark into a requirement that fully two-thirds of funding for preventing sexual transmission of HIV be spent on abstinence and fidelity programs. It also permits condoms to be provided only to sexually-active youth, with little recognition of the fact that those who are not sexually-active today may be so tomorrow (no matter how much we urge them to be abstinent) due to economic pressures driving transactional sex or vulnerability to sexual violence. Although the earmark governs only the U.S. Government's HIV/AIDS responses, the message that A and B are the priorities have strongly influenced U.S. reproductive health programs—especially those working with adolescents. The spillover effect is that reproductive health programs targeting youth are increasingly constrained in terms of the information and services they can provide—as a result, U.S. funded programs are less effective at protecting young people from pregnancy, or HIV and other STDs.

From CARE's perspective, family planning and women's reproductive health have become too politicized and are losing ground on the U.S. global health agenda. The Mexico City Policy, in particular, is symbolic of this politicization and has caused much difficulty for implementers of reproductive health programs. Much of the work of international NGOs like CARE is done in partnership with local organizations. In the reproductive health field, many of the best local organizations provide comprehensive family planning services, sometimes including counseling on safe abortion. The Mexico City Policy prohibits organizations like CARE from working with such organizations, and in some cases, prevents us from working with the only organizations that are capable of providing the most basic family planning services. Thus, it diminishes not just the availability of these services but also their quality.

These are just some of CARE's experiences that are pertinent to the matters at hand today. Given what we have learned, I want to urge you to consider the following:

First, invest more—and more strategically—in reducing maternal mortality and child survival. On this, the twentieth anniversary of the global safe motherhood movement, the slow progress on reducing maternal mortality undermines America's deeply-held commitment to strengthening health and well-being throughout the world. We must gather the will and do much better. Over the past 5 years, United States commitments to maternal and child health funding have not kept pace either with unmet needs or with increasing growth in other international health accounts. I urge you to provide strong funding levels for international maternal and child health programs in 2008. In particular, CARE strongly supports the requested United States "fair share" levels outlined by Nils Daulaire on behalf of the Global Health Council for maternal and child health, and I urge their adoption by this committee in the coming appropriations process.

The vast majority of maternal deaths are due to hemorrhage, infection and obstructed labor and can be easily prevented or treated. For each of the half a million women who die of complications during pregnancy and childbirth, 30 others are injured, many of them in seriously disabling and socially devastating ways. Women with obstetric fistulas, for example, are often abandoned by their families and condemned to isolation. The lifetime risk of dying in pregnancy or childbirth is 1 in 16 for women in developing countries, as compared to 1 in 2,800 in developed countries. In Afghanistan, where 95 percent of women deliver their babies at home, without a skilled attendant on hand, the lifetime risk of dying in pregnancy or childbirth is 1 in 6.

We must invest more strategically, not only to strengthen and expand all levels of health care (particularly speed of emergency referrals and quality of emergency obstetric care) but also to remove barriers to women's access to health systems and services. We must strive to ensure that all pregnant women have a skilled attendant at delivery; this need not be a doctor, but must be someone who can diagnose complications, administer drugs to manage them, and (where possible) refer women to emergency obstetric care. Drugs like misoprostol, which are cheap and easy to administer, can help strengthen contractions and control post-partum haemorrhage, and could ultimately increase the effectiveness of skilled attendants and reduce maternal mortality.

³In addition to the abstinence-until-marriage earmark and the Mexico City Policy, increased politicization is also evident in the requirement of the Global AIDS Act of 2003 that organizations must adopt a policy opposing prostitution and sex trafficking in order to be eligible for HIV/AIDS funding authorized under the act.

Maternal health and child survival go together—this is why funding to reduce maternal mortality is such a smart investment. Four million babies die each year in the first month of their life; that is roughly the equivalent of all babies born in the United States in 1 year. Simple interventions like promoting breastfeeding, oral rehydration therapy, vaccinations, clean water, and insecticide-treated bed nets could make a huge impact on child survival, even where health systems are weak. USAID's Child Survival and Health Grants Program has done excellent work in this area and deserves your increased support.⁴ In partnership with this program, CARE has worked in the extremely poor far-west region in Nepal to reduce under-5 mortality by 53 percent. A key approach in Nepal was community case management, whereby volunteers are trained to provide an antibiotic to treat pneumonia. This intervention effectively prevents pneumonia deaths in communities where many families do not have the money or means of transportation to see a doctor in time. In settings as diverse as Nepal, Mozambique and Sierra Leone, CARE has achieved significant reductions in under-5 mortality for a cost per life saved of between \$740 and \$980.

Second, recommit to the importance of family planning. Access to family planning services represents one of the most cost-effective investments the United States can make in the future of women, children, communities and nations. Family planning returns enormous value in improved health outcomes, economic development and national security. Yet, the administration's budget request proposes a 23 percent cut in family planning funding for 2008. I urge you to not only restore the cut, but also provide significantly increased funding levels for international family planning, as the request outlined by the Global Health Council indicates.

The ability to decide when, with whom and how often to have children is key not only to the individual futures of women and girls, but also to the development of countries struggling to overcome poverty. Although methods for avoiding unwanted pregnancies are cheap and effective, every year, 80 million women have unintended pregnancies. The unmet need for contraception is closely related to maternal mortality: if every woman who needed contraception had access to it, an estimated 20–35 percent of maternal deaths could be averted. However, with other health priorities taking precedence, family planning seems to be declining in importance. Between 1995 and 2003, donor support for family planning (commodities and service delivery) fell from \$560 million to \$460 million.

The rationale provided by the administration for the 23 percent cut in family planning funds for 2008 is that these efforts have been so successful that they don't require as much U.S. investment going forward. Unfortunately, that is hardly the case. Large pockets of substantial unmet need still remain, and gains are reversed all too quickly when they are not reinforced. Kenya, for example, had a fertility rate of about eight births per woman in the 1960s. After decades of investment in family planning services, the fertility rate had fallen to 4.8 births per woman in 1998. In the past few years, however, attention has shifted away from family planning. As a result, availability of contraceptives at health facilities declined, as did outreach services. Sadly, between 1998 and 2003, the proportion of births reported by mothers as unwanted rose from 11 percent to 21 percent.

On a related note, I also want to register our concern about recent reports that the World Bank's draft health, nutrition and population strategy omits any commitments to family planning. This strategy is under review as we speak today and, if approved, could deal a serious blow to reproductive health programs all over the world. CARE urges the United States, as the largest shareholder of the World Bank, to underscore the importance of family planning and reproductive health in achieving progress on multiple fronts, including economic development, basic education and public health.

Third, commit to evidence-based reproductive health programming for youth that is grounded in sound public health practice. The impending "youth bulge", anticipated by demographers, demands that we act effectively, realistically and rapidly. Sadly, the new strategic framework for U.S. foreign assistance fails to highlight the specific needs of youth, and places their critical needs underneath a broader umbrella. Although the intent to "mainstream" youth reproductive health is laudable, our observation is that fewer and fewer U.S. funding opportunities are addressing youth issues—and we believe this important issue may be falling through the cracks.

Young people, especially girls and young women, are vulnerable on many fronts, but especially when it comes to pregnancy, STDs and HIV/AIDS. They are less likely than older people to protect themselves, either because they are not aware of—

⁴The analysis referenced in footnote 1 indicates that these projects saved more than 16,000 lives of children under 5.

or cannot access—the protective measures that can keep them safe or because they have less control over the terms of sexual relations. We must ensure that the needs and rights of the most vulnerable young people are protected: for example, adolescents at risk of inter-generational or transactional sex; girls at risk of child marriage; young people who are victims of gender-based violence; and youth in conflict or post-conflict settings. Many young people fall into the category of orphans and vulnerable children (OVCs), orphaned or made vulnerable due to HIV/AIDS, other diseases and conflict, and are left without parental guidance and are particularly vulnerable to sexual exploitation. These young people are at risk of unplanned pregnancies, HIV/AIDS and other STDs, and therefore, are badly in need of comprehensive reproductive health services.

Fourth, eliminate legal barriers that impede evidence-based programming in reproductive health and HIV/AIDS, especially related to vulnerable women and adolescents. I urge Congress to repeal the abstinence-until-marriage earmark and request the Office of the Global AIDS Coordinator to revise its ABC guidance in a way that promotes (rather than discourages) comprehensive sex education. I also urge Congress to repeal the Mexico City Policy—there is no evidence that having this policy in place has reduced the number of abortions performed. In fact, by cutting off funds to foreign family planning organizations that reject its conditions, the Mexico City Policy has most likely increased the number of unplanned pregnancies and led to increased numbers of abortions sought.

In some of the countries in which CARE works, we see the implementation of the ABC approach translating into the operational message that abstinence and fidelity are the most desirable and moral options, and positioning condoms as something used only by people engaging in risky sex or as a “last resort”. When Uganda first developed the ABC approach, it was compelling because it demystified HIV/AIDS and communicated that individuals had the power to protect themselves by choosing among A, B or C options. Delaying sexual debut and partner reduction is absolutely vital to preventing HIV and other sexually transmitted infections, but that does not mean that A, B and C should be broken up into parts and promoted to different segments of the population. In settings where risk of HIV infection is high, it is a disservice to not provide comprehensive information and prevention methods to young people who are not yet sexually active. The young girl who we counsel today about abstinence may be married tomorrow (or coerced into transactional sex), and we have an obligation to prepare her for the future.

Finally, invest more broadly and strategically in global health and development. The U.S. leadership on HIV/AIDS has been admirable, but it must be accompanied by broader investments that promote community-led development, strengthen health care systems and build workforce capacity. We cannot save babies from contracting HIV only to see them dying of diarrhea or languishing without access to basic health and social services. Our investments in drugs, tests and other health interventions will be constrained if there are not enough health workers to administer them. If all boats don’t rise at similar levels, the bold investment in HIV/AIDS may fail to deliver on its promise—and other areas in which gains have been made over several decades may be undermined. We cannot let that happen.

I want to thank you for inviting me here today and I look forward to answering your questions. CARE has been a partner in the fight against global poverty with the U.S. Government and the American people for more than half a century and we are grateful for what your support allows us to do in thousands of poor communities around the world. We look forward to a future of productive partnership and exchange.

Senator LEAHY. Thank you, and I think you understand, Doctor—

Dr. GAYLE. No, no, that’s fine.

Senator LEAHY. No, I think you understand, also—

Dr. GAYLE. Yeah.

Senator LEAHY [continuing]. From my background that you preach to the converted on many of these issues.

Ms. Garrett, again, as I said earlier, your writings have been extremely illuminating. It was recommended to me by my staff to make sure to read your testimony, which I did, but please, go ahead.

STATEMENT OF LAURIE GARRETT, SENIOR FELLOW FOR GLOBAL HEALTH, COUNCIL ON FOREIGN RELATIONS

Ms. GARRETT. Thank you very much, Senator, and thank you very much for your interest and concern in this area.

I was going to remark that most Senators don't have a constituency that provides them with an advantage to taking on these issues, they're not make or break issues, but I think that may be different for Vermont.

I'm happy to say that, with my colleague here to the right.

Speaking of my colleagues, the two prior talks—

Senator LEAHY. Dr. Daulaire is rarely to anybody's right, but please, go ahead.

We don't need that—we don't need that in the transcript, I'm sorry. It was just too easy, it was just too easy.

Go ahead.

Ms. GARRETT. Well, of course from your vantage point, he's to my left.

Senator LEAHY. There you go. In fact, Dr. Daulaire is one of the most respected health professionals I know—by Democrats and Republicans.

Ms. GARRETT. My colleagues have done a wonderful job of laying out some of the key issues. What I'd like to do is, you have the written text, let me just see if I can hit some key points here.

We are in an age of such fantastic generosity, we have seen the amount of money, as your chart indicates, skyrocketed, as being dedicated to global health, but it isn't just U.S. Government funding, it is across-the-board in increase in the amount of generosity pouring into global health. This is a skyrocketing that, literally, has occurred in the 6 year's time.

Six years doesn't provide us with a big window to reflect, to try to ascertain whether the way we're spending the money, whether it's coming from philanthropic sources, such as the Gates Foundation, or individuals with great celebrity cache, such as Bono and Angelina Jolie and Brad Pitt, or coming from a whole host of other Government agencies around the world, akin to our USAID.

It is a phenomenal amount of money, but it has not been suddenly flooded in with some overview, with some perspective put behind it.

So, what we're doing is, we're increasing charity, we're not building anything. We're increasing charity. One of the key pieces of why the charitable incentive has risen so much, is because we now have evidence that certain diseases can be held at bay with seeming quick-fix drugs, with medicines that can be applied to them, and of course, HIV is the big landmark turning point, with the 1996 innovation of antiretroviral combination therapy.

But the problem here is that the notion that we can simply flood a treatment modality on top of a very, very weak public health infrastructure, and suddenly medicalize a public health infrastructure overnight, this is—6 years is overnight—and turn it into a medical delivery system, that can instantaneously get antiretrovirals out to people in rural areas all over sub-Saharan Africa, get tuberculosis drugs out all over Haiti, get malaria bed meds out all over West Africa, this is an absolutely asinine notion. We cannot, overnight, scale up, switch our public health format into a

medicalized treatment intervention format, without having casualties, all along the way.

What are the big casualties? Women and children. Because the safety and survival of children under 5 is really, absolutely a public health mission. What kills children? Dirty water. Getting into their bodies through water, a whole host of microbes that shorten their poor little lives.

What kills those mothers? Not having any kind of health delivery infrastructure, so that when they're in labor, and when all of the crises of childbirth hit, there's nobody to help, there's no where to go. Or, they get there, and because it's so grossly underfunded, they are treated with unwashed hands, non-sterile instruments, and succumb to infectious outcomes from that childbirth.

We, just, we've talked about the brain drain, but let's just really think carefully about what this means. You put that much more money overnight into global health, you make the priorities of that money about getting pills out the door for a variety of different things, or quick-fix technologies, just shove them out there, but you don't have enough healthcare workers to do any of it.

Indeed, we have a shortage of well over 4 million healthcare workers—sub-Saharan Africa alone is short 1 million. By the way, I'm not just talking about doctors, this is doctors, nurses, lab technicians, health administrators, people who know how to do drug procurement, process supplies, the logistics, the whole infrastructure that is the essence of both public health and medical delivery. That is so weak, it was already fragile to the point of breaking, and now all of a sudden we put this surge of funding in, but it is funding with the priorities set in the wealthy world, not in the poor world, with the sense that it's all about "we" in the rich world, we'll have bragging rights and feel terrific, because we saved X number of lives by shoving these pills out the door.

What's happening in practice, on the ground, is that because the healthcare worker crisis is so acute, we're seeing healthcare workers skewed towards the places where the money is.

So, I am here wearing a red ribbon, which—as everybody knows—is the insignia of the fight against HIV/AIDS. I'm wearing that, partly, because I don't want anyone to misread what I'm saying to indicate that I somehow oppose the largesse that the American taxpayers have put behind PEPFAR and other HIV efforts—I am all for it, I think we need more money directed to HIV/AIDS.

But, in the absence of sufficient health systems, of real training of people who know how to do health management, and corral these meager, weak resources, and fragile infrastructures as wisely as possible, what we're going to end up doing, and we're already seeing it in some countries, is see an increase in child death. An increase in maternal mortality, even as we're saving millions of people suffering from HIV/AIDS and malaria. Because we're just skewing the programs the way we want that money spent.

So, finally, my main message is, we really need to step back and think—how do you fund systems management? We're not going to instantly, overnight, get 4 million healthcare workers, it's impossible. We do need to be grossly increasing the amount of money we put into healthcare worker training, but we're not going to fill that gap overnight.

PREPARED STATEMENT

What we need to do is think, how do you train those people who are on the ground, in the skill set that is about managing meager resources, and doing it wisely to save all lives? Lift all boats at once, not just those targeted disease-specific boats.

[The statement follows:]

PREPARED STATEMENT OF LAURIE GARRETT

Senator Leahy, Distinguished Members of the Senate Appropriations Subcommittee on State, Foreign Operations and Related Programs, and Committee Staff: It is a distinct honor to be invited to address you today on the subject of global health priorities. I would especially like to thank the Committee for expressing interest in this matter. I recognize that few of you have constituents clamoring for your attention regarding the general health needs of people living far away, in desperately poor countries. These are not electoral make-and-break issues. It is, therefore, all the more laudable that you are devoting time today to their consideration. Again, I thank you.

My esteemed colleagues preceding me today have done an excellent job in describing exactly who is currently under-served by U.S. foreign aid and investment, as well as the generous philanthropic, private support of the American people. I will not reiterate. I will build on their comments, highlighting some critical fault lines in current global health funding and directions, and offering some suggestions for fresh directions for the Committee's consideration.

Some of the basic principles, and data, I will mention are delineated in a piece I authored for Foreign Affairs¹ earlier this year.

AGE OF GENEROSITY COMMENCES: STILL NOT ENOUGH, BUT RAPIDLY INCREASING

We are in an age of fantastic generosity. Globalization has brought the plights of the world into every living room, and onto every computer. As the world public's response to the 2005 Tsunami illustrated this internet-driven sense of the immediacy of catastrophe—even in places as remote as Aceh, Indonesia—spawns remarkable outpourings of finances, donations and goodwill. As little as 6 years ago global health commitments totaled a few hundred million dollars: Today—combining all government and private sources—we see donations exceeding \$18 billion. This is not enough, but it constitutes a dramatic, even astounding, increase in generosity, realized over a short period of time.

But there are dangers in throwing billions of dollars about in emotionally-driven responses to news events, and disease-specific campaigns that capture the collective imagination of the wealthy world citizenry.

First, let's be blunt: most of this generosity reflects our interests: causes we care about, our national security, and our moral concerns.

Second, for obvious political and, in the case of the private donor sector, self-promotion reasons, we want bragging rights. We want to be able to say that X amount of money, after 2 years, saved Y amount of lives. Most of the health-related legislation signed by President Bush and created by the House and Senate is rife with short term, mandatory timelines. In order to achieve measurable health targets in 1 or 2 years, we necessarily have to set extremely narrow, pinpointed goals. And on the ground, to achieve such goals, U.S. supported programs must corral all available resources, funneling them into one channel of health.

TREATMENT, YES: BUT NOT WITHOUT PREVENTION

Let me give you an example. About a year ago I was in a small town in Haiti. The people in this town were overwhelmed with infectious diseases. Their illnesses swamped the beleaguered clinics, where long lines of mothers and children stood in the tropical sun for hours on end, waiting to see a doctor. The children's growth was stunted; mothers couldn't produce enough milk to feed their babies; long-infected teenagers fought to keep their eyes open in class. In the parking lot of the town's main hospital sat two rusted-out, broken USAID jeeps, the American insignias clearly evident. Though American charities were helping to subsidize the medical training and services in the hospital, nobody—no Haitian government agency and no foreign donor, looked at this town and asked the obvious question: "Why are so

¹ Garrett, L., "Do No Harm: The Challenge of Global Health," Foreign Affairs Jan/Feb 2007, pp 14–38.

many people sick with dysentery, typhoid fever, and intestinal problems? Why are so many children in this town dying before they hit their fifth birthdays?"

The answer: Water. The colonial-era water filtration and pumping system had long ago broken down. For about \$200,000 the system could be fixed, children would drink safe water, and the disease and death rate would plummet. But no donor chose to take on that water problem. Instead, at the cost of far more lives, and dollars, the donors—including USAID—funded treatment of entirely preventable diseases, and supported the operation of a very busy morgue.

The emphasis my colleagues placed on maternal and child health is wise. What is killing babies and toddlers? The lack of essential public health services: clean water, mosquito control, basic nutrition, healthy moms.

What is killing their moms? The lack of medical systems: No safe C-sections, no sterile equipment for episiotomies, no prenatal care.

Public health systems keep babies and children alive. Medical delivery systems keep their moms alive.

Systems: Not individual, disease-specific programs—health systems are the key. Those targeted programs, such as PEPFAR (the President's Emergency Plan for AIDS Relief), are terrific, but without functioning public health and medical systems in place, PEPFAR and its like are just big band-aids that barely cover gaping wounds.

We—Americans and the wealthy world, generally—have given, and given, and given for decades. Yet the gap between longest and shortest lived societies has widened, now a full five decades long. And despite mountains of foreign aid from the OECD nations, basic health markers such as life expectancy and child survival have barely budged over the last 60 years in any sub-Saharan African country—except, thanks to HIV, to go backwards in a few.

GOING BACKWARDS ON HALF A TRILLION DOLLARS

Senators, your counterparts in the Canadian Senate recently issued a startling report, entitled, "Overcoming 40 Years of Failure: A New Road Map for sub-Saharan Africa." The report estimates that over the last 45 years the United States, Canada and the rest of the wealthy world has spent more than half a trillion dollars in aid and investment in sub-Saharan Africa. Yet the World Bank Office in Nairobi estimates, "that in 1948 Africa had a 7.5 percent share of world trade; in 2004 that share had decreased to 2.6 percent. A single percentage decrease represents United States \$70 billion."

"Africa is diverging from the rest of the world at the rate of 5 percent per capita income each year," The Canadian Senate report concludes.²

Even in parts of the world we have credited as economic success stories—where the Asian Tiger roars, and the Latin miracle twinkles—health remains a striking challenge. The world nervously watches the spread of H5N1 influenza—"bird flu"—in Asia, largely in the same locations that featured SARS in 2003. Yellow fever, dengue, and malaria have all returned to Latin America. Indeed, Jamaica is at this moment battling the first malaria outbreak on that Caribbean island in more than 60 years, spiraling out of control right in the capital city. That is a public health failure. And as the previous speakers told you, maternal health is going backwards in much of the poor world—women are dying in childbirth in many of these countries at a far greater rate than they were half a century ago. Recent United Nations findings on maternal mortality show that a woman living in sub-Saharan Africa has a 1 in 16 chance of dying in pregnancy or childbirth. This compares with a 1 in 2,800 risk for a woman from a developed region, and a more than 1:28,000 risk for a mother in Scandinavia.

Every effort to battle diseases—from bird flu to HIV—comes up against the same set of problems. Congress has, over the last 3 years, approved some \$8 billion of spending—about 5 percent of it overseas—to make Americans safer in the face of threatened pandemic influenza. But in the big picture the danger has over that time only increased, both because of mutations in the evolving H5N1 virus, and because quick-fix approaches to disease surveillance and control won't work in countries that have no adequate systems of public health and medical care.

Even the Bush administration's laudable PEPFAR program, which started out with a fairly minimal mission of providing prevention, care and treatment for a single disease, now finds itself forced to build medical delivery systems simply to get anti-HIV drugs to the patients who need them.

² Canadian Report by the Standing Senate Committee on Foreign Affairs and International Trade, "Overcoming 40 Years of Failure: A New Roadmap for sub-Saharan Africa," Feb 2007.

A just-published critique of the Global Fund to Fight AIDS, Tuberculosis and Malaria³ charges that unless the Fund starts to directly underwrite the salaries of healthcare workers, including minimally-educated community providers, the effort will become nothing more than “medicines without doctors,” an unsustainable program for tossing out drugs without providing any actual healthcare.

THE WORLD NEEDS HEALTHCARE WORKERS

The world is desperately short of health professionals, and the severity of that gap promises to increase sharply in coming years. The World Health Organization estimates the shortage breaks down currently as follows:⁴

- In 57 countries the deficit is labeled by WHO as “severe”;
- The world needs, immediately, 2.4 million medical service providers;
- 1.9 million laboratory workers, health managers, and administrators;
- A total of 4.3 million healthcare workers are needed at this moment.

Sub-Saharan Africa faces the greatest challenges. While it has 11 percent of the world’s population and 24 percent of the global burden of disease, it has only 3 percent of the world’s health workers.⁵

The World Health Organization says:

“There is a direct relationship between the ratio of health workers to population and survival of women during childbirth and children in early infancy. As the number of health workers declines, survival declines proportionately.”

This is going to get much worse. Why? Because the wealthy world is aging, therefore requiring more health attention. At the same time, wealthy nations are trying to reduce rapidly inflating health costs by holding down salaries, and increasing work loads, making the practices of nursing and medicine less attractive. Unless radical changes are put in place swiftly in the United States and other wealthy nations the gap will soon become catastrophic. Studies show that the United States will in 13 years face a shortage of 800,000 nurses and 200,000 doctors.

How are the United States and other wealthy nations filling that gap? By siphoning off doctors and nurses from the poor world. We are guilty of bolstering our healthcare systems by weakening those of poorer nations.

Here is an example: due to healthcare worker shortages, 43 percent of Ghana’s hospitals and clinics are unable to provide child immunizations and 77 percent cannot provide 24-hour obstetric services for women in labor. So the children die of common diseases, like measles, and the mothers die in childbirth. In all of Ghana there are only 2,500 physicians. Meanwhile, in New York City, alone, there are 600 licensed Ghanaian physicians.⁶

There are a number of bills pending in both the House and Senate that seek, in various ways, to increase domestic education and staffing of healthcare workers, and bolster training in poor countries. Though this committee deals with foreign operations, it is vital that you concern yourself with the progress of measures that would decrease the drive to drain the health brain power of the poor world by enhancing education and incentives here in the United States. In the House, for example, H.R. 410, the United States Physician Shortage Elimination Act of 2007, seeks to create incentives for physicians to serve in under-allocated areas of America.

Senate Bill 805, sponsored by Sen. Richard Durbin, is the “African Health Capacity Investment Act of 2007.” It seeks to amend the Foreign Assistance Act of 1961 to provide funding for medical training, and retention of healthcare staff in sub-Saharan African countries. I urge the Senate to pass S.805.

Fund Programs for Systems Development

But let’s be clear: Even if we put the brakes on the brain drain this instant, and the United States of America no longer imported foreign doctors, nurses, and lab technicians, there would still be a crisis. And even if Senator Durbin’s bill passed, fully funded, there would still be a crisis.

We are in an ugly mess. If we want to do the right thing, and get millions more people in poor countries on anti-HIV medications, our U.S. tax dollars have to be put to use skewing health services towards AIDS, and away from general maternal

³Ooms, G., Van Damme, W., and Temmerman, M., “Medicines without Doctors: Why the Global Fund Must Fund Salaries of Health Workers to Expand AIDS Treatment,” *PLoS Medicine* 4:0001-0004, 2007.

⁴World Health Organization, “The global shortage of health workers and its impact.” Fact sheet No. 302, April 2006. <http://www.who.int/mediacentre/factsheets/fs302/en/index.html>

⁵ibid.

⁶Krestev, N., “World: Maternal-Mortality Numbers Still Climbing,” *Radio Free Europe* July 2006. <http://www.rferl.org/featuresarticle/2006/07/10d24de4-cc8d-459c-9eed629ee1bccc4c.html>

health and child survival. Why: Because there aren't enough healthcare workers to do both.

If we want to spend U.S. taxpayer dollars—as we should—on campaigns to wipe out malaria-carrying mosquitoes and get children under insect-barrier nets at night, then the public health workers who will implement such programs have to come from somewhere. Perhaps there will be fewer of them trying to clean the children's drinking water or teaching teenagers how to avoid getting infected with HIV. Why? Because there aren't enough trained public health experts.

The only way American tax dollars can save lives, across the board—without robbing healthcare workers from one disease area to implement disease combat in another area—is if we start funding systems management. The expertise for disease prevention and treatment is sparse: the talent pool, along with their supplies and patient loads, must be carefully managed. Novel incentive systems to defy corruption and bring quality health to vast constituencies must be put in place.

At the request of Prime Minister Tony Blair, this question of the relationship between wealthy world priorities, and the health—or the lack thereof—in Africa was studied by Lord Nigel Crisp. His recently-released report⁷ concludes that single-disease-specific programs can damage other health interests. He calls for direct funding of systems development and management, with far longer-term commitments than had been the norm for the UK. The Crisp recommendations are now being implemented.

But what about the United States? Well, we do have a health systems management program nested inside USAID. It is working to professionalize health management in poor countries. It's budget? Just over \$3 million.

FISCAL YEAR 2008 BUDGET: INTERNATIONAL AFFAIRS

As you look over the White House fiscal year 2008 budget requests—for a total Foreign Operations request of \$20.3 billion—please pay close attention to the following:

- More than half of all funding for Africa will focus on 8 strategic states.
- Overall health spending in designated African countries would more than double compared to fiscal year 2006 actual spending.

Of the nearly \$4 billion requested for health in Africa, \$3.4 billion would go for HIV/AIDS in 12 countries (under the Global HIV/AIDS Initiative or GHAI, formerly known as PEPFAR). The remaining \$700 million would be spent on the President's Malaria Initiative, Tuberculosis and a host of modest child survival and health initiatives.

- Nearly all programs are heavily ear-marked, with little or no monies designated for general health threats or health systems management and support. Health management and personnel training is not stipulated clearly in any budget lines, either under disease-specific programs, nor in overall global health budgets.
- Only \$34 million is requested for water systems, sanitation, or general public health threats.
- Under the Global War on Terror 2007 supplemental the President requests \$161 million, in addition to the general budget \$100 million, for pandemic influenza surveillance and control, through USAID. The supplemental request is listed under Child Survival and Health Programs.

I do not believe that we are guilty of over-spending in any global health initiative. Rather, we are guilty of under-valuing the necessity of building genuine, well-managed public health and medical systems. The paltry \$3 million now spent on USAID's Management Sciences for Health program should increase dramatically, reflecting this gap. Further, current caps⁸ on human resources development and training that exist for PEPFAR funds should be lifted, for training of indigenous—not American NGO or FBO—personnel.

WHAT IS THE GOAL?

I think the appropriate goals for U.S. foreign aid in support of global health ought to be twofold:

⁷Lord Nigel Crisp. "Global health partnerships: the UK contribution to health in developing countries." February 2007. http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_065374

⁸Under PEPFAR, spending to train local healthcare workers cannot exceed \$1 million per country per year. That is absurd.

- Build sustainable infrastructures in poor countries that shift the paradigm towards fantastic improvements in maternal health, child survival and overall extension of life expectancy.
- And, second, ensure the safety and security of the American people by lowering the global disease burden, both in terms of infectious threat and detrimental impact on nations' and global GDP and economic growth.

The current channels of spending, though in the billions of dollars, will not accomplish either of these goals.

Systems and infrastructure aren't sexy, cannot be built in short funding cycles, and are tough to brag about to constituents. But without viable systems of medical delivery and public health infrastructures all we will manage to do with our billions of dollars is save some lives, at the expense of others; achieve short term targets without fundamentally leaving anything in place that allows nations ultimate dignity and self-reliance.

Let me close with this final story. During the 1960s, at the height of the Cold War, the global community committed to the astonishing goal of completely eradicating smallpox. The virus had killed more people during the first six decades of the 20th Century than all wars, combined. In order to accomplish this remarkable feat the World Health Organization and our Centers for Disease Control set up an unprecedented worldwide infrastructure of community health workers, public health advocates, disease detectives, laboratories, vaccine manufacturing, specialized infectious diseases clinics and hospitals and international-scale leadership and management. It was a breathtaking scale of effort. And it worked. By the end of the 1970s smallpox was eradicated.

But then a tragic, inconceivable mistake was made: The entire worldwide smallpox infrastructure was simply shut down. Unable to find funding, or international interest, the infrastructure that defeated smallpox was, itself, eradicated at precisely the same time as a new scourge emerged: HIV. Since 1981 AIDS has killed more people, in 25 years, than smallpox did in the 20th Century.

As the late, great Kurt Vonnegut would say "So it goes."

Thank you for your time, attention, and concern.

Senator LEAHY. I was discussing your testimony with my wife who is a registered nurse, now retired, except for children and grandchildren, she's traveled with me to a number of places around the world where we've used the Leahy War Victims Fund. She's been in some of these places, and she said our first-year nurse's training 40 years ago was more advanced than what they had available. We've brought thousands of sterile disposable gloves and needles.

We're not trying to build the Mayo Clinic in these places. We're not talking about major surgery, we're talking about the preventive measures that we take for granted.

I'm glad you raised the brain drain. I worry, also, though, that we don't have the basic—very, very basic—infrastructure. Where I see medications that are supposed to be refrigerated, there's no ability or knowledge of doing it. A pill a day for 20 days, but, well, why not take 20 today and get it over with, and that kind of thing.

Dr. Daulaire, as I said before, you and I have been friends for decades, and I'm delighted you're here. I'm delighted the Global Health Council is based in Vermont. There's some days when I'm down here I'm envious of you being back home.

Please go ahead, sir.

STATEMENT OF DR. NILS DAULAIRE, PRESIDENT, GLOBAL HEALTH COUNCIL

Dr. DAULAIRE. Thank you, Senator Leahy, in turn I'm delighted to be one of your enthusiastic constituents, as are our staff, headquartered in Vermont, some of whom are Senator Gregg's constituents as well, right across the river.

But I'm here today, not as a Vermonter, but as the head of the Global Health Council, an organization representing health professionals and service organizations working in more than 100 countries. This is the issue of the moment, and I'm more delighted than I can tell you that you are hosting this hearing today.

As you well know, I'm a doctor and a scientist, I've worked in the field for over 3 decades, and I believe deeply, as Dr. Gayle mentioned before, that what we do in global health has to be evidence-based. So, both in the submitted testimony and what I'm going to talk about over the next few minutes, we have hard facts to back up everything that we're talking about.

I'd like to make five points—first, this is a huge issue; second, we have done an enormous amount, we, the United States, to improve the situation, and we know what to do; third, over the last 10 years, our investments have lagged; fourth, we can make a world of difference with modest additional investments, starting this year; and fifth, this would be good, not only for the women and children of the world, but it would be good for America.

So, let me take those five points in order. We've already heard quite a number of the statistics, let me just put one chart up here—this is a huge issue. In many of the countries where I've personally worked, 1 out of 5 children do not survive to their fifth birthday. Take a classroom of 16 adolescent girls, one of those girls is not going to make it through her fertile years, because of a death due to pregnancy or childbirth, and 1 out of 4 pregnancies around the world is unintended.

These are staggering statistics, when we consider our own lives and our own children and our own families, and they're simply unacceptable. Sitting in the Dirksen Building, I'm reminded that he once said, "A million here, a million there, pretty soon you're talking about real money." In this case, you're talking about real lives. You've heard the lives—over 10 million child deaths, over half a million women dying in pregnancy and childbirth—and as well, more than 200 million women living around the world with an unmet need for family planning.

Some people have asked, why does the Global Health Council concern itself about family planning? That's a population thing, not a health thing. But, family planning is fundamentally a health intervention. It prevents abortion—I don't need to make that argument with you, sir, you've been clear on that, and you understand that well—but in addition, we know from the data that it saves the lives of young children, the older siblings. A child born more than 3 years after the prior birth has a one-third lower chance of dying than a child born within 2 years.

Children born to teen mothers have a 30 percent higher rate of infant and child mortality than do children born to older mothers, so—family planning saves mothers' lives, and it saves childrens' lives.

But this is not only about death, but also about lives. I have to say that, in addition to the ones dying, there are 40 million children living stunted lives physically and intellectually each year. There's more than 20 million women who suffer lifelong consequences of complicated deliveries, and there are 60 million

women a year making agonizing choices about pregnancies that they did not intend.

The second issue, we've learned a lot, and we know what to do. We've talked about that already, and Dr. Hill, I think, made the case beautifully, that this has been an area of enormous scientific growth and operation growth, but it didn't just happen. It happened because of considerable U.S. Government investments in maternal and child health, and in family planning. Investments led to knowledge, led to application, and led to millions of lives saved.

Why have our investments lagged over the past decade? We have this chart up here that your staff prepared, let me take those bottom lines that you can barely see, and show you that in maternal and child health in nominal dollars, the line has been more or less flat. Adjusted for inflation, we're actually spending 22 percent less than we were 10 years ago, and that's in a world that has 19 percent more children.

In family planning, the situation is also very sobering. Again, adjusted for inflation, our investment in the past 10 years has declined by 14 percent, and that's in a world with 30 percent more women in need of family planning services.

So, this is critical in terms of making an important change in the delivery of services. What do we need today? What U.S. leadership is called for? Well, analysis has shown that it would take \$5.1 billion of global investment, not just United States, to save 6 million children's lives, the figure that Dr. Hill pointed to before. Another \$3.9 billion to save, to provide family planning services for 200 million women, so we're talking about a global need of \$9 billion in which the United States fair share would be about \$1.6 billion for child health, \$2 billion for maternal health, and about \$1.3 billion for family planning.

Now, as much as our community would love to have that investment made this year, we recognize that you have to deal with a difficult appropriations process. So, I'm going to tell you what you can buy for every \$100 million that this committee, in its wisdom, decides to invest in maternal and child health and family planning.

If you invest \$100 million in child health and survival, you will save 113,000 to 200,000 lives every year. Nearly a million children will be provided with the 16 essential interventions that programs like CARE and others carry out.

If you invest \$100 million in mothers, you will prevent 12,000 maternal deaths, 15,000 newborn deaths, you'll provide 4 million women with basic, essential care, and 140,000 women will be treated for life-threatening conditions.

Last but certainly not least, if you invest \$100 million in family planning, there will be another 3.5 million additional family planning users, 2.1 million fewer unintended pregnancies, fewer infant and maternal deaths, and not incidentally, 825,000 fewer abortions around the world.

Senator LEAHY. So, as you're talking about that chart, the amount of money—it's a large amount of money—but its almost as much as we had spent by Tuesday morning of this week in Iraq.

Dr. DAULAIRE. There we go.

Senator LEAHY. Not to put too fine a point on it.

Dr. DAULAIRE. I—

Senator LEAHY. Or to indicate my feelings on that, but really, starting Sunday morning, we spent more than that by Tuesday noon in Iraq. We did last week, and the week before, and the week before, and we've been there for 5 years, longer than we were in World War II.

Dr. DAULAIRE. Mr. Chairman, this is indeed a matter of making decisions about national priorities.

Let me wrap up—Laurie Garrett has talked about the importance for health systems. What builds health systems capacity is the delivery of routine services on a daily basis, and what does that the most effectively and efficiently is maternal and child health services, and family planning, because those children and those mothers come through the door every single day. You can build other programs on top of that infrastructure, but that is the core of daily activities that is essential for infrastructure.

Finally, I think it's self-evident, I'm preaching to the converted here, but this would be good for America, not only because healthy families lead to more stable societies, less turmoil, and fragmentation in the world, but because the United States desperately needs a more positive face overseas. United States programs invested in maternal and child health and family planning have been among the most effective and appreciated around the world.

Senator, I know your children, you know mine, I know your wife, you know mine—we would not tolerate these levels of risks in our own family, and this is our family writ large. Women and children are at the center of global health and it's time for us to take action.

PREPARED STATEMENT

I call on you and your committee to boldly re-establish that commitment, with real dollars measured in the hundreds of millions. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF DR. NILS DAULAIRE

Chairman Leahy, Ranking Member Gregg and members of the subcommittee, thank you for inviting me to testify before you today on Maternal and Child Health, Reproductive Health and Family Planning. I am Dr. Nils Daulaire, President and CEO of the Global Health Council, the world's largest membership alliance of health professionals and service organizations working to save lives and improve health throughout the world.

Before I begin my remarks, let me thank you, Chairman Leahy, for your service to our home State of Vermont and your longstanding commitment to global health. You have been a proponent and champion of U.S. investment in global health for more than 30 years. Long before PEPFAR, the Global Fund, PMI and other welcome global health initiatives, you fought for basic health services in developing countries, committed to meeting the needs of the poor and most vulnerable. I applaud you, Chairman Leahy and you, Senator Gregg, for your bipartisan collaboration, recognizing that saving lives knows no party lines. On behalf of the Council's 350 member organizations working in over 100 countries across the globe, and the millions whose lives are improved by U.S. Government investments, we thank you.

The Global Health Council's members include non-profit organizations, schools of public health and medicine, research institutions, associations, foundations, businesses and concerned global citizens who work in global health—delivering programs, building capacity, developing new tools and technologies and evaluating impact to improve health among the poor of the developing world. Our members work in a wide array of areas, including child and maternal health, family planning, HIV/AIDS, other infectious diseases, water and sanitation, primary health care and health systems strengthening. The members of the Council share a commitment to alleviating the great health disparities that affect the world's most vulnerable peo-

ple. The Council serves its members and the broader community of global health stakeholders by making sure they have the information and resources they need to fulfill this commitment and by serving as their collective voice.

It has been my privilege to be part of the global health movement for over 30 years, and much of my career has been spent as a physician and program manager in some of the world's poorest countries. Working in countries such as Nepal, Mali and Haiti, I have had the good fortune to participate in the development and introduction of some important child survival interventions, notably in treating childhood pneumonia and Vitamin A deficiency. I have also had the honor of serving in Government as a senior policy advisor in USAID. My remarks today derive from these different perspectives and experiences, as well as the evidence and experience of our membership.

THE WORLD'S WOMEN & CHILDREN

The link between the health of the world's women and children is well-established, as is the link between their health and the well-being of the larger community. Because of these connections, we must view the challenges, interventions and investments as contributing to a continuum of care that has mutually reinforcing benefits from the individual all the way through global society.

Child Health

Today, as every other day, nearly 30,000 children under age five will die—1 every 3 seconds. In many countries, 1 of every 5 children born won't live to see their fifth birthday. If death rates of this magnitude were happening to the youngest and most vulnerable here in the United States, we would declare a state of national emergency. It is happening, perhaps not in our backyard, but in our world, and we must do more.

This year, more than 10 million children under 5 will die, mostly from preventable and treatable conditions—about the same as the total number of American children under 5 living east of the Mississippi River. Almost 4 million of these deaths will occur during the first month of life. Two million children will die from pneumonia; 1.8 million from diarrhea; nearly another million from malaria and almost half a million from measles. Virtually all of these deaths can be prevented—easily and cheaply.

As American parents, we take for granted that our kids will live and thrive. We recall when a skilled medical provider coached us through the stages of labor. We remember when our babies were whisked away to be dressed with head caps and swaddled to keep them warm. We have all taken our children in for their immunizations to protect them against measles, diphtheria, pertussis, tetanus and polio, diseases which, as a result, are today practically unknown in our country. If my daughter developed diarrhea, she was hydrated and her risks were very low. If my son developed pneumonia, rapid cure was ensured through antibiotics. These are all simple, basic practices that kept our children alive, and we are blessed to be able to take them for granted.

In the developing world, however, too many parents live with the very real fear that death will take their children. The interventions that I have named are neither difficult to administer nor expensive. The cost of some, such as oral rehydration salts, vitamin A supplements and even antibiotics, are measured in cents, not dollars. Breastfeeding and kangaroo care, where mothers hold newborn babies to their breasts to keep them warm, cost nothing at all beyond educating parents. Yet children are still dying because these basic interventions are not reaching them. I couldn't imagine that expectation when my children were born. No parent should have to.

Maternal Health

In the United States and other developed nations, the risk of death from complications of pregnancy and childbirth is extremely low. Although the risk of a woman in a developed country dying is about 1 in 2,800, the lifetime risk of sub-Saharan African women dying from complications in pregnancy or childbirth is 1 in 16. Over half a million women die each year from pregnancy-related causes, and up to 20 million develop long-term physical disabilities each year because of complications or poor management of pregnancy or childbirth. Almost 4 million newborn deaths are closely linked to poor maternal health care, especially the absence of a trained provider during and immediately after birth. And each year, more than 1 million children are left motherless.

Reproductive Health/Family Planning

Notwithstanding the progress in making family planning services available, over 200 million women still have an unmet need for family planning. These are women who are at risk of becoming pregnant, who wish to delay or end childbearing and yet do not have effective access to family planning. This is a denial of the basic right of every woman to decide if and when she will become pregnant. It is utterly meaningless to declare support for the human rights of women and yet fail to provide them with the information, services and commodities that will allow them to make a free, informed and safe decision about whether and when to become pregnant. Women cannot fulfill their potential or assert their rightful place in economies and societies unless they have such access. The decline in United States support for family planning flies in the face of our stated national commitment to overcoming the second class status of women in much of the world.

What is less well understood but equally important is that family planning is essential to protecting the health of mothers and their children. Family planning helps young women delay or space pregnancies. Family planning helps all women avoid high risk pregnancies; approximately 215,000 maternal deaths will be averted this year alone thanks to the family planning that is available.

Debate over abortion continues to create stark political divides. Yet, there is one thing we can agree upon—family planning reduces recourse to abortion by enabling women to avoid unintended pregnancies. Every year, there are more than 46 million abortions. 68,000 will also end in the death of the mother. Increasing access to family planning is the surest path to decreasing the number of abortions.

Speaking as a physician who has devoted years to improving children's health worldwide, let me make this clear: family planning is also critical to saving children's lives. Closely spaced births and births to young mothers dramatically raise the risk that the infant will die. A child born less than 2 years after a sibling is 67 percent more likely to die than a child born after a 3 year interval. The child of a teenage mother is 30 percent more likely to die than that of a woman aged 20 to 29. Between 20 percent and 40 percent of all infant deaths could be prevented if all women had access to family planning.

Lives, Not Just Deaths

I should point out that the issues of maternal and child health as well as reproductive health are not limited to averting deaths. They are also cause for diminished lives. For every woman who dies during pregnancy, childbirth or immediately following, another 30 suffer debilitating life-long consequences. Each year, nearly 40 million children who suffer early childhood illnesses but do not die become physically or mentally impaired. All of this contributes to the cycle of poverty and the failure of poor countries to develop.

U.S. INVESTMENTS—PROGRESS UNDERMINED

The United States is a tremendously important force in global health. Its decisions about priorities, resource allocation, policies and technical leadership have profound consequences—that is the privilege and burden of our country's unique role. It is widely acknowledged that the United States has made very important and enduring contributions to global health. Yet today, U.S. global health policy is marked by two trends that are in stark opposition and mutually inconsistent. On the one hand we see the rapid expansion of U.S. programs in HIV and malaria; on the other we witness the neglect of maternal health, child health and family planning. This makes no sense.

Contradictory Trends

The U.S. Government (USG) investment in global health has grown and evolved dramatically in just a decade. In fiscal year 1997, USG spending on global health sat just below \$1 billion. Ten years later, global health spending is well over \$5 billion from the foreign operations budget alone, with additional investments from the Department of Health and Human Services and the Department of Defense. However, the devil is in the details.

Most of the exponential growth in global health spending over the past decade is due to USG investments in HIV/AIDS—over \$14 billion since the advent of the PEPFAR, the President's emergency program for AIDS relief—an important commitment that the Council applauds. More recently, the President Malaria Initiative (PMI) has joined PEPFAR as a priority program of this administration, with a \$1.2 billion pledge over 5 years. PEPFAR and PMI speak to the USG's generosity and ability to make a difference and, through these programs, many lives are being saved. The USG deserves tremendous credit for its global leadership.

But the U.S. Government has not seen fit to increase in a similar way its historic leadership in maternal and child health and family planning. Once the investment in AIDS and malaria is subtracted from current spending totals, investments in child health, maternal health, family planning and the remaining infectious diseases remain at about \$1 billion, roughly where they were a decade ago. There has been level funding in most program areas and cuts in others, which means a decrease in programming power once adjusted for inflation and the increase of the number of people in need. This is most notable in the areas of child health and reproductive health and family planning which, when adjusted for inflation, have declined 22 percent and 14 percent, respectively, over the past decade. To this must be added the impact of a 19 percent increase in the number children under five and a 30 percent increase in the number of reproductive age women in the 43 least developed nations. So while the dollars have gone down, the need has gone up. Reduced investment translates into lives—millions lost unnecessarily.

Complements not Contradictions

Let me say again, the Council enthusiastically applauds the growth in spending for AIDS and malaria and the leadership President Bush and the Congress have shown in these areas. But while funding flows through independent and issue-specific channels, these health threats do not occur in isolation. The same communities where individuals are living with AIDS are also those in which non-HIV infected women are at very high risk of dying during child birth from lack of family planning and basic obstetric care. The same young children who now sleep under bed nets to guard against malaria are no less likely to die from diarrhea or pneumonia. We have confused the laudable objective of fighting disease with the fundamental goal of saving and bettering lives, and our investment is undermined by an excessively narrow perspective. Fortunately, relatively modest increases in USG investment in these neglected areas can save millions of lives through simple, cost-effective interventions.

That is the good news—solutions are within easy reach at low cost. In the past 30 years, thanks to the investments and efforts that have been undertaken, the child mortality rate in the poorest parts of the world has declined by 40 percent. Because of family planning efforts, birth rates have also declined by 40 percent. What an incredible moment: For all of human history, people have lived with the expectation that many of their children will die young and that women will endure one pregnancy after another, regardless of the impact on their health and survival. The 40 percent decline in birth and death rates is a stunning change. The advent of simple, inexpensive vaccines, antibiotics, oral rehydration salts, anti-malarials, micronutrients and contraceptives have radically changed expectations and reality in many parts of the world. What a tragedy it would be not to finish a job so well begun.

This progress makes the choice not to increase our investment in women and children intolerable. Allowing women and children to die from easily preventable causes is just that—a choice. We are at a loss to understand how this administration, so generous in the response to HIV/AIDS and malaria, now proposes substantial cuts in maternal and child health and family planning.

IMPROVING HEALTH, SAVING LIVES

As I have described, U.S. support for basic maternal health, child health and family planning services has been declining. This must be reversed. The United States must reassert its historic and essential leadership in saving the lives of women and children. Providing these basic interventions for women and children is the cornerstone for securing improved health and is at the heart of building sustainable public health systems. The record is clear. Every time the United States has approached a major global health problem with tenacity and at the requisite scale, our country has had a tremendous positive impact.

On the scale of global need, the amount needed to achieve important gains in child health and family planning is manageable. Six million children could be saved every year if the global budget for child health were increased by \$5.1 billion. Providing essential obstetric care to 75 percent of women in 75 countries would cost an additional \$6.1 billion; 200 million women with an unmet need for family planning could receive these services for an additional \$3.9 billion per year. So the math is simple. If—from all sources: United States, other donors, developing nations—the world devoted an additional \$15 billion per year, 6 million children would be saved annually, most women would have maternal health care and 200 million more women would have access to family planning. I urge this committee and the Congress to move the United States into the same leadership role on family planning, maternal and child health that it has shown in AIDS and malaria.

MODEST INVESTMENTS, MAXIMUM IMPACT

To illustrate the potential impact of a heightened U.S. commitment, I'd like to reflect on what even a modest ramp-up in investments could return. The U.S. share of the additional global investment needed to reduce child mortality is roughly \$1.6 billion. The United States should add \$2 billion per year to its spending on maternal health. The United States should increase its contribution to family planning by \$1.3 billion per year. We have a long way to go. However, we can take modest steps and still see great gains. The projections I share with you are based on solid scientific analyses by the Council and others.

Investment Scale-Up

Every \$100 million in attacking the most common causes of child death with the most cost-effective interventions would have the following impacts:

- At least 113,000, and perhaps as many as 200,000, young children's lives saved
- Over 812,000 children provided with 16 essential interventions, at an average cost of just over \$12 per child

Every \$100 million devoted to maternal health programs would:

- Avert nearly 12,000 maternal deaths
- Avert more than 15,000 newborn deaths
- Provide basic and essential care for 4 million women
- Treat 140,000 women with life-threatening conditions
- Treat an additional 880,000 women with serious pregnancy and childbirth-related conditions

Every \$100 million invested in family planning would have the following impacts:

- 3.6 million more family planning users
- 2.1 million unintended pregnancies avoided
- 825,000 abortions prevented
- 970,000 fewer births
- 70,000 fewer infant deaths
- 4,000 maternal deaths averted

These are remarkable outcomes for relatively moderate additional outlays. Each increment of \$100 million would yield proportionate gains, the virtuous cycle writ large. We therefore urge this committee to approve a significant increase in the budgets for maternal and child health and family planning with investments on par with the other global health priorities.

BUILDING CAPACITY WHILE SAVING LIVES

There is the misperception in some quarters that U.S. assistance for maternal and child health has been an example of charity or created dependency. This is far from the truth. Improving health is not merely a matter of delivering pills and vaccines, though pills and vaccines are essential. It's about improving health equity by putting in place sustainable systems for delivering essential care. Improving health means supporting educational programs to foster new attitudes and behaviors; building community leadership and organizations committed to improved health; strengthening the capacity of health providers and institutions; better measurement of what programs accomplish; and, adopting better health policies and health financing schemes. The United States role has been to strengthen the capacity of national health systems to deliver essential maternal and child health care. Achieving long term sustained change requires patience and sustained investment, but the record of building capacity while achieving gains in health outcomes is clear.

Another invaluable U.S. contribution has been to invest in technical leadership and research and development, areas where the United States has historically excelled. These core functions support the development of new technologies and innovative means of delivering services, which have enduring impact. The overall decline in resources has seriously affected these core functions, a consequence exacerbated by the declining percentage of available resources devoted to technical leadership and research and development. I am greatly concerned that the technical leadership role of the United States has been starved of resources and I urge the committee to be sure it is adequately funded.

IN THE U.S. INTEREST

The United States has a compelling national interest in saving the lives of the most vulnerable women and children. The stated goal of U.S. foreign assistance is "To help build and sustain democratic, well-governed states that respond to the needs of their people, reduce widespread poverty and conduct themselves responsibly in the international system." There is no more dramatic marker of this goal than saving the lives of millions of women and children.

Poor maternal and child health indicators are viewed by many as evidence of the failure of governments to provide basic services. Conversely, alleviating the burden of disease among women and children is clear evidence of improving governance through concrete, specific gains. Even low income societies can achieve dramatic gains by providing widespread access to essential services and information. Improving access to basic health care for women and children is an exercise in good governance, meets a basic need, redresses pervasive inequities and creates a model for other essential services.

Poor maternal and child health also brings economic ruin to families and households. What truly marks poor households is vulnerability. A childhood illness or complications from pregnancy force a poor family into excruciating choices, when they must choose between buying seeds or paying for basic health care. Preventable illness and death can tip a poor family over into destitution as they divest themselves of meager savings and borrow money to pay for health care or funerals. Efforts to alleviate poverty must address this underlying cause of household vulnerability.

Mr. Chairman, it is no secret that the international reputation of the United States is at low point. Multiple surveys reveal the widespread negative perceptions of our country. One could argue whether these perceptions are justified, but there is no arguing with the urgent need for effective public diplomacy. But public diplomacy is more than words and promises, it is deeds. The most powerful statement our country could make is to save the lives of the world's most vulnerable women and children. This is an enormous opportunity for constructive engagement with much of the world. Most importantly, a renewed commitment to saving women and children will express the values of a decent and generous American people, who invariably support effective efforts to alleviate needless suffering.

A CALL TO ACTION

Chairman Leahy, Senator Gregg, members of the subcommittee and colleagues, my most fundamental message to you today is of hope and possibility. We know how to save millions of women and children through simple, inexpensive means. We know what works. We know how to deliver the interventions. We know what they will cost and we know what will happen once these services are provided: lives will be saved; communities strengthened; futures built and countries developed.

The responsibility for improving maternal and child health does not rest principally with the United States. That responsibility for meeting basic needs rests with national governments. Non-governmental organizations, faith communities, multilateral institutions and other donors all have a role to play. As I speak before you today, global partners are gathered in Tanzania under the invitation of the Partnership for Maternal, Newborn and Child Health. An increasing global commitment guarantees that the United States is not in this alone. But there is no substitute for U.S. leadership or for active U.S. partnership in a global compact for women and children.

Mr. Chairman, we need a bold commitment on the part of the U.S. Government and the American people—a commitment to the world's most vulnerable families so that they may enjoy the same expectation we have for our children's survival, planned pregnancies and mothers' safe deliveries. We simply must decide that this is the right thing to do in partnership with other governments and the communities in need. Relatively modest yet sustained increases in resources will make a significant difference in the lives of millions of women and children. And this clear commitment to the well being of families also will make a significant difference in popular perceptions of the role of the United States abroad.

I appeal to you to boldly reestablish that commitment with real dollars, measured in the hundreds of millions. It's time to act.

Thank you for your time and for hosting this hearing. I look forward to addressing any questions you have, and to working with you to continue to save and improve lives.

Senator LEAHY. Dr. Hill, let's go into this a little bit. The Millennium Development Goals. I read that one of the goals is to reduce by two-thirds the mortality rate among children under 5 by the year 2015. That's 8 years from now. You pointed out a half a million women die in pregnancy and childbirth each year. That's one per minute. Ninety nine percent of those are in the poorest countries. Another one of the Millennium Development Goals is to re-

duce by three-quarters the maternal mortality rate by the year 2015.

The United States has affirmed these Millennium Development Goals—how does the fiscal year 2008 budget request, which doesn't increase resources for either child health, maternal and reproductive health, fit into a strategy to reduce child death by one-half, and maternal deaths by two-thirds by 2015, realizing as Dr. Daulaire, and others, have pointed out, the world's population is increasing?

Dr. HILL. You raise important issues, and it's very clear that you don't make the kind of progress towards reaching those MDG goals as you would like without sufficient funds.

One of my problems, of course, is that I wear a very partisan global health hat, and I tend to view things as my colleagues on this committee do, thinking about what we could do with money and do with more money. Yet, I must acknowledge that we're part of a bigger budget process. That process is trying to limit resources that they're willing to ask Congress for, to make very tough decisions, and get at the same table at the same time all of these different sectors—peace and security, economic growth, and democracy.

Senator LEAHY. What you're saying is that you've lost the OMB battles.

Dr. HILL. We've won some battles. I doubt if there's any part of the budget process that is fully satisfied with the end product. But there are a lot of tradeoffs. I do have to acknowledge that, as has been said by my colleagues, malaria and HIV have huge increases, avian influenza is in the budget at \$100 million, and you folks are considering a \$161 million supplemental. I know that overall health money being spent and being asked for by the Congress is more than in the past. But, it is certainly true that the way that it is prioritized within the health portfolio has left these two units upon which we're testifying today with less money than they have had in previous requests or appropriations. Those are very difficult tradeoffs.

Senator LEAHY. But, on these tradeoffs, for example, the World Bank has 54 countries designated low-income countries, and USAID has programs in many of these.

Let me give you an example. In the fiscal year 2008 budget, where some of these tradeoffs are, there's an increase in funds for Liberia, and I strongly support that.

Dr. HILL. Right.

Senator LEAHY. But, Mali, which also has similar problems, receives less. So, is this robbing Peter to pay Paul?

Dr. HILL. I think you have pointed out an issue that's come up in this first year of the new system, which is problematic, and it's been noticed, and we're going to address it in two ways.

As you know, the budget was put together by country teams, looking at and trying to prioritize within their countries. But when you look at the final product, you've got some inequities where some countries with greater need had less money than was being spent in the countries that needed the money, but not as much. Therefore, I think we're going to have to look at these 2008 appro-

priations by country, and make some adjustments, but that's only part of the answer.

The second part of the answer is to ask the question, what can you do about the process for 2009 that would make fewer adjustments necessary? The answer seems to be this—to ask the three pillar bureaus at USAID to look globally at big issues and give some input to the Office of the Director of Foreign Assistance and say: “If you have to spend X amount of dollars on, say, child and maternal health, this is the priority of the countries you ought to spend it in.” That will affect the amount that they set for the country team to consider. They will say to the country team: “Be aware that we are setting this amount,” partly keeping in mind that they have an unusual global need in this area. So, that may help us some.

Senator LEAHY. May help some, but you still have a limited—

Dr. HILL. A limited pot.

Senator LEAHY. Yes.

Dr. HILL. Now, there's one other thing I should say, and that is that it's probably inaccurate to describe the work in HIV or malaria, not suggesting you did this, but some might conclude this, that there's no connection to these other interventions. Eighty-five percent of the malaria deaths are to children under 5, so if we succeed there, it will actually help in child survival as well.

Senator LEAHY. But, it's not 85 percent of the children. For example, we've—I understand that USAID has cut funding for the oral rehydration salt program, which stops diarrhea—

Dr. HILL. Right.

Senator LEAHY [continuing]. I mean, that doesn't seem right. Should the HIV/AIDS and malaria initiatives, which I strongly support, should they be the foundation of our global health strategy?

Dr. HILL. I think it's fair to ask questions about how a pot of money for health ought to be divided up. I can tell you the experts at USAID and elsewhere strongly disagree with each other from time to time about what those priorities ought to be, measuring how many people will die in a particular intervention. The experts don't always agree, so it's always a tough process, even among the health experts to decide, with limited money, where you'll get the most bang for your buck.

On HIV, the argument often goes, if that gets out of control, you get a lot more parents dying. This fact that a parent is alive is a huge factor in whether a child lives, and the quality of their life, so they argue that you don't have the children to work with if you fail, so these are the kinds of arguments—

Senator LEAHY. I understand.

Dr. HILL [continuing]. Of these people.

Senator LEAHY. I've visited a number of these countries, and I've encouraged improvements in HIV/AIDS programs, but, I worry that Secretary Rice spoke of the U.S. health strategy as primarily being implemented through the HIV/AIDS and malaria initiatives, and there is much more to public health than those two diseases.

Dr. Gayle, how would you respond on that?

Dr. GAYLE. Yeah, well, I think, you know, people have made the, several points about how we have to look at this in a much more integrated fashion. So, for instance, if we do a much more com-

prehensive approach in our HIV work that really looks at, what are some of the underlying reasons why some people are more at risk than others? Women, particularly who oftentimes are at risk for HIV because of sex, gender-based violence, or lack of economic opportunities. If we address some of these underlying causes as well, I think we will go a much longer way towards helping strengthen health and the root causes of poor health to begin with.

So, I think, first and foremost, it's looking at these things in a much more integrated fashion. We do HIV testing in the context of reproductive health programs, and treat other sexually transmitted diseases for women who come for reproductive health services. I think we can do this in a way that supports building a much broader, and more comprehensive approach to poor health and poor nations.

But we can't do it only by focusing on specialized programs. We have to do it in a way that looks at both the root causes, what are some of the things that are in common, including access to services, a strong health infrastructure, and do it in a way that recognizes that we can't let go of our core competency in programs that save the lives of children and women and families around the world, while we're continuing to focus on these other programs. It has to be integrated, or else in the long run, we're not doing service for HIV, malaria or any of the other issues, if we don't do it in a way that builds the platform upon which we can make health better overall.

Senator LEAHY. Ms. Garrett, do you want to add to that, and then I'm going to ask Dr. Daulaire the same question.

Ms. GARRETT. I think if we have two strategic targets for our global health/foreign aid, they would be to create sustainable infrastructures that can address a broad range of disease issues, and not be too narrowly focused, and that they would—in the process—ensure the safety and security of the American people by lowering the disease threat burden external to the United States. I think that we can accomplish both, but that the way we're going about it right now, we will fail to accomplish either goal.

It is appropriate that we elevate the level of funding directed to H5N1, or Avian flu. That is an elevated risk, and I do very strongly believe that the odds are reasonably high, that this particular bird flu strain may make, what we now know, is only two amino acid changes necessary in its entire genome to turn into a rapid human to human transmitter.

It is appropriate that we very heavily address concerns about HIV and that we have this PEPFAR, or now GHAI infrastructure in place to deal with specifically HIV. But, they—each one of them comes up against the same identical problem. If you talk to the people dealing with flu, and we've put out—I think our total expenditure now is if the fiscal year 2008 are approved, is going to top \$8 billion, domestic mostly. But, if you look at the flu problem, and you talk to those people, they all say, you know, "Our problem is that we can't find human cases of flu on the ground fast enough because there isn't a health infrastructure. There aren't people there watching, and there aren't places for the patients to go."

Senator LEAHY. You also have some countries that don't want the information to come out, and you don't want—

Ms. GARRETT. Well, that's a separate issue, transparency is obviously a huge problem. HIV tells us the story of the lack of transparency, because country after country after country denied that they had an HIV problem, or then said, "Oh, it's only foreigners," or "It's only homosexuals," or it's only this or that, until they had a generalized threat.

But I don't think that—and I know that this is going to come up when you hit the appropriation on the PEPFAR funding—I don't think that the PEPFAR infrastructure can be scaled up to become "the" infrastructure we're all looking for. I'd be happy to go through all the reasons why, it's a very long story, but bottom line is, it is an infrastructure that is primarily designed to address the health needs of a small population of adults, ranging between roughly 15 and 35 years of age. It is not—though it has a pediatric component—it is not a child health program. Though it deals with women of pregnancy age, it is not a maternal health program.

In fact, you have this odd possibility that as you enhance PEPFAR, a woman can get Nevirapine to prevent her from transmitting HIV to her child, but the next time she's pregnant, she will die in childbirth, because she can't get a cesarean section.

Senator LEAHY. Dr. Daulaire?

Dr. DAULAIRE. Well, let me first endorse what Laurie Garrett just said. There is no question that these programs for HIV/AIDS and malaria are, have an impact on the health of children and the survival of children, and of some women, but they are not the first and primary route for making a change in terms of their lives. They are, in a sense, necessary, but not sufficient.

I think the question here that we often get trapped into in the social sector in international development, is run a first assumptions. If we had accepted the assumption in 2001 that the cap on U.S. Government spending in global health was going to be, as it was then, about \$1 billion, we would be having arguments today about whether we could possibly do anything at all with HIV.

You've made the case that we spend lots of money on things that we consider to be important National priorities, so the argument made that, by Secretary Rice, that this addresses the issues of child health and maternal health do not hold water. They certainly are supportive of children's health and women's health, the kinds of programs that we're talking about today are the ones that are fundamentally important to make this change.

Senator LEAHY. Let me ask about some of those fundamental things. We keep going back to this question of safe water, especially for child and maternal health. Now—and you've spoken, Dr. Gayle, about CARE and the broad things it does, all the various aspects, you're basically saying there's no magic bullet, it's everything.

What has been the impact of USAID's Safe Water and Sanitation Programs?

Dr. GAYLE. Thank you, and I don't have the specific numbers off-hand, clearly there has been a major impact. We've been very supportive of the Safe Water Act in Senator Simon's name that we feel really ought to be strengthened and supported even more. Clearly, having safe water where a sixth of our population today does not have access to clean and safe water, means that not only will basic

hygiene not be available for much of our world population, but it also means that things like diarrheal diseases are only going to continue to be prevalent.

I've been in village after village in our work, where I've seen what it means to a family to have clean, safe water, where not only does it cut down the diarrheal diseases, and the under-5 mortality, but it means that children can go to school for the first time in their lives, and start to think about a different kind of future for themselves and for their families and communities.

So, yeah, I think the basic ability to supply clean and safe water, while some don't think of it as a health intervention, is one of the most basic interventions, and is something we feel is one of those cornerstones upon which a health—looking at improving health is critically important, and needs to be build upon. We think that there is more that needs to be done, and it is one of those areas that gets second shrift, because it isn't seen as one of the visible issues that is currently on the front lines.

I would just say, with some of the concerns around climate change, we think that the issues of clean and safe water are only going to become more and more urgent, and particularly for the poor, who will be facing more erratic climate conditions, more drought affecting agricultural productivity and nutrition, et cetera. So, this issue of safe water, clean and safe water, is a critical one.

Senator LEAHY. Dr. Hill, and I might say, when I ask some of these questions, I'll be the first also to say that USAID has done some tremendous things around the world, and I'm just trying to figure out how to make it even better. What do you say about the importance of clean water?

Dr. HILL. We agree with Dr. Gayle, that those who insist on separating water projects from health miss the point. For example, we have a three-part response to the question of small kids who die from diarrhea, and the first part of the strategy has to do with point-of-use water projects, second, the sanitation message about washing your hands; and third, dealing with feces. Much of this has to do with water; so we view the water projects as integral to what we need to do to have a big impact on under-5 mortality.

Senator LEAHY. Ms. Garrett, you talked about direct funding for systems development and management, and you say USAID is doing that, but they're doing it on a budget of \$3 million a year. Do you want to address that? I'm going to follow up with another question, but go ahead.

Ms. GARRETT. I keep forgetting to push the button, so sorry. Yeah, we, if you were a CEO of a major corporation, and the revenue for your corporation suddenly jumped, from say, \$800 million to, say, \$18 billion. You wouldn't want to imagine that your \$800 million management infrastructure was up to snuff to handle \$18 billion appropriately.

You would be even more concerned about that jump, if you knew that you had almost no health personnel to execute this giant new corporate venture. Worse yet, it's projected that by 2013, we will have a deficit here in the United States of 800,000 nurses, and 200,000 doctors. I, you know, I want to say a little on the side here, that I know that we're here dealing with foreign relations, but if there's one place where I feel that there is a need to see a con-

versation between—conversation between foreign operations and domestic—it is on this healthcare issue, healthcare resources issue.

Senator Dick Durbin has a bill that would try to rapidly increase the number of healthcare workers we're training in developing countries—

Senator LEAHY. In fact, Senator Durbin was going to be here but he was not able to because of what's happening on the floor.

Ms. GARRETT. Understood.

Senator LEAHY. He's a whip, and you're talking about his African Health Capacity Investment Act—

Ms. GARRETT. Exactly.

Senator LEAHY. I'm co-sponsoring that and we've all touched on this a bit. As doctors and nurses leave for better paying jobs, and I think of our own country when I see the ads for nurses. Bringing them here from other countries to make up for our failure as a Nation compounds the problem.

To go back to my earlier comment, I'm not suggesting the Mayo Clinic in these countries, but I am asking why can't we have nurse practitioners? Why can't we have people who have at least basic skills, and the kind of infrastructure to handle basic health needs.

Ms. GARRETT. Right.

Senator LEAHY. There are certain things we do almost unconsciously, for hygiene, but they need to be taught. How do we do this?

Ms. GARRETT. Well, I'm so glad you're asking that, because it goes back to your original question to me, how do we get to reasonably managed health systems?

As I was saying, I really think there needs to be a conversation between your counterparts dealing with domestic health funding, and international on this question. Because if we reach the point where we are trying to suck away from the poor world 200,000 doctors, to offset our deficit—I'm not even sure there are 200,000 out there—but if we go after everything we can get, sure, we might be able to deal with our health problem, but at the expense of killing people in poor countries.

So, I see that—

Senator LEAHY. Is there a way we can do both? To take care of our health problem and also help take care of theirs?

Ms. GARRETT. Well, actually, as it turns out, with the nursing crisis and the physician crisis here, in terms of our really mediocre level of domestic production of our own indigenous personnel, so that we don't need to suck the talent away from the poor world, it turns out the disincentives are less about pay, salaries at the, once you are a professional, than they are about access to the actual training.

We've had bills come consistently before this body and the House, requesting subsidies for State support of nursing training and physician training, and they have consistently failed to even get out of committee.

One of the biggest problems that we have right now in nursing training is that a typical nurse earns more as a practicing nurse than she can earn as a Professor of Nursing. Most nursing training is done by land grant and State-supported institutions, they are underfunded, and their faculty are underpaid. Most of the States,

a State like Michigan, for example, which has quite a number of nursing schools, as you know, Michigan is a hard-hit State right now. Its economy is in deep trouble. They cannot afford to even match the salary level that a nurse can make as a nurse, versus as a professor, without Federal support.

We need to really say, I think, in no uncertain terms, that the foreign operation side of the Senate is saying to the domestic operations side, "Unless you create the incentives for us to produce sufficient healthcare personnel, domestically, so that we do not need to absorb the talent from the outside, we're in an immoral position."

Senator LEAHY. Dr. Daulaire, Dr. Gayle and Dr. Hill on this?

Dr. DAULAIRE. Senator Leahy, there's two sides to this question, there's the push side, and there's the pull side. And the pull side is what goes on here in the United States in terms of our healthcare deficits, and in Europe for that matter.

I think it's appropriate for this Committee to particularly focus its attention on the push side—why is it that healthcare workers are leaving, or not getting trained to begin with? There are a number of different issues here. One is very often the wrong kinds of people are being trained in these countries. As a physician myself I hate to say it, but what the world does not need more of is lots more doctors, what the world needs lots more of is nurses, paramedics and auxiliary health workers who can address the healthcare needs at the communities where they're taking place. My own experience in the field has reinforced this many times over. So, that needs to be a focus in terms of both National priorities and donor assistance from the United States.

Second, if the United States in its donor-assisted programs, HIV/AIDS, malaria, TB and all of the rest, if it simply recognizes the fact that there has to be a health systems overlay, you don't just say, "Well, you do the health system, and you train the people, and then we'll give you the money or the drugs for specific interventions," there has to be incorporated into the framework of international assistance in healthcare. Third, on a very practical basis, in Africa where this crisis is at its worst, recently a group of African leaders got together and established a 15 percent target—they decided it themselves—of their national budgets to be used for their health systems. We need to encourage and reinforce this. This is not just a United States problem, but we can help by providing incentives through our international assistance for those countries that are actually moving forward on getting to that 15 percent, which, I would note, I believe no African country has currently reached.

Senator LEAHY. Dr. Gayle?

Dr. GAYLE. Yeah, just to basically support, I think, the issue—in addition to thinking about how we can make sure that we're not being a drain on the workforce in poor countries, but also that we look at what are the needs? That we are very, that we reinforce the kinds of health workers that will have the greatest impact on the lives of people in poor countries.

As Nils said, it's not necessarily doctors or even sophisticated nurses, it really is, developing a core of people who are the auxiliary health workers, on the ground people who come from those

communities, and understand those communities, who are really, the cornerstone of health interventions. By supporting the interventions, they are much more focused on the preventative side of health services, the public health approaches, I think we will get a lot—much more bang for the buck than by supporting tertiary care focus and technology fixes that oftentimes lead to short-term fixes, but not looking at the longer-term impact on lives.

We also would like to endorse the Durbin workforce bill, and be happy to help in any way as that continues to move forward, and think about what are the best ways in which to build that kind of health capacity on the ground that meets the needs of people where they are.

Senator LEAHY. Senator Durbin and I feel very strongly, I'm following his leadership on it, but we feel very strongly about that.

Dr. Hill?

Dr. HILL. Three quick points—there is one piece of good news here. When I travel to Africa or talk to doctors here who came from Africa, I've been pleased to find that the overwhelming majority did not come here primarily because they would get a higher salary. They often report that they came here because they had a chance to work in the field they were trained in, and they didn't have the chance at home. It is generally only a secondary motive—that is they did have the chance, they couldn't feed their family and do it.

Which leads me, and leads us, to the conclusion that we need to focus as Nils said, Dr. Daulaire said, on making sure that out there in the field the systems improve, so they can hold onto the people that are trained.

There is also a second point that addresses some of the points that Dr. Garrett was bringing up about infrastructure and health systems, because it's all related. I think as good as the CBJ may be in terms of communicating some things, at 2 inches thick you would think it could communicate a lot, but there's an awful lot it doesn't communicate.

There aren't a lot of projects. There's not a category for infrastructure or health systems, et cetera. But as a matter of fact, at USAID—and at PEPFAR too—there's a strong sense that these issues that have been raised simply have to be dealt with. The surge is a big problem, and they know that we have to work on systems.

But the way it tends to get done is that it is a component within a project that might be HIV or malaria or tuberculosis or contraceptive health or whatever it is, and any good program is going to have a component to it that specifically deals with this issue.

Now, there are two questions that Ambassador Tobias always asks at a review of programs. One, "Show me how this correlates with the work of other donors, so I know it's not duplicative." Number two, "Show me how this is going to produce sustainability," which means it has to get at the issue of health systems, et cetera. So, we're aware this is a problem.

The third simple point is that we are trying to ramp up, within all of the specific interventions, a component that will address precisely the question about what can you leave in place there that will allow them to do this work when we are gone.

Senator LEAHY. You know, in the article Challenge of Global Health, that Ms. Garrett wrote in Foreign Affairs, she quoted a Zambian doctor who said maternal death is the biggest challenge in strengthening health systems, if we get maternal health services to perform then we're nearly perfecting the entire health system.

Without going into great detail, let me start, Dr. Hill, with you. Would you agree with that?

Dr. HILL. Sorry, that there's a health systems problem in Zambia? Is that—

Senator LEAHY. No, that maternal death is the biggest challenge in strengthening health systems. If we can get maternal health services to perform, we're nearly perfecting the entire health system—that's what a doctor in Zambia said.

Dr. HILL. Yes, my health experts would probably disagree and have a big debate about that. It is certainly a critical component, and one of the most important. Whether it's the very most important, I don't think I'd be prepared to say, but it is a lynchpin, a critical piece of the puzzle.

The problem with a lot of this is that—however you decide to prioritize, the bottom line is, if you're not basically doing them all, just the top ones, whatever you choose is going to be undermined by what you didn't do. So, you almost have to find a way to take the top three, four or five, and find a way to do them, and to do them as well as you can, or you're going to undermine your successes wherever you did work.

Senator LEAHY. Which goes back to my prior oversimplification, my concern about robbing Peter to pay Paul, and making them all work.

Dr. Gayle, how would you—

Dr. GAYLE. I wouldn't add a lot to that, only to say that while it may not be the thing that can fix the overall system, it is something that we know we can do a lot about, there's a lot of examples of making a difference, and I think it is totally unacceptable that today with all that we know and all that we can do that we continue to let 500 million women die every year from maternal mortality—something that ought to be a normal part of life, and that we continue to have 150 times greater mortality rates in poor countries, than we have here. So, it is one of those issues that we can do something about, that would strengthen the infrastructure.

I would just go back to the point, the chart that Nils Daulaire showed earlier, when we look at, and the point that you made—when we look at talking about \$100 million and what that does in terms of saving lives—\$100 million is a small amount of money for a huge return in lives saved.

So, I think, again it is a choice of where do we put our resources, what do we want to be known for as a Nation, where do we want to show our leadership, and start making some of those choices?

When I headed the program for USAID program for, or Global AIDS Program, we at that time had \$250 million in our total program. You know, we are now in the billions of dollars. It is possible, with the right kind of leadership and the right kind of commitment to take the cap off and stop making unnecessary limitations for things that we know can make a huge difference in peo-

ple's lives around the world, and put us back in the global world as a compassionate Nation that does care about these things.

Senator LEAHY. You talk about the \$100 million. It's just about noon, we spent that much today in Iraq.

Whether one is for or against the war, just so we understand where the money is being spent.

Ms. Garrett, did you agree with the Zambian doctor you quoted?

Ms. GARRETT. I did. I think that we use the phrase "canaries in the coal mine" to refer to what is the marker of a potential risk or threat.

To me, the big canary in the coal mine for whether or not you have a public health infrastructure is dying children under 5, and a big canary in the coal mine for whether or not you have a functioning health delivery system is dying mothers in childbirth, and childbirth-associated deaths.

I'll give you an example from a few years ago, when I was in a rural clinic in Zambia, probably about an hour's drive from Lusaka. A woman came in with two children, one strapped to her back, and one trying to walk at her side. She had had to walk for 2 days to get to this clinic, and was doing so because the baby on her back was terribly sick. But, along the way the child became sick as well, the one that was ambulatory, and she ended up, for the last mile or so, carrying both children.

When she staggered in, the doctor felt that the larger child looked like the more crisis case, so she left her baby with me, on a straw mat on the floor, and went in to see the doctor with the larger child. As I held the baby, it died in my arms, and its cause of death was measles—completely preventable. The larger child died of malaria, and the mother broke out sobbing, describing how hard it had been for her to give birth both times, and how frightening it was, the prospect of what she would have to go through just to have two children to replace the two she had just lost.

To me, that anecdote has lived with me my entire professional life, it has been a guiding anecdote. I can't think of any better way to look at what we're trying to do with U.S. foreign aid than to focus on how we could save both of those babies, and make it safe for that mother to give birth to future children.

Senator LEAHY. Have both the mother and the child live.

Dr. DAULAIRE. The question that you asked, Senator Leahy is, I think, a very important one, and it underlines some of the challenges that we have in addressing all of these issues in a substantive way.

I can certainly create for you a model in which maternal mortality could be dramatically reduced in which other major causes of illness and death probably wouldn't be affected. You can design a health delivery system that focuses on that. So, the point is that you should not confuse cause and effect. A well-functioning medical care delivery system will reduce maternal deaths, but a maternal death-reducing system will not necessarily be a good medical system, and I reinforce what Laurie Garrett just said about keeping some distinction between public health and medical care.

On the other hand, an awful lot of children who die around the world, die not only because they lack preventive services, but because they don't have access to the basic care that would get them

antibiotics for their pneumonia, that would get them treatment for their malaria, where you actually need a trained healthcare provider, so there's a mix in all of these. I think, though, that the bottom line is, if we made the kinds of investments that each of our panelists has been talking about, it is a reasonable presumption that we would see dramatic reductions in both child death and maternal deaths.

Senator LEAHY. Thank you. I want to thank each of you for being here. Some of the questions I asked may have seemed self-evident, but I'm also trying to prepare a record for other Senators.

I don't want to leave the impression that I simply feel that more money cures all things. There are very dedicated men and women who are out in the world, from the United States as well as a whole lot of other countries. Some very dedicated men and women from those countries, that are trying to make a difference. Sometimes in areas with no infrastructure, or in the midst of civil war.

I think of one African country where I went with my wife where we were using the Leahy War Victims Fund. She had helped the nurses to bathe and care for a boy who was probably 10 years old, with terribly distorted limbs. As she was bathing him, she didn't see a mark on him, she asked why, they said he had polio. She asked the obvious question, "Why polio?" She knew that we'd sent polio vaccine to that country, making it available? They said the people who would do the polio immunization could not get to his village because there were so many landmines around, they couldn't.

I mention that only because too often—and I think Dr. Hill you were trying to point this out, there is no magic thing that we can do, but we should start with the health needs of women and children.

ADDITIONAL SUBCOMMITTEE QUESTIONS

There will be some additional questions which will be submitted for your response in the record.

[The following questions were not asked at the hearing, but were submitted to the witnesses for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO DR. KENT R. HILL

QUESTIONS SUBMITTED BY SENATOR TOM HARKIN

POLIO ERADICATION

Question. Polio Eradication efforts are clearly working as we have seen the number of countries with indigenous polio drop to four, 2 billion children have been immunized, 5 million have been spared disability and over 250,000 deaths have been averted from polio. However, until the world is polio-free, every child, even those in the United States, is at risk.

In fiscal year 2007, both the House and Senate included \$32 million for polio eradication in their respective Foreign Operations Appropriations bills.

What amount is included for polio in your fiscal year 2007 projections?

Answer. USAID intends to provide \$31,680,000 for polio eradication in fiscal year 2007, which meets the House and Senate report level minus a 1 percent rescission.

Question. What is included for polio in your fiscal year 2008 budget submission?

Answer. The administration will fund polio eradication but specific funding levels are still under consideration.

QUESTION SUBMITTED BY SENATOR RICHARD J. DURBIN

MATERNAL MORTALITY

Question. The statistics are devastating—1 in 6 women in Angola or Afghanistan is likely to die from the complications of pregnancy or childbirth. UNFPA has a strong track record in this area, but the administration has refused to provide the funding for them that Congress has allocated. Women giving birth alone without access to the most basic care or life-saving drugs that could prevent post-partum hemorrhage should not be a hallmark of the 21st century, but in too many countries it is all too common. What are the most effective ways to reduce maternal mortality?

Answer. Maternal mortality can be reduced in two major ways: (1) reduce the number of high-risk and unintended pregnancies and (2) address the life-threatening consequences of pregnancy, which can include hemorrhage, infection, eclampsia, obstructed labor, and unsafe abortion. By promoting healthy timing and spacing of births, reducing unintended pregnancy, and reducing abortion, voluntary family planning is one of the most effective ways to decrease the number of maternal deaths. Once a woman becomes pregnant, USAID's strategy focuses on high-impact interventions. These include active management of the third stage of labor to address post partum hemorrhage; tetanus toxoid immunization during pregnancy, clean delivery practices, and treatment by antibiotics to address infection; administration of magnesium sulfate for eclampsia; monitoring the duration of labor and taking action in the event of prolonged labor; and provision of post abortion care. The over-arching strategy to deliver these and other maternal interventions (such as nutritional support and intermittent presumptive treatment for malaria to address indirect causes of maternal death) is to increase women's access to skilled attendance at birth, emergency obstetric capability to deal with complications, antenatal care and post-partum care, and family planning information and services. Essential to successful maternal care programs are reduction of financial barriers for families, appropriate deployment and retention of skilled frontline workers, and institutionalization of quality improvement systems. USAID has a very strong track record in maternal mortality reduction, including demonstration of effective approaches in community mobilization and behavior change, policy formulation, financing of maternity services, effective life-saving skills training, quality improvement, and contribution to reduction of maternal mortality by 20–50 percent within 10 years in 10 countries.

QUESTION SUBMITTED BY SENATOR PATTY MURRAY

HEALTHTECH AND THE CHILD SURVIVAL AND HEALTH ACCOUNT

Question. Under current funding levels, successful programs such as HealthTech have been cut to the skeletal remains. The administration's proposed budget calls for further cuts to the Child Survival and Health account, which funds HealthTech. These cuts are proposed while the administration comes to the Hill and touts HealthTech's successes such as the UNIJECT injection device and thecine Vial Monitor. The Senate budget resolution recognizes how important these programs are, and has added additional funding. That being said, please explain how further reductions could inhibit USAID's ability to fund such proven programs with demonstrable successes at the full obligated level?

Answer. Reduction in funds to HealthTech is not due to Agency funding cuts, but due to completion of certain activities. Further, sufficient money is already obligated to HealthTech for current needs. USAID is currently funding HealthTech to help develop several technologies—including antibiotics in UniJect and newborn resuscitation devices—which will improve the health of impoverished people.

In this and other key health investments, USAID focuses its programs and efforts on the highest impact activities, works closely with other donors, and continues public-private collaborations to help fill gaps. By these means, we expect to meet our objectives with requested Child Survival and Health account levels.

QUESTION SUBMITTED TO LAURIE GARRETT

QUESTION SUBMITTED BY RICHARD J. DURBIN

AFRICAN HEALTH CAPACITY/BRAIN DRAIN

Question. The issue of health capacity is critical to addressing all of the problems raised today. The whole world, including the United States is experiencing a shortage

of health personnel, but in Africa the shortage is far more dire. The math is devastatingly clear: as you testified, "As the number of health workers declines, survival decreases."

Along with Senator Coleman, Senator Leahy, and others, I have introduced legislation to authorize a concentrated effort to help Africa build the health capacity that it so desperately needs, from personnel—doctors, nurses, and community health workers—to infrastructure. Africa needs both health systems and the ability to train and retain personnel. Our legislation is also part of an effort to combat the brain drain of health professionals, including the need to train more nurses here in the United States so that we are not dependent on the poorest countries in the world to supply our health workforce. Ethiopia has 3 physicians per 100,000 people but there are more Ethiopian physicians in Chicago than in all of Ethiopia (Tobias).

What are the most effective ways to build health capacity AND fight this brain drain? This is an enormous problem—where can a U.S. contribution add the most value?

Answer. Thank you very much for posing this critically important question. I am, of course, well aware of your important initiative, and praised it in my testimony, and during Sen. Leahy's questioning. When you initiated the process of drafting this bill there were few analogous efforts going on in the world, and the U.S. leadership in this area was desperately needed.

I am happy to report that several potentially blockbuster efforts are underway, augmenting your efforts in this area. I will try to briefly describe the status of this situation, and suggest some efforts the United States can, and should, make.

First of all, in the last few months there has been a striking sense of global recognition of this problem. Recognizing a problem, and understanding its roots and nuances, is always the first step. Two real heroes in this aspect of the situation are Mary Robinson and Tim Evans. Robinson, the former President of Ireland and former head of the U.N. Commission on Human Rights, is now heading an international group that is trying to find ways to slow the exodus of health care workers from poor countries to the rich, without violating their individual human rights. Her group is meeting as I write these words in Geneva, in tandem with the 59th World Health Assembly.

Dr. Tim Evans, a leading Canadian health expert, now holds a top position in the office of WHO Director-General Margaret Chan. Together with Harvard's Dr. Lincoln Chen, Evans authored the groundbreaking analysis of the global health care workers situation, publishing 2 years ago, that estimated current deficits at 4.3 million. Evans' high level position in WHO's new leadership signals Chan's appreciation of the dire severity of the situation, reflected in her marvelous remarks at the opening of the Health Assembly this week. Chan is clearly the sort of Director General the global health community has been waiting for, and I have no doubt that she will take this health crisis issue by the horns.

On an entirely different front, the Prime Minister of Norway instigated a high-level meeting of foreign ministers, which convened in Oslo earlier this spring. The goal of the meeting was to better understand the links between national security and health, and the elevated discussion and action in the arena far beyond mere financial commitments. There is a growing recognition, as I outlined in my Foreign Affairs piece in January, that simply throwing billions of dollars at targeted global health problems, without any structural framework or support for public health systems development, will kill more people than are saved. (The one-page Oslo Ministerial Declaration is attached below.) The Oslo Summit promised a series of actionable steps.

The first of those steps will be launched this September in New York, during the U.N. General Assembly: "A Business Plan to Accelerate Progress Towards MDG 4 and 5". It's not a pretty title, but the concept is important. The Plan recognizes that the real victims of health care worker and health system deficits are mothers and children, and seeks to create an out-put based business strategy for investment in developing country health systems. The Oslo declaration estimates that 10.5 million mothers and children die annually from preventable causes, nearly all of them directly resulting from lack of sufficient medical care or basic public health services, such as water filtration and sewage treatment.

The Oslo group seeks to find business solutions to the crisis, creating better management of available personnel and resources, linking standards of care to financial rewards for providers, and moving the global community away from single disease targets for support and financial aid.

Secretary General Ban ki-Moon is also interested in finding ways to move the entire U.N. system towards a health systems approach for achievement of the MDGs (Millennium Development Goals), hoping to bring the health targets of various agencies into greater harmony.

Angela Merkel has signaled that she wants the G-8 to look at this issue in its upcoming Summit in Germany. Merkel has also instructed Germany's current leaders of the EU to examine EU foreign aid to global health, with an aim of building sustainable health systems.

Meanwhile, the World Bank and its IFC are moving in a very different direction—at least, for now, under Wolfowitz's imperiled leadership. Though the IFC recognizes the crisis in healthcare workers and paucity of health systems, it is not interested in building local capacity. Rather, it has announced a \$200 million program that would bring massive healthcare corporations from the wealthy world into poor countries, providing fee-for-service healthcare delivery to the nations' elites. The notion is that quality care for the elites will have a trickle-down effect, setting a standard that the entire Ministry of Health operation will strive to achieve for the population, as a whole.

As my tone may reveal, I do not accept this thesis. I was in Moscow when the U.S. Government built such an elite care facility inside the Kremlin Hospital, specifically to ensure that Boris Yeltsin received state-of-the-art cardiac care without having to leave Russian soil. The fantastically expensive effort was described in precisely the "trickle-down" terms now used by IFC. But in the years following construction of the elite facility, the Russian healthcare system deteriorated further, life expectancy for Russian men spiraled downward, drug resistant TB and HIV spread across the region, the live birth rate reached an all-time low for Russia and the overall health status of the country plummeted: So much for "trickle-down".

Here is the problem with how the United States funds these issues (to be followed by some suggested solutions):

(1.) Nearly the entire foreign aid budget for health and development is earmarked for disease-specific programs. Under the President's fiscal year 2008 State Department "Strategic Framework" funding is further funneled according to global political exigencies, targeting specific countries that the Administration believes play crucial roles in maintaining regional stability or in the War on Terrorism. Funding does not reflect on-the-ground needs.

(2.) The Administration (and many AIDS activists) argues that PEPFAR has created a health infrastructure in the 15 targeted countries that may now be solely for provision of HIV-related services, but can serve as a template for all health needs. In debates over reauthorization of PEPFAR this argument will be made. PEPFAR has become sensitized to the negative impact the massive AIDS-specific health program is having on other health services in targeted countries, and hopes to convince Congress to reauthorize PEPFAR, giving it more money, and a larger mandate.

(3.) The United States is not now engaged in the multilateral efforts to address the healthcare worker and health systems crisis, such as Mary Robinson's plans or the Oslo Declaration. As you well know, the Bush Administration has not played on the global health stage in partnership with other wealthy nations, and has set moral standards for execution of health programs (e.g. sexual abstinence, faith-based solutions, etc.) We are not part of the global efforts to solve these problems.

(4.) Overall, the U.S. foreign aid budget shares with other wealthy nations the problem of having been designed as a massive charity program. We have failed to invest in health, though we consistently use the term, "invest". Therefore, nothing is sustainable. There are no local profit centers, no genuine stakeholders.

(5.) The Republican-controlled Senate, under the leadership of surgeon Bill Frist, favored solutions to the healthcare worker and health systems crises that flowed from the fundamentally charitable view of U.S. foreign aid. Frist introduced bills that would underwrite the costs of faith-based and medical societies-run programs that dropped American doctors (and maybe nurses) into foreign countries for short time periods, during which they would theoretically perform surgeries, and supplement the services of indigenous healthcare workers. Criticized as "Safari Medicine," such vacation programs for American doctors tend to do more good for the Americans than for those they seek to serve, opening their eyes to the needs of the poor. Successes are limited to a handful of healthcare needs that are truly amenable to one-stop interventions, such as removal of cataracts, heart surgery, or limb replacement. Even acute humanitarian care interventions suffer if the health professionals limit their participation to time periods too short to allow them to learn some basic elements of the local language and culture.

(6.) There is no linkage in our government currently between the dire healthcare worker situation overseas and our shortages of doctors, nurses, lab technicians and other health professionals domestically. Government functions as if the two issues were entirely unrelated. There is no official recognition that American companies and hospitals actively recruit doctors and nurses from poor and middle income countries to offset our gaps in training of domestic personnel. Institutionally, the federal

agencies and Congressional committees that have oversight of the domestic and overseas issues share no lines of communication, whatsoever.

SOLUTIONS

(1.) A joint session should be convened of the Senate Foreign Relations Subcommittee on Foreign Operations and the Senate Committee on Health, Education, Labor and Pensions. This should be a well-orchestrated, and well-publicized full day joint session, aimed at revealing:

a. Twenty year forecast on U.S. healthcare worker needs and shortfalls for all health professionals.

b. Twenty year forecast on developing country healthcare worker needs and shortfalls for all health professionals.

c. Recruitment and immigration trends of foreign healthcare workers, filling United States needs, and estimated damage done in home countries.

d. Policies enacted by other wealthy countries to address brain drain.

e. Reasons the United States is currently unable to fulfill its domestic healthcare worker needs through training and employment of Americans.

f. Identification of legal instruments and budget initiatives that could be enacted by the House and Senate to radically enhance both the training of Americans and their conditions of employment, domestically.

g. Identification of legal instruments and budget initiatives that could be enacted by the House and Senate to provide incentives to poor country healthcare workers for remaining in-country, based on the identified reasons for their departures to rich countries. (For many doctors, dentists, pharmacists, technicians and nurses, money is not the primary driver: The lack of coordinated health systems, reliable supply chains of medical equipment and drugs, lack of meritocracy within Ministries of Health and general political conditions rank far higher as reasons for immigration.)

(2.) As a result of above Joint Session, corrective bills should be forwarded that seek not only bipartisan support, but also support that bridges the gap between domestic and foreign committee and agency foci.

(3.) The Senate should push the State Department to radically increase its currently mere \$3 million commitment to training in overseas health systems management. Even if your healthcare workers bill is passed, and fully funded, a surge in the numbers of community healthcare workers will have little positive impact if these individuals are not managed properly within an overall system of public health and clinical care.

(4.) Attention should be given to the remarkable successes of BRAC, the Bangladeshi micro-financing program that has deployed vast networks of paid, trained community healthcare workers to villages in pursuit of cholera, tuberculosis, failures in child immunization and maternal health. BRAC has proven that community healthcare workers, including semi-literate individuals, can save thousands of lives if they are (1.) given a finite and clear mission to accomplish, backed by adequate training, and (2.) paid for their work at a rewarding scale, linked to success, and (3.) are part of a transparent, well-organized health system, in this case independent of the government.

(5.) The foreign aid budget needs to move away from charity, towards support of business models and financial incentives of health. America cannot afford to put 20 million people on anti-retrovirals for HIV care, and foot the bill for their continued treatment for the next 30-to-40 years. Even if we were, as a Nation of taxpayers, interested in underwriting the healthcare needs of the world, we could not afford to do so. Therefore, we have no choice but to move away from the charity model of foreign aid, towards a model that provides incentives for creation of local business solutions. This should not follow the apparent IFC model of providing support to foreign health corporations, to go into poor countries, and extract profits from their health needs. Rather, the Senate should look to the BRAC model and consider how providing low-interest seeds can lead to the blossoming of genuine, sustained health businesses in poor countries.

(6.) The Senate should put pressure on HHS to radically speed up approval of appointments of federal employees for overseas health positions. Currently the majority of CDC overseas positions, and deployment of health personnel from other agencies within HHS, is mired in Secretary Leavitt's office, pending political litmus tests aimed, apparently, at finding scientists, experts and physicians who meet the Bush Administration's moral and political standards. At the very time when the world is, as a community, trying to hammer out radically new approaches to these health crises, America's voice on the world stage is diminishing. This should stop, immediately.

(7.) When considering large initiatives for healthcare worker training, such as is envisioned in your bill, the Senate should also imagine the toolkit that these workers will draw from. With what supplies will these new healthcare workers execute their efforts? No doubt supplies will, in early days, also require outside support. To minimize such costs and build in incentives for performance standards and sustained commitment to maintaining community health practices we have favored exploration of franchise models, a la MacDonald's: Each community health worker, after some identified set of training and work excellence have been achieved, is given very low interest micro-finance loans for purchase of his or her own franchise, which would include a physical clinic and basic tools and supplies. All of the franchises would be overseen by the hub of the network, monitored closely for performance quality; volume of services provided and inventory needs.

Senator, we are at your service for any further clarifications, brainstorming or information needs you may require. We are honored to be of service.

OSLO MINISTERIAL DECLARATION: GLOBAL HEALTH—A PRESSING FOREIGN POLICY ISSUE OF OUR TIME

Under their initiative on Global Health and Foreign Policy, launched in September 2006 in New York, the Ministers of Foreign Affairs of Brazil, France, Indonesia, Norway, Senegal, South Africa and Thailand issued the following statement in Oslo on 20 March 2007:

In today's era of globalisation and interdependence there is an urgent need to broaden the scope of foreign policy. Together, we face a number of pressing challenges that require concerted responses and collaborative efforts. We must encourage new ideas, seek and develop new partnerships and mechanisms, and create new paradigms of cooperation.

We believe that health is one of the most important, yet still broadly neglected, long-term foreign policy issues of our time. Life and health are our most precious assets. There is a growing awareness that investment in health is fundamental to economic growth and development. It is generally acknowledged that threats to health may compromise a country's stability and security.

We believe that health as a foreign policy issue needs a stronger strategic focus on the international agenda. We have therefore agreed to make "impact on health" a point of departure and a defining lens that each of our countries will use to examine key elements of foreign policy and development strategies, and to engage in a dialogue on how to deal with policy options from this perspective.

As Ministers of Foreign Affairs, we will work to:

- increase awareness of our common vulnerability in the face of health threats by bringing health issues more strongly into the arenas for foreign policy discussions and decisions, in order to strengthen our commitment to concerted action at the global level;
- build bilateral, regional and multilateral cooperation for global health security by strengthening the case for collaboration and brokering broad agreement, accountability and action;
- reinforce health as a key element in strategies for development and for fighting poverty, in order to reach the Millennium Development Goals;
- ensure that a higher priority is given to health in dealing with trade issues and in conforming to the Doha principles, affirming the right of each country to make full use of TRIPS flexibilities in order to ensure universal access to medicines;
- strengthen the place of health measures in conflict and crisis management and reconstruction efforts.

For this purpose, we have prepared a first set of actionable steps for raising the priority of health in foreign policy in an Agenda for Action. We pledge to pursue these issues in our respective regional settings and in relevant international bodies. We invite Ministers of Foreign Affairs from all regions to join us in further exploring ways and means to achieve our objectives.

NEW INITIATIVE SEEKS PRACTICAL SOLUTIONS TO TACKLE HEALTH WORKER MIGRATION

Geneva.—The health worker migration policy initiative held its first meeting today at the headquarters of the World Health Organization (WHO) in Geneva. The initiative, led by Mary Robinson, President of Realizing Rights: the Ethical Globalization Initiative, and Dr. Francis Omaswa, Executive Director of the Global Health Workforce Alliance (GHWA), is aimed at finding practical solutions to the worsening problem of health worker migration from developing to developed countries.

WHO Director-General Dr. Margaret Chan said, “International migration of health personnel is a key challenge for health systems in developing countries.” The new initiative has a Technical Working Group housed at WHO.

The Health Worker Migration Policy Initiative is made up of two groups that will work closely together over the coming months to develop recommendations. The Migration Technical Working Group, which is being coordinated by WHO, brings together the International Organization for Migration, the International Labour Organization, professional associations, experts and academics.

The Health Worker Global Policy Advisory Council, under the leadership of Mary Robinson and Francis Omaswa and with Realizing Rights serving as its Secretariat, is made up of senior figures from developed and developing countries, who will develop a roadmap and a framework for a global code of practice for health worker migration and seek high-level political backing for its recommendations.

A recent study has shown that the number of foreign-trained doctors has tripled in several OECD countries over the past three decades. The number of foreign-trained doctors from countries with chronic shortages of health workers is relatively small (less than 10 percent of the workforce) in developed countries. However, for some African countries, the migration of a few dozen doctors can mean losing more than 30 percent of their workforce, even as basic health needs remain unmet.

Other health professions are also affected by this phenomenon. The study showed that in Swaziland, 60 to 80 nurses migrate to the United Kingdom each year, while fewer than 90 graduate from Swazi schools. GHWA partner and member Save the Children UK estimates that the United Kingdom saved £65 million in training costs between 1998 and 2005 by recruiting Ghanaian health workers.

Mary Robinson summarized the need for urgent action: “We cannot stand alone as individual countries continue to address their own increased needs for health workers without looking beyond their shores to the situation these migrating workers have left behind in their homelands. We cannot continue to shake our heads and bemoan the devastating brain drain from some of the neediest countries on the planet without forcing ourselves to search for—and actively promote—practical solutions that protect both the right of individuals to seek employment through migration and the right to health for all people.”

One of the initiative’s first priorities will be to support WHO in drafting a framework for an International Code of Practice on Health Worker Migration, as called for by a resolution of the World Health Assembly in 2004. This framework will promote ethical recruitment, the protection of migrant health workers’ rights and remedies for addressing the economic and social impact of health worker migration in developing countries. The Code of Practice will be the first of its kind on a global scale for migration.

The initiative will also promote good practices and strategies to enable countries to increase supply and retain their health workers more effectively. The new tools and policy recommendations developed by the initiative will support better management of migration through North-South collaboration.

Dr Francis Omaswa emphasized the importance of addressing both the “push” and “pull” factors simultaneously. “Health workers are a valued and scarce resource. Demand is increasing worldwide, but not enough are being trained—in the developed or the developing world. Developing countries must prioritize health and health workers, with better working conditions and incentives so its workforce can stay and be more efficient, while developed countries must train more of their youth and try to be self-sufficient.”

The Health Worker Migration Policy Initiative is due to make initial policy recommendations by the end of 2008. Its operations are co-funded and coordinated by Realizing Rights, the Global Health Workforce Alliance, and the MacArthur Foundation.

HEALTH WORKER GLOBAL POLICY ADVISORY COUNCIL

Co-Chairs: Hon. Mary Robinson, President, Realizing Rights
Dr. Francis Omaswa, Executive Director, GHWA

MEMBERS

Hon. Major Courage Quarshie, Minister of Health, Ghana; Hon. Erik Solheim, Minister of International Development, Norway; Hon. Patricia Aragon Sto Tomas, Minister of Labor and Employment, the Philippines; Hon. Rosie Winterton, Minister of State for Health Services, United Kingdom; Dr. Lincoln Chen, Director, Global Equities Initiative, Harvard University; Dr. Anders Nordström, Assistant Director General, Health Systems and Services, WHO; Ms. Janet Hatcher Roberts, Director, Migration Health Department, IOM; Mr. Ibrahim Awad Director, International Mi-

gration Programme, ILO; Lord Nigel Crisp, co-Chair, GHWA Task Force on Scaling up Education & Training; Dr. Percy Mahlati, Director of Human Resources, Ministry of Health, South Africa; Huguette Labelle, Chancellor, University of Ottawa; Dr. Titilola Banjoko, Managing Director, Africa Recruit; Prof. Ruairi Brugha, Head, Department of Epidemiology & Public Health, Ireland; Ms. Sharan Burrow, President, International Confederation of Free Trade Unions; Ms. Ann Keeling, Director, Social Transformation Programs Division, Commonwealth Secretariat; Mr. Markos Kyprianou, Director General, Health & Consumer Protection, European Commission; Mr. Peter Scherer, Directorate for Employment, Labour and Social Affairs, OECD; Prof. Anna Maslin, Nursing Officer, International Nursing & Midwifery Health Professions Leadership Team, Department of Health, United Kingdom; Dr. Mary Pittman, President, Health Research & Education Trust, American Hospitals Association; and Dr. Jean Yan, Chief Scientist for Nursing & Midwifery, WHO, chair of the Migration Technical Working Group.

HEALTH WORKER GLOBAL POLICY ADVISORY COUNCIL SECRETARIAT

Ms Peggy Clark, Managing Director, Realizing Rights
Dr. Ita Lynch, Health Advisor, Realizing Rights

SUBCOMMITTEE RECESS

Senator LEAHY. So, I thank you all very much for being here. The subcommittee will stand in recess.

[Whereupon, at noon, Wednesday, April 18, the subcommittee was recessed, to reconvene at 10:30 a.m., Thursday, May 10.]

**STATE, FOREIGN OPERATIONS, AND RELATED
PROGRAMS APPROPRIATIONS FOR FISCAL
YEAR 2008**

THURSDAY, MAY 10, 2007

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:25 a.m., in room SD-106, Dirksen Senate Office Building, Hon. Patrick J. Leahy (chairman) presiding.

Present: Senators Leahy, Landrieu, Gregg, Bennett, Bond, and Alexander.

DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

STATEMENT OF HON. CONDOLEEZZA RICE, SECRETARY

OPENING STATEMENT OF SENATOR PATRICK J. LEAHY

Senator LEAHY. First I apologize to the Secretary and to others for the delay. As you could probably see, we had votes on, and Senator Gregg, Senator Bennett, and I were there.

Madam Secretary, of course, it is good to have you here to discuss the administration's fiscal year 2008 budget. I have a lot to cover, and we are starting late.

We've discussed this before. Whenever—wherever I go these days—and I travel various places outside of the country—not as much as you do—but I'm invariably asked, "What does the United States do to repair the damage, as seen in many countries to our international reputation as a nation that has historically stood for the rule of law, including international peace, international law, defending the fundamental rights of people everywhere, regardless of race, religion, ethnicity, or nationality, something that makes us proud—all of us proud, as Americans, but which is not the view of so many of those countries that were united behind us the day after 9/11?" When you see the policies of this administration, from Iraq to Guantanamo, we've turned strong allies into reluctant partners, friends into antagonists. According to surveys, many people, particularly in Muslim countries, now see America as a greater threat than the religious extremists. These are the people who have incited hatred and violence. I think this should alarm us, it should stir us to action. Those who hold these views, I believe, are horribly mistaken. But we're not doing enough to convince them

otherwise. While some may argue that taking unpopular stands is a price of leadership, I reject that as a justification for the damage we've needlessly caused to a proud and principled reputation that took the founding of our Nation and a civil war and two world wars, and the lives of countless American patriots, to forge and fortify and defend.

But where I go—and I look from the Pacific Rim to the Middle East, from Darfur to South America—our image, our influence, are waning sharply in the face of growing challenges. That concerns me greatly, as an American. I'm sure it does you. Once again, we've learned the painful lesson that military might is no substitute for effective policies that rally support and cooperation from the international community.

Transformational diplomacy is a lofty slogan for what amounts to adding new positions at posts that have been understaffed for years. I welcome that. But, beyond that, I see little in this budget that offers confidence that the administration is prepared to devote the resources necessary to successfully exert America's influence in such a complex world.

Senator Gregg and I will work together, as we have. We're not only neighbors across the Connecticut River, but we've worked very closely together in a bipartisan effort on so many of these foreign policy issues. We'll do our best to fund President Bush's request, and to incorporate the meritorious suggestions of Senators. But I'm afraid we're going to fall short of what this country is capable of, but, more importantly, what this country should do.

Now, we want you to succeed. I can speak for every Senator here, Democratic or Republican. We want you to succeed in the time you have left, particularly in the Middle East, where so much is at stake. But much time has been wasted, goodwill has been squandered.

I will go the Middle East in the next few weeks, and I'm going to be interested in what kind of a message we can bring them.

The White House has not only favored a "my way or the highway" unilateralism in its dealings with the world, but, unfortunately, unlike past administrations, Democratic and Republican, it has often treated those members not of the President's party in Congress the same way. That was unnecessary, it was ineffective, and the American people and our national interests in the world have paid a high price for it.

Now, we may have our disagreements, but you, Madam Secretary, and your staff, have always been accessible in wanting to discuss ways that we can work together. People would probably be surprised at the number of times you and I are on the telephone or meeting in person. I appreciate that. I hope we can do more in the months ahead. This is a critical time for the United States.

Senator Gregg.

OPENING STATEMENT OF SENATOR JUDD GREGG

Senator GREGG. Thank you, Mr. Chairman. Thank you for holding this hearing.

Thank you, Madam Secretary, for being with us today. You keep such a hectic schedule. I don't know how you do it, and we appreciate your taking the time to be here.

I know the Senator didn't mean to imply this, but I think it's important for us to reinforce the fact that defending liberty and promoting liberty around the world is not a mistake, it's a purpose and a cause of our Nation, has been and always should be, that we, as a nation, understand that freedom is something that comes at a dear price, and we're willing to pay that price. Our efforts around the world have been to promote freedom and to give people who haven't had the opportunities that we have had as a Nation, maybe, the chance to see the light of freedom. Have we done it correctly at all times? No. But have we done it with good purposes? Absolutely yes. I would hope that we would always view our foreign policy in that nature.

In addition, the chairman asked, and rightly asked, how we can create better relations around the world, because that should be one of our causes and our goals. I would say one of the best ways to do it is to have the Secretary of State we have. You do an exceptional job. I greatly admire your efforts. I think when you travel across the globe, as you do on a regular basis, you bring a face of America that is proud, intelligent, thoughtful, and respected, and, as a result, you, yourself, personify the great strengths of our Nation and present so well across the world that we're very lucky to have you serving us.

So, I thank you for being here today, and I appreciate your service.

Senator LEAHY. Thank you.

Secretary Rice, please go ahead. Of course, your full statement will be placed in the record, but I would like to have the time—your time is precious, and I'd like to have the time available for questions.

Go ahead.

SUMMARY STATEMENT OF HON. CONDOLEEZZA RICE

Secretary RICE. Thank you very much. Thank you, Mr. Chairman. Thank you, ranking member Gregg, members of the subcommittee.

Mr. Chairman, I will place the full statement into the record so that we might have full time for exchange. I'll just start with a few comments.

I appreciate, again, the opportunity to address this committee about the challenges and the opportunities that we face in the United States, and that the United States faces in the world today. I look forward to working with you, with Members of Congress from both sides of the aisle, so that we can ensure that America's diplomacy, and the courageous individuals who undertake it, have the necessary resources to protect our national security, to advance our democratic ideals, and to improve people's lives throughout the world.

With these duties, we also reaffirm our responsibility to the American people, and that is a responsibility to be the best possible stewards of their hard-earned dollars.

President Bush's fiscal year 2008 international affairs budget request for the Department of State, USAID, and other Foreign Affairs agencies totals \$36.2 billion. In addition, the administration is requesting \$3.3 billion in war supplemental funding in fiscal

year 2008, \$1.37 billion of that would be for foreign assistance, and \$1.93 billion for State Department operations. It's principally to support emergency requirements in Iraq and Afghanistan.

This request represents a fundamental investment in our national security—

Senator LEAHY. Madam Secretary?

Secretary RICE. Yes?

Senator LEAHY. If you could withhold a moment.

Secretary RICE. Yes.

Senator LEAHY. People who are in this room are here as guests of the Senate. Obviously, you have a right to express opinions, but when you stand up, in a way, you block others who have stood in line. A lot of people have stood in line for hours for these hearings. We want—they are televised, but we want people to be able to see the hearings. But when you stand up, you're blocking people behind you, and I think that's unnecessary. You can make your point. I realize there are people here who disagree with the war in Iraq, disagree, perhaps, with what's being said, but I would make it very clear I will not countenance, in any way, people being blocked from being able to watch this, nor will I countenance, in any way, disturbances. Just so we all understand.

Secretary Rice, please continue.

Secretary RICE. Thank you, Chairman.

America remains engaged in a global war on terrorism, which is a war of a totally new and different kind. We face a long confrontation in which military strength is important, but not sufficient. The defining feature of our world today is its interdependence. The security of the American people depends on the stability and the success of foreign societies. If governments cannot, or choose not to, meet their responsibilities as sovereign states, nations around the globe are threatened by the resulting chaos and disorder.

The President believes that the defense of our country depends on close integration of our multilateral diplomacy, our development efforts, and our support for human rights and democratic institutions. That is why President Bush's budget designates the Department of State as a national security agency. We must recognize that our Foreign Service, our civil service, and Foreign Service nationals are performing a vital national security role, often in difficult and dangerous posts, far away from friends and families, and, in many cases, shoulder to shoulder on the front lines with our men and women in uniform.

We are asking our civilians to do far more than just manage an existing international order. We are charging them with helping foreign citizens and their governments to transform their countries, to move them toward peace and freedom, prosperity, and social justice.

This is the national security mission of our Department of State which we've referred to as transformational diplomacy. To succeed in this critical work for the American people, we are making important changes to our Department's organizations, both in terms of roles—the roles our people are playing and how we are structuring our foreign assistance programs.

PREPARED STATEMENT

We believe strongly that this is a challenging time for America, for our goals of promoting democracy, and for the resultant peace that it would bring. But I can tell you that I am very, very proud to lead the men and women of the Department of State. They are great patriots. They're doing hard jobs. I look forward to being before you to talk about the resources that they need to do their job well.

Thank you very much.
[The statement follows:]

PREPARED STATEMENT OF CONDOLEEZZA RICE

Mr. Chairman, ranking member Gregg, members of the subcommittee: Thank you for this chance once again to address the Committee about the many challenges and opportunities facing the United States today. I look forward to continue working with Congress, closely and across party lines, to ensure that America's diplomacy, and the courageous individuals who undertake it, have the necessary resources to protect our national security, advance our democratic ideals, and improve people's lives throughout the world. With these duties we also reaffirm our responsibility to the American people: to be the best possible stewards of their hard-earned dollars.

President Bush's fiscal year 2008 International Affairs Budget request for the Department of State, USAID, and other foreign affairs agencies totals \$36.2 billion. In addition, the Administration is requesting \$3.3 billion in war supplemental funding in fiscal year 2008—\$1.37 billion for foreign assistance and \$1.93 billion for State Department operations—to support emergency requirements in Iraq and Afghanistan.

This request represents a fundamental investment in our national security. More than 5 years after the September 11 attacks, America remains engaged in a global war on terrorism, which is a war of a totally new and different kind. We face a long confrontation, in which military strength is important to our success, but is not sufficient. The defining feature of our world today is its interdependence. The security of the American people depends on the stability and the success of foreign societies. If governments cannot, or choose not, to meet their responsibilities as sovereign states, nations around the globe are threatened by the resulting chaos and disorder. The President believes that the defense of our country depends on the close integration of our multilateral diplomacy, our development efforts, and our support for human rights and democratic institutions. That is why President Bush's budget designates the State Department as a national security agency.

We must recognize that our Foreign Service, our Civil Service, and our Foreign Service Nationals are performing a vital national security role—often in difficult and dangerous posts, far away from friends and families, and in many cases, shoulder to shoulder with our men and women in uniform. We are asking our civilians to do far more than just manage an existing international order; we are charging them with helping foreign citizens and their governments to transform their countries—to move them toward peace, freedom, prosperity, and social justice.

This is the national security mission of our State Department today, which we have referred to as transformational diplomacy. To succeed in this critical work for the American people, we are making important changes to our department's organization—both in terms of the roles our people are playing and how we are structuring our foreign assistance programs. This is the foundation of our budget, and I would like to briefly review these important changes.

TRANSFORMING THE STATE DEPARTMENT

With the support of Congress, we are moving our people off the front lines of the last century, in the capitals of Europe and here in Washington, and into the critical posts of this new century—in Asia, in Africa, in the Middle East, and here in the Americas. Last year, we reprogrammed 200 positions for this purpose; we are set to reposition 80 more. At the same time, we are moving our people out of our embassies and into the field, so they can engage and work not only with governments but with the people of the nations in which they serve. We are making every necessary change—giving our diplomatic corps better training, better tools and technology, and more language skills—to empower them to meet this challenge.

We realize that resources are tight, so in all that we do, we seek to be good stewards of the taxpayers' money. Last year, I created the position of Director of United

States Foreign Assistance. On Monday, the White House announced it has designated Henrietta Fore as Acting Administrator of USAID, with the intent to nominate. I also have named Undersecretary Fore as Acting Director of Foreign Assistance. Our goal is the strategic alignment of our foreign assistance and our foreign policy goals.

The main idea that I want to stress is this: Our new approach to foreign assistance ensures an efficient, effective, and strategic use of the American taxpayer's money. We adopted a country-based approach to achieve this. We asked our experts at State and USAID to allocate foreign assistance resources to activities that help countries most effectively develop their institutions in order to take care of their people and reduce widespread poverty. The adjustments you may see in one program are justified by what we have determined are greater needs elsewhere, and only after the trade offs have been thoroughly analyzed, in order to make the best use of our limited resources.

As a result of this process, resources for the three objectives supporting long-term development—Governing Justly and Democratically, Investing in People, and Economic Growth—have increased by approximately \$100 million in this year's request from fiscal year 2006 levels. You will note some differences, however, in the structure of the request. For example, there is a shift in resources from the Development Assistance (DA) account to the Economic Support Fund (ESF) account. This shift represents our attempt to better justify our request by rationalizing the use of these two different accounts for different types of countries. The increase in ESF and decrease in DA should not be interpreted as a decrease for activities to support the poor and invest in development.

With the performance and accountability measures we are putting in place, we aim to ensure that we are providing the necessary tools and the right incentives for host governments to secure the conditions necessary for their citizens to reach their full potential. This furthers our goal of helping developing nations to "graduate" from our assistance, not to grow dependent on it.

EMPOWERING OUR PEOPLE

We are moving ahead on these initiatives with our existing authority. There are steps that need to be taken, and we are taking them. But we must do more, and to do it, we need additional resources. For this, we need the continued support of the Congress. That is why we are requesting \$7.2 billion for State Department operations.

As we transform our existing positions to serve new purposes, we must also create new positions that advance our strategic objective of getting more Americans onto the diplomatic frontlines of the 21st century. This year, we are requesting an increase of \$125 million to create 254 new positions in critical spots like India, China, Indonesia, Venezuela, Nigeria, South Africa, and Lebanon. This funding will also enable us to establish new American Presence Posts, reflecting our goal of moving more of our diplomats into the regions and provinces of our host countries. This increase includes 57 positions and \$15 million for the Office of the Coordinator for Reconstruction and Stabilization. I should add here that I am grateful for the authority provided in the supplemental appropriation to transfer up to \$50 million to create a Civilian Reserve Corps. These funds will allow us to develop a deployable cadre of civilians who will be able to respond quickly to a crises and stabilization missions overseas.

Our Department's new and evolving mission, which is vital to our national security, requires an increased investment in our people. Our people need the latest technology and the best training, in leadership and language skills. This budget meets those demands, including \$905 million for information technology. We must also continue to improve our security in a dangerous world. This budget allocates \$965 million to strengthen security for our posts, our people, and our information systems worldwide, including the creation of 52 additional positions for security professionals.

At the same time, we must continue to modernize and improve our facilities around the world. We seek \$1.6 billion to address the major physical security and rehabilitation needs of our embassies and consulates worldwide so we can protect the men and women serving in our posts. In the fourth year of Capital Security Cost Sharing, other U.S. Government agencies with personnel abroad will contribute \$362 million for the construction of new, secure diplomatic facilities.

To continue filling the ranks of the Foreign Service with our Nation's best talent, we intend to revamp the pay scale for our diplomatic corps. State Department personnel are increasingly expected to serve in what we call "hardship posts," which now comprise nearly 20 percent of all department positions. We must fairly com-

pensate our men and women serving abroad in difficult locations, often far away from their families, and we must rectify a growing disparity between basic salary levels for employees in the United States and overseas. Our budget request includes \$35 million to begin a transition to a performance-based pay system and a global rate of pay.

The State Department mission also extends to defending our borders and protecting our homeland. We must remain a welcoming nation for tourists, students, and businesspeople, while at the same time increasing our security against terrorists and criminals who would exploit our open society to do us harm. For this purpose, our budget includes \$1.3 billion for the Border Security Program, and we seek to add 122 consular positions to address rising passport and visa demands. As good stewards of taxpayer dollars, we are using revenues from visa, passport surcharge, and visa fraud fees to fund improvements in our border security. In coordination with the Department of Homeland Security, we seek to fulfill the President's vision of secure borders and open doors.

Finally, we are requesting \$1.35 billion to meet our commitments to international organizations such as the United Nations. Over the past year we have seen how important it is for the United States to provide principled leadership in institutions of multilateral diplomacy. Through the United Nations, we helped to negotiate a key resolution that ended a month of war in Lebanon and Israel, which was launched by the leaders of Hezbollah. We rallied the international community to oppose Iran and North Korea's nuclear weapons ambitions with Chapter 7 Security Council resolutions. And we worked to ease the suffering of the people of Darfur and to provide for a peacekeeping force there. International organizations are essential to our Nation's foreign policy goals, and deserve our continued support.

SECURING PEACE, SUPPORTING DEMOCRACY

I have discussed the steps we are taking to support our people. Let me turn now to the purposes of our foreign assistance.

Our highest priority is to defend the American people and homeland by doing our part in the global war on terrorism. To succeed, we need the continued support of key partners—our historic allies in Europe, Asia, and the Americas, but also in key developing countries, which have the will, but not the means, to fight terrorism. The fiscal year 2008 request includes \$186 million for Indonesia, \$2.4 billion for Israel, \$544 million for Kenya, and \$515 million for Jordan. Our assistance helps those countries, and many others, to enforce their laws, secure their borders, gather and share intelligence, and take action against terrorists on their own or with us. This request also devotes \$785 million to Pakistan to lead that country in a moderate and modern direction, to gain control of the border areas, and to advance prosperity there. Specifically, this request includes \$90 million to support President Musharraf's 5-year development plan for the federally administered tribal areas.

Across the Broader Middle East, we also look to new partners in embattled young democracies, who are working courageously to turn the tide against violent extremism in their countries. In the past several years, the efforts of reformers and responsible leaders have changed the strategic context of the region. We have offered critical support for civil society groups seeking political openness, economic opportunity, education reform, and the empowerment of women. We will continue to support these important reform initiatives.

Democratic institutions in places like Iraq, Afghanistan, Lebanon, and the Palestinian territories are facing serious threats. They are under siege from violent extremists and their state supporters in the region. The Taliban in Afghanistan, Hamas in the Palestinian territories, Hezbollah in Lebanon, violent extremists in Iraq—all of these groups struck damaging blows last year to the cause of peace and freedom in the Broader Middle East. This year we must turn the tide, and we aim to do just that with a comprehensive strategy to help reformers and responsible leaders show their people that democracy can deliver the security, prosperity, opportunity, and dignity that they seek.

In Afghanistan, we support the efforts of the new democratic government in Kabul to lead the nation toward freedom and prosperity. To achieve that goal, we have taken a hard look at our overall policy and adopted an effective counterinsurgency strategy—a complete approach that integrates military efforts with political support, counter-narcotics programs, development priorities, and regional diplomacy. There is a comprehensive, ongoing “offensive,” which is being run by the Afghanistan Government.

Our goal is to help the Afghan Government improve the quality of life for its people by extending security, providing good governance, and opening up new economic opportunities. Along with these goals, President Karzai has demonstrated his deter-

mination to lead a serious counter-narcotics effort, but he needs our assistance. We are increasing our funding in this key area, along with additional funding for reconstruction, local economic development, and law and order. The base budget request of \$1.4 billion for fiscal year 2008 aims to stimulate economic growth, establish peace and security, create jobs, provide essential education and health care, promote human rights, especially women's rights, strengthen accountability and transparency, and extend the reach of the democratic state.

To achieve these broad objectives, we will continue to build roads and electricity grids, and support agricultural development. Working through Provincial Reconstruction Teams, or PRTs, and in concert with the Afghan government, we will build government and justice centers at the provincial level. We will train government personnel, and we will help meet local needs for markets, schools, clinics, and other vital services. Most importantly, we will integrate all of these efforts to advance our overall strategic objective of empowering Afghanistan's democratic government.

In Iraq, President Bush has adopted a strategy in recognition that the current level of sectarian violence is unacceptable. There is a strong military component to this strategy, but success in Iraq depends on more than military efforts alone. It requires robust political, economic, and diplomatic measures. Our military operations must be fully integrated with our civilian and diplomatic efforts to advance the strategy of "clear, hold, and build." The State Department is playing its role in this mission. We are strengthening, indeed surging, our civilian efforts. To do so, we are requesting \$1.4 billion in fiscal year 2008 in the base budget and the fiscal year 2008 supplemental request to fund our assistance efforts in Iraq.

The main focus of our support will continue to shift toward helping the Iraqi Government expand its reach, its relevance, and its resources beyond Baghdad. We will help local leaders improve their capacity to govern and deliver public services. Our economic efforts will be targeted to local needs, with proven strategies of success, like micro-credit programs.

Expanding our PRT presence will also enable us to diversify our assistance across Iraq. Iraq has a federal government. Much of the street-level authority, and much of the opportunity for positive change in Iraq, lies outside Baghdad, in local and provincial governments, with party leaders and tribal chiefs. By actively supporting these provincial groups and structures, we expand our chances of success in Iraq. Our PRTs have had success working at the local level in towns like Mosul, Tikrit, and Tal Afar. Now we will invest in other parts of Iraq, like Anbar province, where local leaders are showing their desire and building their capacity to confront violent extremists.

In Lebanon, we are requesting approximately \$60 million in fiscal year 2008 to complement what we requested in the fiscal year 2007 Supplemental to support the Lebanese people's aspirations for peace, stability, and economic development. In November 2006, we signed a Trade and Investment Framework Agreement to help support Lebanon's development through enhanced bilateral economic ties. I made a significant pledge of \$770 million in January at the Lebanon Donors' Conference, which raised \$7.6 billion to support the Lebanese people and their democratically-elected government. Our assistance will support the Lebanese government's own ambitious reform program, which demonstrates its commitment to reducing its debt and achieving economic and financial stability. I continue to keep your concerns in mind regarding direct budget support and let me reassure you, the money supports the economic reform plan endorsed by the international financial institutions and benchmark goals supported by us.

As we take steps in the reconstruction and development effort, we must not lose sight of the need to implement fully U.N. Security Council resolutions related to Lebanon, in particular Resolution 1701. We commend the Lebanese Government for deploying the Lebanese armed forces to the south of its country for the first time in almost 40 years, and we applaud the international community for its successful deployment of the enhanced UNIFIL forces to help Lebanon secure its sovereignty. Much more work remains to be done, however, to ensure Lebanon's sovereignty is not undermined by regional actors like Syria and Iran and to address the threat of terrorist groups like Hezbollah. I look forward to continuing to work with the UN and our other international partners on further steps to implement Resolution 1701.

In the Palestinian territories, President Abbas's desire to support a better life for his people and to make peace with Israel is being blocked by the radical leaders of Hamas. One year after this group's legitimate election, the international community continues to stand together in its insistence that Hamas meet the conditions set out by the Quartet: recognize Israel, renounce violence, and accept all previous agreements and obligations, including the Roadmap. Peace between Israel and the Palestinians will be possible only with a Palestinian government that recognizes

Israel's right to exist and renounces terrorism. We will judge the Palestinian government by its words and by its actions.

For fiscal year 2008, we are requesting \$77 million to help meet Palestinian humanitarian needs, including emergency food, health and educational assistance, programs to strengthen democracy and good governance, and support private sector development in the West Bank and Gaza. These bilateral funds are in addition to the funds requested for the U.N. Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). There is a battle in this region between moderates and extremists. These funds will not go to Hamas or any other terrorist organization, but will bolster moderate forces in the Palestinian territories.

For Iran, the President has requested \$109 million in funding, including \$20 million for VOA's Persian service, \$8.1 million for Radio Farda, \$5.5 million for consular affairs, and \$75 million in Economic Support Funds for civil society and human rights projects in Iran. These funds will allow us to continue with a wide range of democracy, educational, and cultural programs, as well as to improve the free-flow of information to the Iranian people. We must continue to make clear that while we differ fundamentally with the current government of Iran, and we seek friendship with the Iranian people.

The hard work of democracy does not end with one free election; that is only the beginning. Lasting democratic reform must also encompass an independent media, free political parties, limits on state authority, and protections for human rights. We are funding programs in all of these fields of democratic reform. To support democratic transitions, the budget provides \$1.4 billion for programs that foster rule of law and human rights, good governance, political competition and consensus-building and civil society.

As we work to expand freedom and prosperity, we must champion these ideals through our public diplomacy and vital educational and cultural exchanges, for which we are requesting funding of \$855 million. Public diplomacy is a vital component of our national security strategy. We seek to reach out to the peoples of the world in respect and partnership, to explain our policies and to express the power of our ideals—freedom and equality, prosperity and justice. Public diplomacy is no longer the job of our experts alone; it is the responsibility of every member of the State Department family, and we are mobilizing the private sector and the American people to help.

People-to-people exchanges are also a vital component of our national security strategy. Many exchange participants report that they are “forever changed” by their direct involvement with the American people. Last year, the total number of student and exchange visas reached an all-time high of 591,000. We want to expand on this success, working in partnership with the private sector wherever we can.

We seek \$668 million for the Broadcasting Board of Governors, to support radio, television, and internet broadcasting worldwide, including in North Korea, Iran, and Cuba.

MEETING GLOBAL CHALLENGES

We face a major challenge in the proliferation of weapons of mass destruction and the materials to produce them. The fiscal year 2008 budget supports our key multilateral counter-proliferation activities—including the Proliferation Security Initiative, the G-8 Global Partnership, the Global Initiative to Combat Nuclear Terror, and U.N. Security Council Resolution 1540. The budget also supports our efforts to strengthen the global non-proliferation regime, by rallying the international community to hold governments accountable for these actions which violate their responsibilities.

As the President said in his State of the Union address, we are committed to addressing “the serious challenge of global climate change.” Our approach is rooted in pragmatism and partnership. One of our principal initiatives is the Asia-Pacific Partnership on Clean Development and Climate, which we launched in concert with Australia, South Korea, Japan, India, and China. Together, these countries represent more than half of the world's economy, a large share of the world's emissions, and a growing demand for energy that is vital to economic development. The Partnership, for which we request \$30 million for fiscal year 2008, is accelerating investment and opening markets for cleaner, more efficient technologies, goods, and services, while fostering sustainable economic growth and poverty reduction.

In Colombia, we are requesting \$506.468 million in the fiscal year 2008 budget to sustain our commitment to counter narcotics and demand reduction. During his visit to Bogotá on March 11, President Bush reaffirmed to President Uribe the importance of helping Colombia finish the job. With Congress's bipartisan support, the United States has helped the Colombian people to protect their democracy from

drug traffickers, restore security to large parts of the country, protect human rights, and begin a far reaching reform of its judicial system. The gains have been impressive. Colombia has come back from the brink to become a partner. We are confident that, with Congressional support for our fiscal year 2008 budget request and approval of the Colombia free trade agreement, these hard won gains will be just the beginning of Colombia's dramatic transformation.

Critical challenges remain. President Uribe is addressing these issues aggressively and decisively, continuing the fight against drug traffickers, but also focusing on winning the peace through economic and social development, consolidation of democratic institutions, and respect for human rights. In response, we have designed an assistance strategy that will help President Uribe and the Colombian people achieve the security and prosperity they have worked so hard to make possible. We want to improve the lives of Colombians while reducing the impact of narco-terrorism on the United States and the region.

I know that there are questions about the relative mix of "hard" and "soft" spending in our fiscal year 2008 budget request. We know that without security it is impossible to promote socioeconomic development. Our plan is to invest now in the Colombians' capabilities, as we gradually turn over responsibility for the counter-narcotics programs to them. I also know that recent concerns of paramilitary ties to Colombian government and military figures are a serious matter. The Colombian Government's commitment to seeking the truth and insisting on justice deserves our support. I believe strongly that we need to recognize President Uribe's leadership and the extraordinary commitment of the Colombian people.

We face another potentially deadly challenge in the threat of pandemic disease. The fiscal year 2008 budget request of \$100 million supports our global strategy and partnership to address avian influenza outbreaks and to support prevention strategies worldwide.

The fiscal year 2008 budget also advances the goals of the President's historic Emergency Plan for AIDS Relief. Thanks to the strong bipartisan support that this program has received from Congress, the Emergency Plan now supports treatment for more than 822,000 people in the 15 countries that are home to over half of the world's infected population. This year we are requesting a total of \$5.4 billion for the Emergency Plan, including funds requested by the Department of Health and Human Services. This includes \$4.1 billion for prevention, treatment, and care in the 15 focus countries. We are also seeking an additional \$1.2 billion for bilateral programs in other countries, for HIV/AIDS research, for multilateral programs worldwide, and for tuberculosis programs.

No less significant is President's Malaria Initiative, which has supported prevention and treatment for millions of people in fifteen African countries—Angola, Tanzania, Uganda, Malawi, Mozambique, Senegal, Rwanda, Benin, Ghana, Madagascar, Kenya, Zambia, Liberia, Mali, and Ethiopia. The fiscal year 2008 budget dedicates \$300 million to fund our commitments under this Initiative, as well as \$88 million for other ongoing global efforts to fight malaria.

HELPING DEVELOPING COUNTRIES AND THE MOST VULNERABLE POPULATIONS

Global partnerships are essential to meeting the global challenges that I have just described. But many weak and poorly governed states do not have the capacity to fulfill their responsibilities as sovereign states. Our experience on September 11 showed us that weak and poorly governed states can pose not just humanitarian challenges, but national security threats. Hopelessness and oppression contribute to extremism and instability. Helping developing states to transform themselves—to govern justly, to advance economic freedom, to combat poverty, and to invest in their people—is a strategic imperative.

The United States is a compassionate Nation, and we are moved to action when tragedy strikes, and when innocent people are in desperate need. The fiscal year 2008 budget provides more than \$2 billion for the protection of refugees and for basic needs like food, water, and medicine for vulnerable populations. One of the major recipients is Sudan, for which we are requesting a total of \$359 million for humanitarian assistance, as well as additional funding for Sudanese refugees in neighboring countries. We are continuing our support for victims of war and genocide, especially the internally displaced people in Darfur and the refugees in eastern Chad.

We will continue to invest in the people of the world's poorest countries. Basic education is a critical part of this investment. The fiscal year 2008 request for resources to support basic education programs is \$535 million.

In addition to direct support for the world's most vulnerable populations, we seek to support the development of sound economies and political structures to raise peo-

ple out of poverty. On this front, our flagship initiative is the Millennium Challenge Corporation (MCC). Since 2004, the MCC has signed development compacts with eleven countries, worth a total of \$3 billion. MCC works with transforming countries that meet standards of progress for governing justly, advancing economic liberty, and investing in their people. The compacts are designed and managed by recipient countries themselves, reinforcing their ownership in the fight against poverty. These resources complement and amplify the impact of our investments in other foreign assistance accounts.

For a country to unlock the potential of its people to increase productivity, create jobs, and combat poverty, it must integrate its economy into regional and global trade networks. The President remains committed to achieving a successful outcome to the World Trade Organization's Doha Development Agenda—one that opens markets, expand trade, and strengthens a rules-based system. As a part of the President's robust trade agenda, we have negotiated ten free trade agreements (FTAs) with 16 countries worldwide, and Congress has already approved agreements with 12 of these countries. We have signed FTAs with Colombia, Peru, Panama and South Korea. We look to Congress to support these important agreements.

Mr. Chairman, members of the subcommittee: The State Department has assumed substantial new national security responsibilities in the war on terrorism. We are the lead agency on a majority of the tasks in the Administration's National Counterterrorism Strategy. Using our existing authorities, we are taking steps to reshape the State Department to play a forward-leaning role in advancing freedom and prosperity around the world.

In this challenging time, the men and women of American diplomacy are doing all that we are asking of them—and more. They are nobly answering the call to service and shouldering their responsibilities. I ask you to provide the resources we need to play our part.

Senator LEAHY. Thank you, Madam Secretary.

You and I have discussed the resignation of the administrator and director of foreign assistance of USAID, last week. Then, as you told me—and we chatted—that the President's going to nominate Henrietta Fore as USAID administrator. She'll also be designated as director of foreign assistance. I see these, really, as full-time jobs. Why would you combine—why would you combine these two positions? Before you answer, the reason I ask the question, Ambassador Tobias made a number of reforms, as he told us when he testified, but I'm having a hard time discerning their impact. I want to have more—better coordination on foreign assistance, but I've always felt—and I've said this with both Republican and Democratic administrations, USAID has to remain autonomous. So, why combine these two? Will they have control over their budget?

Secretary RICE. Well, thank you, Senator.

First of all, let me just note that I have great respect for USAID and its special mission, and for the men and women of USAID and the important job that they do out on the front lines. I think that—I hope that they would tell you that I've been very supportive of their mission and of their development. I do believe that, since about 80 percent of our foreign assistance—U.S. Government foreign assistance comes from Department of State and USAID budgets, that this is a time when we need to make certain that we have an integrated picture of what we are doing with those resources in order to promote certain goals, in order to make certain that programs are being well delivered. That's the reason for the dual-hatting of the director of foreign assistance.

Senator LEAHY. But does that mean that have control over their budget, or not?

Secretary RICE. Well, in fact, it rests with me, ultimately. I am the one that has to represent to you, and through you to the American people, that the resources that are being given to USAID and

to the Department of State are being well used. I am in a stronger position, with a director of foreign assistance who also is USAID administrator, to make certain that when a budget comes to me, which I then recommend to the President, which is then recommended to you, that we are using the resources well, that there is not duplication, that we are able to fill gaps where they may be, and that we are respecting both missions.

Senator LEAHY. But the reason I ask—I mean, we were somewhat disappointed in this committee—by “we,” I say a number of the Senators, both sides of the aisle, with Ambassador Tobias’s testimony when he came here, trying to get any specificity about what was happening. I’m curious—I notice this seems to be getting down in the weeds, but there’s USAID budget personnel shifted to the F Bureau at the State Department, the Office of Director of Foreign Assistance. Do they stay there, or do they go back to USAID? Is this—

Secretary RICE. They are USAID, they are, in effect, secunded to the Department to work on budget matters. But I would ask you, Senator, to think about it from my point of view, as Secretary. I’m charged with the authorization to assure, really, that the resources are being used in an appropriate way. And—

Senator LEAHY. Well, no, I understand that. But you also—when the director is there, they’re carrying out that direction. As I said, we were—many of us were concerned when the former director was before us, there were a lot of glowing slogans, but every time we asked a question, specifics, we didn’t get the answers. Now, he may have been distracted by other matters at the time, but it was a— it was a concern. I think you should tell the new director she should be prepared to come up here to, at the very least, brief Senator Gregg and myself on some of these specifics.

Let me switch to a different area. Now, having said, over and over again, that we don’t want to be seen as an occupying force in Iraq, we’re building the largest embassy that we have, probably the largest in the world, in Baghdad. It just seems to grow and grow and grow. The 2007 supplemental, I’m noticing, it provides the funds for most of the expansion you propose for the Provincial Reconstruction Teams. We agree that we should focus our aid locally, not in Baghdad, but we have 1,000 Americans at the Embassy in Baghdad. You have the contractors and local staff, that comes to 4,000.

The 2000 supplemental required you to submit a plan for the U.S. mission in Iraq, for the growing size and costs. I—you know, we have a deviation from the plan that we’d agreed to. Staffing has increased by over 30 percent in just 2 years. We have the largest embassy in the world. We have countries where we do a great deal of trade and where we have to be concerned about intellectual property piracy, everything else, and we don’t—we can’t seem to get the staffing there. Can we review who we really need, and send the rest of the people home?

Secretary RICE. Well, thank you, Senator. In fact, Ambassador Crocker, as you know, has just—virtually just arrived in Iraq, has been out there a little over a month, and he has asked, and we have sent, Ambassador Pat Kennedy to go out and to assess the staffing and housing requirements for the Baghdad Embassy com-

pound. We do believe that the embassy compound was right-sized at the time that it was presented to Congress. There have been some additional issues since that time, including the extension of the special IG for Iraq. And we have to be able to deal with those people. We have a security situation in which we are not able to house people in hotels when they're visiting. We have a number of shorter-term TDY staff that are out at the embassy. And, in fact, we have, as you know, a kind of surge in the personnel to be able to deal with—to provide the diplomatic and political surge—

Senator LEAHY. No, I understand that, Madam Secretary, but I look at China. We have enormous trade issues with China. We have a country that is stealing us blind in ignoring our copyright laws and counterfeit—everything from counterfeit food and drugs to stealing our intellectual property, whether it's computer programs to movies to—and we're talking about billions of dollars, to say nothing about the health problems we've seen very recently, where people have died here, and in other countries, because of the fraudulent food additives and so on. But our Embassy in Baghdad is much larger than our Embassy in Beijing. What I'm saying is, if there are people we don't need, why don't we just send 'em home?

Secretary RICE. We are going to make that assessment, Senator. I agree with you that there may be—because of the way that the embassy came into being—in effect, coming on the heels of the Coalition Provisional Authority—because there have been a lot of needs that I would characterize as shorter-term—meaning, not in the long-term steady state of how the embassy will be staffed. We're going to make exactly that assessment, and we will make certain that we have only the people out there that we would need.

I would just note, Senator, that we are, in the case of China and a couple of other embassies where we believe that the needs have grown—we have, in fact, redeployed people out of places in Europe to China and places like that, where we believe that we need greater staffing. So, we're trying to remain flexible in making certain that we're well staffed in these extremely important posts.

But I will definitely get a report back to you once Ambassador Kennedy has done his work.

Senator LEAHY. Can I—when I come back on my time—my time is up—I'm going to want to talk about the Western Hemisphere Travel Initiative. I—it would be nice if we allowed Canadians and Americans to travel back and forth across each other's borders. So, that's an issue we'll go into. Bothers me greatly what's being done.

Senator Gregg.

Senator GREGG. Thank you, Mr. Chairman.

I want to echo the chairman's concerns about the size of the embassy also. Ironically, I chaired the subcommittee when the embassy decision was made, and I, at that time, had fairly serious concerns, and it was downscaled as a result of some of those concerns. But I remain skeptical of the need for this level. I understand that the security needs require that so much more be concentrated in the embassy than in most embassies, but, still, this is a huge facility, and it does have serious issues, I think, of right-sizing.

But, on another subject, I recently had the chance to travel to South America, and I recently had the chance to meet with the

President of Colombia. I would be interested in your assessment of the situation in South America, especially relative to Colombia and our relationship with Colombia and Venezuela, because it appears to me to be a region where we've got some friends and we've got some people who don't like us that much, and we should be with our friends.

Secretary RICE. Well, thank you. In fact, the President, Senator Gregg, if you remember, was recently in Latin America, and visited Colombia during that time, visited Bogotá. The fact that he was able to go to Bogotá says something about how far Colombia has come in a relatively short period of time.

We do have a challenge in Latin America. We have a challenge, because those who have been democratically elected are trying to deliver for their people, and trying to remain allies of the United States. There are those, like Venezuela, that would challenge just about everything about American interests and policy, including free markets, including nationalizing industry, and they're a real challenge to free markets, open economies, and to democracy in Latin America. It makes it even more important that states like Colombia, which are trying to do the right things, in terms of democracy and open economies and free trade, be supported by the United States.

In the year that President Uribe came to power, I think it's fair to say that Colombia was on the brink of failure, on the brink of being a failed state. It was, after all, a country where large portions of the territory were uncontrolled by the government, where terrorists were able to prevent the police or the army from even coming into those areas, where bombings in Bogotá, where security for the population was something that was very difficult, almost impossible, for the government to deliver. Through a very strong campaign against terrorism, President Uribe has begun to deliver some security to his people. I think it's why he was reelected by such large margin.

They also are going after paramilitaries from the other side of the political spectrum. He ordered paramilitary leaders to surrender in August of 2006. Fifteen of the 24 top leaders did. They've been going after the others. Frankly, the independent judiciary and the supreme court has been bringing people to account for what has happened in Colombia over the last years.

So, I think, while it is not by any means perfect, and we continue to have a dialogue with Colombia about the need for human rights protection, the need for labor protections, the need for continuing to prosecute the paramilitaries, this is really a case of a democratically-elected leader that has been able to bring his country back from the precipice of being a failed state. Just imagine what South America, with the challenge of someone like Hugo Chavez, would be without strong allies like Colombia in the Andean region.

Senator GREGG. Thank you. It's represented by some that Chavez and the Venezuelan Government is basically protecting, or at least not extraditing, narcoterrorists back to Colombia, members of FARC. Is that the view of the State Department, that that's an accurate representation?

Secretary RICE. There are cases that the Colombian Government has raised, I think, with the Venezuelans, concerning who may be

continuing to live in, or operate in, Venezuela. We just hope that all of Colombia's neighbors will not harbor, in any fashion, people who ought to be brought to justice.

Senator GREGG. On another subject, you recently had an opportunity to meet with representatives of Syria. As we look at the Middle East, obviously Syria has, for years, been a funder of terrorism and terrorist groups. There seems to be a mutation, however, of the terrorist cadre in that the more structured terrorists, such as Hamas and Hezbollah, now find themselves with the most distant groups, such as al Qaeda, that are not as orchestrated, potentially, or at least funded. And so, I'm interested in your view of where Syria now—what Syria's role now is in the area of funding, supporting, and promoting terrorism in the traditional struggle relative to Israel and in the struggle in Iraq.

Secretary RICE. Syria continues to be a major funder of terrorism, major harbinger of those elements of the Palestinian political elite, for instance, who are opposed to a two-state solution, who are the ones who continue to be—to perpetrate violence in the Palestinian territories, and to attempt to do it in Israel. So, in terms of Middle East peace, the Syrians are a real problem for leaders like Mahmoud Abbas, who want to take a different course toward a two-state solution.

When it comes to Iraq, we are very concerned about the foreign fighters that are transiting the Syrian border, and are, therefore, doing great harm to innocent Iraqis and to our forces. That was the focus of the conversation that I had with the Syrian Foreign Minister. It was about Iraq. This was not a conversation about U.S./Syrian relations. This was about what Syria needs to do to stem the tide of those foreign fighters and to help the Iraqis to secure their borders.

Then, finally, as to Lebanon—there, Syria and its allies continue, on a daily basis really, to threaten the stability of the democratically-elected government of Fouad Siniora, to resist the establishment of an international tribunal. Despite the fact that that tribunal is established by the United Nations, their allies continue to try to block the convening of that tribunal. Syria needs to allow that tribunal to go forward, because people need to answer for what happened to former Prime Minister Rafik Hariri, and we need to see who was behind it. So, Syria is a significant problem, not just for American policy in the Middle East, but for democratic forces that are trying to take hold in the Middle East. One point that I made to my Syrian counterpart is that we should talk about Iraq, and we should talk about what we can do to help the Iraqis, but U.S./Syrian relations would depend on a great deal more.

Senator GREGG. I appreciate that. The logical follow-up question is, How should we engage Syria, and how does Israel view Syria?

Secretary RICE. Well, I'll not try to speak for the Israelis, except to say that their statements are consistent in public and in private, with—what they say in public and what they've said to us in private. Obviously everyone would like to see peace between Israel and Syria. If it were possible, I think everybody would jump at the chance. But Syrian behavior is such that, particularly in the support that it gives to elements of Hamas that are preventing a two-

state solution, it's not exhibited an attitude that suggests that it's ready for, or intending to try and pursue peace.

As to how we deal with Syria, we had this—have had this limited discussion with them on Iraq, because we want all of Iraq's neighbors to help Iraq. It makes only good sense if the neighbors believe what they're saying, which is that a stable Iraq is in their interest, then they need to behave that way, and that was the message to Syria. But, beyond that, we've been very clear that there is nothing to be done that does not allow that tribunal to take place in Lebanon, and that does not stop support for the Palestinian organizations that are engaged in terrorism.

Senator GREGG. Thank you.

Senator LEAHY. Thank you, Senator Gregg.

Before I go to Senator Landrieu, I'd note Colombia has been in the top four or five of countries receiving foreign aid from the United States. I have been either chairman or ranking member during that whole time, both with President Uribe and his predecessor, and have voted for that. But, before we put too rosy a picture on it—and I'll come back to this later—there are 30,000 individuals who went through the demobilization ceremonies. Only 2,700 of them applied for reduced sentences under the Justice and Peace Law. The rest have received government benefits without confessing their crime or turning over their illegal assets.

The government's lost track of 5,000 of them. The Organization of American States say new illegal groups have been formed in 23 of Colombia's 32 departments. We've heard of the extensive paramilitary infiltration of Colombia's political system, including the president's former director of intelligence—that was uncovered by the supreme court, the inspector general, and, as you know, by some of our own people.

Senator Landrieu.

Senator LANDRIEU. Thank you, Mr. Chairman.

I have a full statement for the record I'd like to submit.

Senator LEAHY. Without objection, it will be included.

Senator LANDRIEU. Thank you.

[The statement follows:]

PREPARED STATEMENT OF SENATOR MARY L. LANDRIEU

Mr. Chairman, Senator Gregg, on September 15, 2005, President Bush stated that "This government will learn from the lessons of Hurricane Katrina. We are going to review every action and make necessary changes so that we are better prepared for any challenge of nature, or act of evil men, that could threaten our people." Unfortunately, time and time again, Madame Secretary, we are constantly reminded of how this administration has failed to take every action and failed to make the necessary changes so that we are better prepared for tomorrow's next Hurricane Katrina. The recent Category 5 tornado that ripped through Kansas this past weekend, and the recent report by the Washington Post on the mishandlings of foreign aid offered in response to Hurricanes Katrina and Rita, both tragically demonstrate my point.

During Hurricane Katrina, the National Guard equipment and members were stretched too thin—and continue to be stretched too thin to this day. When Katrina hit the Gulf on August 29, 2005, the Louisiana National Guard only had roughly 40 percent of equipment on hand and more than half of our Guardsmen were deployed in support of the war in Iraq. Here we are one-year, 8 months and 13 days later (approximately 620 days) and Kansas Governor Kathleen Sebelius is reporting that, 50 percent of our her trucks are in Iraq and Afghanistan and she is missing numerous Humvees, which move people. Unfortunately, Governor Sebelius is unable

to borrow the necessary equipment from other states, like Gulf States did during Katrina, as they are also operating under extreme equipment shortages.

Due to the amount of equipment being left in Iraq and Afghanistan, 16 percent of the Kansas National Guard's equipment will not return to Kansas. In fact, there is a chance the amount of equipment left overseas will double. Louisiana's National Guard is also experiencing the same war fatigue, with only 33 percent of necessary equipment currently on hand. If all was returned from Iraq and Afghanistan, it would still only increase on hand availability to 44 percent. While it may seem the recent tragedy in Kansas may be out of scope for the basis of this hearing, I assure you, Madame Secretary, it is not.

Recently, the Washington Post reported on the administration's turning away of nearly \$1 billion of foreign aid offered in response to Hurricanes Katrina and Rita and the devastating failure of the federal levee system that followed. I was already aware that the administration cast aside warnings and recommendations from its own experts, dragged its heels on response, and drove our long-term recovery straight into a morass of bureaucracy. Another curtain has been pulled back and exposed an additional example of the seemingly endless incompetence that has been the trademark of this Administration's response to the hurricanes and the devastating failure of the federal levee system. While the State Department has acknowledged that mistakes were made in the handling of foreign donations, due to an absent implementation plan for the management of foreign aid, no changes have been made to the International Cooperation Response Index to the National Response Plan. In addition, no significant permanent changes have yet to be made to the National Response Plan itself.

Inadequate planning on how to manage foreign aid, more specifically material assistance, kept valuable resources from being accepted, allocated and distributed. One-hundred fifty-one nations, international organizations and political entities offered assistance, totaling \$854 million, not including material/in-kind assistance. Of the \$854 million, \$454 million was cash; \$400 million was oil, which was to be sold for cash. To date, only \$126.4 million has been accepted, numerous material/in-kind donations were turned away, and the \$400 million in oil was never accepted or sold.

For example, on September 5, 2005 FEMA received an offer from Switzerland to send relief supplies. However, the offer was not fully vetted by FEMA until September 14, 2005. With the delay and FEMA not being able to quickly unload and repackage the supplies into smaller quantities in a timely matter, the Swiss government had to cancel the entire shipment. Not only were donating countries victims of an unresponsive and ill-prepared administration, they were also thwarted by bureaucratic red tape. During the height of rescue and relief missions, a German company offered a \$3 million integrated satellite and cellular telephone system, which is capable of handling 5,000 calls at once. With virtually all communications systems down in the Gulf, this device could have potentially saved many lives had it been delivered earlier. For five days, the people of Louisiana and Mississippi were without this key system until a written deployment order was issued from USNORTHCOM.

In the administration's February 2006 report, *The Federal Response to Hurricane Katrina: Lessons Learned*, a total of nine recommendations were made on how to improve the management of offers of foreign assistance and inquiries regarding affected foreign nationals. One of the requirements directs DOS to lead the revision of the International Coordination Support Annex to the National Response Plan, to clarify the responsibilities of DOS, DOD, DHS, and other agencies in response to domestic incidents. Other recommendations direct that prior to June 1, 2006, DOS and DHS should lead interagency efforts to:

1. Quickly develop procedures to review, reject or accept any offers of international assistance
2. Create a list of anticipated needs for foreign assistance and a list of items that cannot be accepted, and
3. Develop an interagency process to determine appropriate and timely uses of cash donations and how to communicate to donors on how funds were used.

I hope that today we can get to the bottom of how this Administration could turn away an overstretched hand in a time of such desperate need. Madame Secretary, I would like an update from you by May 31, 2007. I want to know where DOS is on completing the nine recommendations, if they were done timely, and when final amendments may be made to the International Coordination Support Annex to the National Response Plan. I need to know what works and what does not. Louisiana and the Gulf Coast deserve better. America deserves better.

In the fiscal year 2008 Budget, the President has requested \$36.2 billion in Department of State, USAID and other foreign agencies. This is a 22 percent increase from fiscal year 2007, and only 1.2 percent of our total annual budget. These funds

are in addition to the \$3.3 billion requested for the fiscal year 2008 Emergency Supplemental for foreign assistance and State Department operations. While this budget request contains sufficient funding for many programs, such as Global AIDS and the Millennium Challenge Corporation (MCC), the global challenges facing us today are greater than ever.

While we have made progress over the last few years in increasing the amount of foreign assistance funding, continued investment in international affairs programs are critical to building global stability. By increasing the International Affairs Budget, we have a better chance of achieving our national security goals and of promoting economic prosperity and our humanitarian values. Therefore it is critical that we continue to increase U.S. foreign assistance and pass a total budget of \$38.5 billion for State and Foreign Operations and \$1.3 billion in international agricultural assistance in fiscal year 2008.

In the many war torn and conflict areas, such as Afghanistan, Iraq, Uganda and many others around the globe, thousands of children continue to suffer. Every day 30,000 children under 5-years-old die from preventable diseases, 77 million children wake up without a chance to go to school, and 200 million go to bed without enough to eat. Unfortunately, the Budget only calls for \$345.6 million in maternal, newborn and child survival programs—this is a decrease from last year's level.

The Budget also calls for \$535 million for basic education programs. While this is an increase over the current levels, it falls short of the real global need. By transferring the bulk of global education funding from Development Assistance account to the Economic Support Fund account, there is a possibility the number of countries receiving basic education assistance, particularly Africa and Latin America, could decline. Additionally, this change could impede lasting and transformational change in those regions. While I do appreciate and support the changes underway at USAID, I do believe we need to study, closely, the real impact of each change. Currently, 42 countries receive basic education from the DA account, 14 in Africa, 15 in Asia/Near East, 5 in Europe/Eurasia and 8 in Latin America and the Caribbean, and we do not want to jeopardize, only improve, the education in these countries.

According to Save the Children, nearly half of 6 year-olds in Uganda do not enroll in school. On average, 64 percent do not complete five years of school, and in Pader district, primary school completion is just 26 percent. Across Uganda more boys enroll than girls. Early marriage and pregnancy and fear for their lives, causes frequent drop outs or keeps them from attending all together. Only 45 percent of girls enroll in grade one, but only 32 percent complete primary school. Around 46 percent of teachers are untrained and class sizes can grow to over 200 children.

It is vital that we recruit, train and deploy teachers in under-resourced areas, including female teachers to help increase enrollment and completion among girls. By building community support for education and investing in the community, we are able to help reduce the amount of child from being abducted. More than 30,000 children have been taken from their homes and abducted by the LRA. These children often become soldiers or sex slaves. Currently, 6,000 to 10,000 children walk miles from their rural homes every night to sleep in town centers, in order to avoid violence and abduction. These children are known as "night commuters". Last year as many as 35,000 children would leave their homes every night.

Much like Uganda, Afghanistan struggles to rebuild their community and to find a way to redevelop essential skills in the country. Although Taliban control ended in 2001, and despite reconstruction efforts, Afghanistan is deeply poor with chronic malnutrition, lawlessness and frequent violence against children. Girls are still excluded from many activities. Half of Afghan children between 7 and 12 attend school, but only a third are girls. Attendance is often low, due to the inadequate school facilities for girls and the limited number of female teachers. Roughly 60 percent of girls aged 7 to 13 are out of school and in some rural areas around 92 percent of girls are out of school. Only 27 percent of teachers are females, but most are in urban areas, and fewer than 15 percent of teachers have a teaching degree. Clearly you can see from these startling statistics, Madame Secretary, that it is very important that ensure our education funding is not jeopardized, but improved in a way that allows the number of countries and the amounts received to grow.

As I stated above, in Afghanistan and Iraq children continue to be victims of: poor health care, limited and inaccessible education systems, and innocents of the ongoing wars. In Uganda children are forced to be child soldiers and young girls into becoming "wives". Madame Secretary, this is unacceptable. I know these problems cannot be solved overnight and not by diplomatic measures alone, which is why we must continue providing these countries with adequate aid assistance and improve intercountry adoption policies around the globe.

As the Democratic Chair of the Congressional Coalition on Adoption and a proud adoptive parent myself, I truly understand the benefits and joys adoption brings to a family and the children being adopted. Although, over 20,000 children are adopted every year internationally by U.S. citizens, improvements can and must be made to intercountry adoption policies around the globe. For example, adoption by foreign citizens remains close in Romania and Cambodia to this day. Russia, although open for adoption by foreign citizens, passed an NGO law in May, which requires U.S. based adoption service providers be both registered and accredited by the Ministry of Education (MOE). Unless an agency complies with both they are unable to assist in any way in placing children. As of the end of April, no U.S. agencies had been successfully accredited by the MOE. Madame Secretary, all children, regardless of race, ethnicity, gender or disability, deserve a permanent and loving home. We can do better at providing these children with loving homes, better health care and education, and the basic right to food.

Mr. Chairman, I look forward to hearing the testimony from Secretary Rice today and hope that she is ready to honestly and openly answer any questions this committee may ask.

Thank you, Mr. Chairman.

Senator LANDRIEU. Madam Secretary, be assured the people of Louisiana and Mississippi and the gulf coast understand the focus of yours and the administration on Iraq, Afghanistan, and other places in the world, where it's important to focus, because they are great challenges. But there was an incident that occurred in this country that was of international focus and importance over 18 months ago, and that was when two storms battered the gulf coast, which is America's energy coast, and the Federal levee system collapsed, flooding an area seven times the size of Manhattan, destroying 250,000 homes and 20,000 businesses. Nothing like it has ever been seen in the United States outside of the Civil War.

Last week, the Washington Post reported that the administration turned away nearly \$1 billion in foreign aid. The State Department has acknowledged that mistakes were made in the handling of foreign donations due to the absence of an implementation plan for the management of such aid. To date, it is my understanding that no changes have been made to the International Cooperation Response Index or to the National Response Plan.

In addition, no significant permanent changes have yet been made to the National Response Plan itself. One hundred and fifty-one nations, international organizations, and political entities offered assistance totaling \$854 million, not including material in kind. Of the \$854 million, \$454 million was cash, \$400 million was oil, which has yet to be sold for cash. To date, only \$126.4 million has been received, numerous materials in kind were turned away, and \$400 million in oil, as I said, was never accepted or sold, we don't know where those barrels of oil are.

On September 5, for example, because I'm going to get to my question in a minute, an offer from Switzerland to send relief supplies was sent. The offer was not fully vetted by FEMA until September 14. With the delay in FEMA not being able to act quickly to unload and repackage the supplies, the Swiss Government canceled their entire shipment.

Another example—and there are dozens; I will submit them for the record—a German company offered 3 million integrated satellite and cellular telephone systems, which is capable of handling 5,000 calls at once. With virtually every communication system collapsed in the Gulf of Mexico, where our own military was reduced to runners, the way we used to use them in wars of the past, we

turned this communication equipment away until USNORTHCOM demanded that they be received.

I want to, Mr. Chairman, get to my question, which is—in just one second. But, for the record, this was reported by the Washington Post, and it is upsetting that, in the first paragraph, a memo from Karen Hughes says, “Echo chamber message,” in quote. That is a public-relation term, as according to the Washington Post, for talking points designed to be repeated again and again. This was the directive, “Assure the scores of countries that have pledged or donated aid that their aid was,” quote, ‘practical help and moral support,’ and highlight the concrete benefits hurricane victims are receiving.”

Madam Secretary, the people that I represent were not able to take advantage of this aid, because there obviously is some major problems with how we receive aid for them when they’re in their most desperate hours of need. I don’t know what we have done to correct it.

[The information follows:]

[The Washington Post, Sunday, April 29, 2007]

CORRECTION TO THIS ARTICLE

An April 30 Page One article on foreign aid after Hurricane Katrina incorrectly said that a consortium led by the United Methodist Committee on Relief had provided social services to 45,000 individual disaster victims up to that point, less than half the 100,000 victims it promised to help. The group has provided services to 49,709 families, not individuals, short of its goal of 100,000 families.

MOST KATRINA AID FROM OVERSEAS WENT UNCLAIMED

(By John Solomon and Spencer S. Hsu, Washington Post Staff Writers)

As the winds and water of Hurricane Katrina were receding, presidential confidante Karen Hughes sent a cable from her State Department office to U.S. ambassadors worldwide.

Titled “Echo-Chamber Message”—a public relations term for talking points designed to be repeated again and again—the Sept. 7, 2005, directive was unmistakable: Assure the scores of countries that had pledged or donated aid at the height of the disaster that their largesse had provided Americans “practical help and moral support” and “highlight the concrete benefits hurricane victims are receiving.”

Many of the U.S. diplomats who received the message, however, were beginning to witness a more embarrassing reality. They knew the U.S. Government was turning down many allies’ offers of manpower, supplies and expertise worth untold millions of dollars. Eventually the United States also would fail to collect most of the unprecedented outpouring of international cash assistance for Katrina’s victims.

Allies offered \$854 million in cash and in oil that was to be sold for cash. But only \$40 million has been used so far for disaster victims or reconstruction, according to U.S. officials and contractors. Most of the aid went uncollected, including \$400 million worth of oil. Some offers were withdrawn or redirected to private groups such as the Red Cross. The rest has been delayed by red tape and bureaucratic limits on how it can be spent.

In addition, valuable supplies and services—such as cellphone systems, medicine and cruise ships—were delayed or declined because the government could not handle them. In some cases, supplies were wasted.

The struggle to apply foreign aid in the aftermath of the hurricane, which has cost U.S. taxpayers more than \$125 billion so far, is another reminder of the Federal Government’s difficulty leading the recovery. Reports of Government waste and delays or denials of assistance have surfaced repeatedly since hurricanes Katrina and Rita struck in 2005.

Administration officials acknowledged in February 2006 that they were ill prepared to coordinate and distribute foreign aid and that only about half the \$126 million received had been put to use. Now, 20 months after Katrina, newly released documents and interviews make clear the magnitude of the troubles.

More than 10,000 pages of cables, telegraphs and e-mails from U.S. diplomats around the globe—released piecemeal since last fall under the Freedom of Information Act—provide a fuller account of problems that, at times, mystified generous allies and left U.S. representatives at a loss for an explanation. The documents were obtained by Citizens for Responsibility and Ethics in Washington, a public interest group, which provided them to The Washington Post.

In one exchange, State Department officials anguished over whether to tell Italy that its shipments of medicine, gauze and other medical supplies spoiled in the elements for weeks after Katrina's landfall on Aug. 29, 2005, and were destroyed. "Tell them we blew it," one disgusted official wrote. But she hedged: "The flip side is just to dispose of it and not come clean. I could be persuaded."

In another instance, the Department of Homeland Security accepted an offer from Greece on Sept. 3, 2005, to dispatch two cruise ships that could be used free as hotels or hospitals for displaced residents. The deal was rescinded Sept. 15 after it became clear a ship would not arrive before Oct. 10. The U.S. eventually paid \$249 million to use Carnival Cruise Lines vessels.

And while television sets worldwide showed images of New Orleans residents begging to be rescued from rooftops as floodwaters rose, U.S. officials turned down countless offers of allied troops and search-and-rescue teams. The most common responses: "sent letter of thanks" and "will keep offer on hand," the new documents show.

Overall, the United States declined 54 of 77 recorded aid offers from three of its staunchest allies: Canada, Britain and Israel, according to a 40-page State Department table of the offers that had been received as of January 2006. "There is a lack of accountability in where the money comes in and where it goes," said Melanie Sloan, executive director of the public interest group, which called for an investigation into the fate of foreign aid offers. She added: "It's clear that they're trying to hide their ineptitude, incompetence and malfeasance."

In a statement, State Department spokesman Tom Casey said that the U.S. Government sincerely appreciated support from around the world and that Katrina had proved to be "a unique event in many ways."

"As we continue our planning for the future, we will draw on the lessons learned from this experience to ensure that we make the best use of any possible foreign assistance that might be offered," Casey said.

Representatives of foreign countries declined to criticize the U.S. response to their aid offers, though some redirected their gifts.

Of \$454 million in cash that was pledged by more than 150 countries and foreign organizations, only \$126 million from 40 donors was actually received. The biggest gifts were from the United Arab Emirates, \$100 million; China and Bahrain, \$5 million each; South Korea, \$3.8 million; and Taiwan, \$2 million.

Bader Bin Saeed, spokesman for the Emirates Embassy in Washington, said that in future disasters, "the UAE would not hesitate to help other countries, whether the United States or any other state, in humanitarian efforts."

Kuwait, which made the largest offer, pledged \$100 million in cash and \$400 million in oil. But the Kuwaitis eventually gave their money to two private groups: \$25 million to the Bush-Clinton Katrina Fund, a project of the former presidents, and another \$25 million to the American Red Cross in February 2006. They still plan to contribute another \$50 million, said the Kuwaiti ambassador to the United States, Salem Abdullah al-Jaber al-Sabah.

"It was based on my government's assessment of the fastest way to get money to the people that needed it," he said. "The Red Cross was on the ground and action-oriented."

In the White House's February 2006 Katrina report, U.S. officials said Kuwait's \$400 million oil donation was to be sold for cash. Sabah said it was an in-kind pledge made when it appeared that U.S. refining capacity was devastated and that the American public would need fuel.

"We have to see what we have to do with that. When you pledge something in-kind, your intention is to give it in-kind. I do not think now the American people are in need of \$400 million of fuel and fuel products," he said.

Of the \$126 million in cash that has been received, most has not yet been used. More than \$60 million was set aside in March 2006 to rebuild schools, colleges and universities, but so far, only \$10.4 million has been taken by schools.

Half the \$60 million was awarded last fall to 14 Louisiana and Mississippi colleges, but five have not started to claim the money. Only Dillard University in Louisiana and Mississippi Gulf Coast Community College have tapped their full awards, worth \$6 million, U.S. Education Department officials said Friday.

Another \$30 million was sent to Orleans, St. Bernard and Plaquemines parishes in Louisiana and to the state-run Recovery School District in New Orleans to build libraries, laboratories and other facilities for 130 public schools.

But none of that money has been used yet, said Meg Casper, spokeswoman for the Louisiana Department of Education. Allocations were just approved by the state board last week, she said, “so the money should start to flow.”

The first concrete program officials announced in October 2005—a \$66 million contract to a consortium of 10 faith-based and charity groups to provide social services to displaced families—so far has assisted less than half the 100,000 victims it promised to help, the project director said.

The group, led by the United Methodist Committee on Relief, has spent \$30 million of the money it was given to aid about 45,000 evacuees. Senate investigators are questioning some terms in the contract proposal, including a provision to pay consultants for 450 days to train volunteers for the work the committee was paid to do.

Jim Cox, the program director, said that the project is “right on track” but that its strategy of relying on volunteers foundered because of burnout and high turnover. He acknowledged that more people need help than are receiving it and said the program will be extended to March to use available funds.

“The resources aren’t there, but these resources certainly are coming,” Cox said.

Senator LANDRIEU. But I also want to put in the record an e-mail that was received when the request was made for—an open-issue request. It reads, from, one, Kathleen Algrone, “We need to come clean with the Italians, tell them we blew it, or deeply appreciate and regret handling of this, and let them know about the disposal. The flip side is just to dispose of it and not come clean. I’m willing to be persuaded either way.”

[The information follows:]

NORMAN, ALAIN G

From: Yu, Alan K.
Sent: Wednesday, October 05, 2005 3:44 PM
To: Volker, Kurt D; Allegrone, Kathleen H; Sterling, Adam H
Cc: EUR-WE-Italy-DL; Cook, Nerissa J; Norman, Alain G; McCarthy, Deborah A; Harris, Michelle F.
Subject: RE: Italian Meds for Katrina—Houston, we’ve got a problem . . .

All—
I spoke to a Washington FDA official. He thought our request was reasonable, but will need to check on what FDA personnel remain in Little Rock and ensure his higher-ups are okay (he didn’t anticipate problems). He will tell me tomorrow.

Who pays to dispose: he thought it would be FEMA—possession is nine-tenths We’re not there yet, though; we need to get the FDA inspection above and then take it up with the Italians.

Let me know when we plan to do this, so I can get my annual leave request in.
Alan

From: Volker, Kurt D
Sent: Wednesday, October 05, 2005 2:45 PM
To: Allegrone, Kathleen H; Sterling, Adam H
Cc: Yu, Alan K; EUR-WE-Italy-DL
Subject: RE: Italian Meds for Katrina—Houston, we’ve got a problem . . .
I think “crisis situation, second hurricane, etc.” sounds reasonable enough (barely) and definitely come clean, rather than try to conceal—never works.

From: Allegrone, Kathleen H
Sent: Wednesday, October 05, 2005 12:30 PM
To: Volker, Kurt D; Sterling, Adam H
Cc: Yu, Alan K; EUR-WE-Italy-DL
Subject: Italian Meds for Katrina—Houston, we’ve got a problem . . .
Alan tells me that FDA officials believe the Italian meds are totally unusable—by others. They were exposed to the elements and heat; even the gauze etc wouldn’t be worth it.

Elan is going to go back to be sure someone really eye-balled the stuff. He's also going to check on disposal (and who pays—whatever . . .)

Then, I think (and Elan agrees) that we need to come clean with the Italians; tell them we blew it; deeply appreciate and regret handling of this; and let them know about disposal.

The flip side is just to dispose of it and not come clean. I'm willing to be persuaded, but . . .

Thoughts?

FW: Request to UK on MRE data

I think asking the UK is insulting and will require that we fund travel for them to send a Vet to AK to review storage practices before they issue a certificate. If we have in house folks with training, I recommend that the DOS ask DOD for assistance. It is very likely that there is a vet with the required training at Little Rock AFB. . . .

I left you a voice mail and an e-mail on the unclass side. I was out of office on Friday for a meeting at RAF Mildenhall.

Call me and we can discuss further.

Rob

From: Donegan, James F (POL)

Sent: Thursday, January 05, 2006 5:17 PM

To: Letourneau, Robert M

Subject: FW: Request to UK on MRE data

Rob—can you look into getting a certificate per Bill's suggestion?

Thanks

Jim

From: Meara, William R

Sent: Wednesday, January 04, 2006 1:35 PM

To: Donegan, James E (POL)

Cc: Tokola, Mark A; Bonilla, Jean A; Clark, Sandra E

Subject: RE: Request to UK on MRE data

Jim:

This thing keeps coming back at us, While this is an ECON issue, the desk seems bound and determined to talk only to POL about it. That's fine—I won't fight you about who covers the soon-to-be rancid UK MREs in Arkansas!

A month or so ago the desk asked us to check to see if the Brits had any objection to us giving these MREs to third parties. MOD told ODC that they were washing their hands of the MREs, and didn't care what we did with them.

If you do want to try to get the Brits to give us the kind of certificate that the desk is discussing, my suggestion would be to route the request through [Deleted] in ODC—he has been the Embassy's main point of contact with MOD on this issue.

Another option might be to try to do this through the Embassy's Foreign Agricultural Service office. But I think this is really an MOD issue. . .

Bill

From: Donegan, James E (POL)

Sent: Friday, December 30, 2005 3:24 PM

To: Donegan, James E (POL.); Evans, Trevor J; Tokola, Mark A

Cc: Johnson, David T; Meara, William R; Skinner, Charles B

Subject: RE: Request to UK on MRE data

Angela's request for a vet certificate comes out of an interagency meeting held yesterday in DC. Apparently the Georgian MOD has made a request for the MREs to distribute to their own troops. There has also been a similar request from the OSCE border monitors in Georgia. The feeling in the interagency was that a vet certificate would help move, even seal, these possibilities.

Also in play but less likely is a request from two U.S. NGOs for the MREs to distribute to "a basket of countries." Possible but less likely that the vet certificate would clinch the deal for this option.

From: Donegan, James E (POL)

Sent: Friday, December 30, 2005 8:22 AM

To: Evans, Trevor J; Tokola, Mark A

Cc: Johnson, David T

Subject: FW: Request to UK on MRE data
 Know any Vets?
 PS I have asked Washington to research the veracity of a Sun report yesterday that these things are "rotting" in a warehouse somewhere in the States.

From: Cervetti, Angela M
 Sent: Thursday, December 29, 2005 10:24 PM
 To: Donegan, James E (POL)
 Subject: FW: Request to UK on MRE data
 In Charles' absence . . .

From: Cervetti, Angela M
 Sent: Thursday, December 29, 2005 5:19 PM
 To: Skinner, Charles B; Bonilla, Jean A
 Cc: O'Malley, Michael E; Nolan, Edwin R; Roy, Kenneth M
 Subject: FW: Request to UK on MRE data

Jean, Charles,
 The MRE saga continues. Below is an e-mail from PGI asking us to ask post to approach the Brits for a veterinarian certificate stating that the meat products are fit for human consumption. Alan Yu from PGI seems to remember you already said that it would be very difficult and that the USDA should inspect the MREs and issue its own certificate. The problem is USDA said it does not inspect/certify non-American foods.

There are some options that opened up for disposition but the general sense is that having papers from the Brits saying the meat won't poison anybody would help the process along.

What are your thoughts?
 Angela

Senator LANDRIEU. I want to know where the Department of State is in implementing the nine recommendations, and when final amendments have been made at International Cooperation Support Annex to the National Response Plan, if that's been done to date.

Secretary RICE. We are in the process, Senator, of doing precisely that. I do want to note, though, that this was an unprecedented event. As you noted, it was an unprecedented event for the United States. It was also unprecedented for the United States to receive offers of help at the level that we received the offers of help. The State Department was the agency that took in the offers of help. We tried, then, to coordinate with FEMA and those on the front lines to understand what help could be used and what help could not be used.

We accepted donations from 122 countries and organizations, \$126 million in monetary donations. In fact, we ended up encouraging a lot of countries to give to private organizations, like the Clinton-Bush effort, because, frankly, it was difficult for us to use a lot of what was suggested.

Senator LANDRIEU. I understand that, and my time is up. But I just want to, on the record, say that \$1 billion, approximately, was offered; we've received \$126 million. There was a lot of money left on the table. The people of the gulf coast deserve to have a better system. But, more than just the people of the gulf coast, this country deserves to have a better system in the event that this happens again.

So, I want a specific answer, if you don't mind. When do you think these recommendations that have been made will be accepted, either presented to this committee or to the Congress, for adoption?

Secretary RICE. Senator, I will get back to you with an update on where we are, by letter, in response to your question.

But, if I may, I just want to note that, in fact, because it's important for our partners to know that a lot of their donations were used, and used well, for the people—\$66 million to finance social service management for Katrina, \$60 million to the Department of Education.

Just one final point, if I may. Yes, we had to turn down some donations—medical equipment, a lot was in kind, for instance, for medical personnel who would not have been licensed in our country to practice; food, which didn't meet certain standards.

Senator LANDRIEU. I understand that. Not to—

Secretary RICE. So—

Senator LANDRIEU [continuing]. Interrupt—Mr. Chairman, I don't mean to be disrespectful, but I have a list here that I would like to submit. It is not just food and diapers and bottles that were rejected, it was generators and communication systems, and, you know, medical supplies, and medical personnel.

We still, just this week, have been able—now, this is not completely the Federal Government's fault—to finally get one mental-health bed in the New Orleans region. One.

So, I suggest we have a major problem—

Senator LEAHY. Without objection, the—

Senator LANDRIEU. I'm going to put this in the record. I thank the Chairman—

Senator LEAHY. Without objection, it will—

Senator LANDRIEU [continuing]. For his—

Senator LEAHY [continuing]. Be included in the record.

[The information follows:]

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CODE	Event Name	Date	Private	Offer Code	Accepted/Declined Code	Confidence Code	Description	Action Status	ESF (FEMA)	Region	Cash Contingency	Cash Contingency	By
1	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12
2	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12
3	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12
4	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12
5	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12
6	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12
7	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12
8	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12
9	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12
10	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12	10/1/12

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CODE	Donor Nation	Date	Private	Other Cables	Accept/Decline Cable	Don't Know Cable	Description/Reason for Effect/Status	Action Status	ESF (PEMA) Action	Region	Cash Receipt Code	Cash Receipt Code in USD	Cash Receipt Code in USD
01	USA	01/01/00	01/01/00	01/01/00	01/01/00	01/01/00	...	...	...	...	...	...	...
02	USA	01/01/00	01/01/00	01/01/00	01/01/00	01/01/00	...	...	...	...	...	...	...
03	USA	01/01/00	01/01/00	01/01/00	01/01/00	01/01/00	...	...	...	...	...	...	...
04	USA	01/01/00	01/01/00	01/01/00	01/01/00	01/01/00	...	...	...	...	...	...	...
05	USA	01/01/00	01/01/00	01/01/00	01/01/00	01/01/00	...	...	...	...	...	...	...
06	USA	01/01/00	01/01/00	01/01/00	01/01/00	01/01/00	...	...	...	...	...	...	...
07	USA	01/01/00	01/01/00	01/01/00	01/01/00	01/01/00	...	...	...	...	...	...	...
08	USA	01/01/00	01/01/00	01/01/00	01/01/00	01/01/00	...	...	...	...	...	...	...
09	USA	01/01/00	01/01/00	01/01/00	01/01/00	01/01/00	...	...	...	...	...	...	...
10	USA	01/01/00	01/01/00	01/01/00	01/01/00	01/01/00	...	...	...	...	...	...	...
11	USA	01/01/00	01/01/00	01/01/00	01/01/00	01/01/00	...	...	...	...	...	...	...
12	USA	01/01/00	01/01/00	01/01/00	01/01/00	01/01/00	...	...	...	...	...	...	...
13	USA	01/01/00	01/01/00	01/01/00	01/01/00	01/01/00	...	...	...	...	...	...	...
14	USA	01/01/00	01/01/00	01/01/00	01/01/00	01/01/00	...	...	...	...	...	...	...
15	USA	01/01/00	01/01/00	01/01/00	01/01/00	01/01/00	...	...	...	...	...	...	...
16	USA	01/01/00	01/01/00	01/01/00	01/01/00	01/01/00	...	...	...	...	...	...	...
17	USA	01/01/00	01/01/00	01/01/00	01/01/00	01/01/00	...	...	...	...	...	...	...
18	USA	01/01/00	01/01/00	01/01/00	01/01/00	01/01/00	...	...	...	...	...	...	...
19	USA	01/01/00	01/01/00	01/01/00	01/01/00	01/01/00
20	USA	01/01/00	01/01/00	01/01/00	01/01/00	01/01/00

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CODE	Donor Nation	Drawn	Private	Other Cable	Accept/Confidence Cable	Description/Interactions	Action Status	FEMA / OFDA (FEMA)	Region	Cash Commitment Collected By USG	Cash Committed to NCD
1	USA	01/01/00	01/01/00			...	...	...	...	...	...
2	USA	01/01/00	01/01/00			...	...	...	...	...	...
3	USA	01/01/00	01/01/00			...	...	...	...	...	...
4	USA	01/01/00	01/01/00			...	...	...	...	...	...
5	USA	01/01/00	01/01/00			...	...	...	...	...	...
6	USA	01/01/00	01/01/00			...	...	...	...	...	...
7	USA	01/01/00	01/01/00			...	...	...	...	...	...
8	USA	01/01/00	01/01/00			...	...	...	...	...	...
9	USA	01/01/00	01/01/00			...	...	...	...	...	...
10	USA	01/01/00	01/01/00			...	...	...	...	...	...
11	USA	01/01/00	01/01/00			...	...	...	...	...	...
12	USA	01/01/00	01/01/00			...	...	...	...	...	...
13	USA	01/01/00	01/01/00			...	...	...	...	...	...
14	USA	01/01/00	01/01/00			...	...	...	...	...	...
15	USA	01/01/00	01/01/00			...	...	...	...	...	...
16	USA	01/01/00	01/01/00			...	...	...	...	...	...
17	USA	01/01/00	01/01/00		
18	USA	01/01/00	01/01/00		
19	USA	01/01/00	01/01/00		
20	USA	01/01/00	01/01/00		

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CODE	Date	Notes	Private	Other	Account	Compliance	Description	Investment	Action	FBI/	Region	Cash	Cash
					Decline	Call	Transaction	Category	Status	Activity	Code	Flow	Flow
1	01/01/00	Private	Private				Investment in USDC		Investment in USDC	Investment in USDC	USDC	USD	USD
2	01/01/00	Private	Private				Investment in USDC		Investment in USDC	Investment in USDC	USDC	USD	USD
3	01/01/00	Private	Private				Investment in USDC		Investment in USDC	Investment in USDC	USDC	USD	USD
4	01/01/00	Private	Private				Investment in USDC		Investment in USDC	Investment in USDC	USDC	USD	USD
5	01/01/00	Private	Private				Investment in USDC		Investment in USDC	Investment in USDC	USDC	USD	USD
6	01/01/00	Private	Private				Investment in USDC		Investment in USDC	Investment in USDC	USDC	USD	USD
7	01/01/00	Private	Private				Investment in USDC		Investment in USDC	Investment in USDC	USDC	USD	USD
8	01/01/00	Private	Private				Investment in USDC		Investment in USDC	Investment in USDC	USDC	USD	USD
9	01/01/00	Private	Private				Investment in USDC		Investment in USDC	Investment in USDC	USDC	USD	USD
10	01/01/00	Private	Private				Investment in USDC		Investment in USDC	Investment in USDC	USDC	USD	USD
11	01/01/00	Private	Private				Investment in USDC		Investment in USDC	Investment in USDC	USDC	USD	USD
12	01/01/00	Private	Private				Investment in USDC		Investment in USDC	Investment in USDC	USDC	USD	USD
13	01/01/00	Private	Private				Investment in USDC		Investment in USDC	Investment in USDC	USDC	USD	USD
14	01/01/00	Private	Private				Investment in USDC		Investment in USDC	Investment in USDC	USDC	USD	USD
15	01/01/00	Private	Private				Investment in USDC		Investment in USDC	Investment in USDC	USDC	USD	USD
16	01/01/00	Private	Private				Investment in USDC		Investment in USDC	Investment in USDC	USDC	USD	USD
17	01/01/00	Private	Private				Investment in USDC		Investment in USDC	Investment in USDC	USDC	USD	USD
18	01/01/00	Private	Private				Investment in USDC		Investment in USDC	Investment in USDC	USDC	USD	USD
19	01/01/00	Private	Private				Investment in USDC		Investment in USDC	Investment in USDC	USDC	USD	USD
20	01/01/00	Private	Private				Investment in USDC		Investment in USDC	Investment in USDC	USDC	USD	USD

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CODE	Agency Name	Date	Private	Offer Code	Agency Decision Code	Compliance Code	Description/Remarks	Action Status	FEMA / (FEMA) / AID/ID	Region	Cash Collected (US\$)	Cash Contributed (US\$)
1	...	10/20/06
2	...	10/20/06
3	...	10/20/06
4	...	10/20/06
5	...	10/20/06
6	...	10/20/06
7	...	10/20/06

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PKC:R/G

Complete as of 10/20/06, 10:17 AM

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CODE	Date of Action	Private	Other Cable	Account Decline Cable	Confidence Cable	Description	Point of Contact	Action Status	FEBA / (FEBA) Action	Region	Cash Pooled	Cash Contained by
1	01/01/2005	Government				Private	Point of Contact	Private	Private	US	0 US\$	Cash Contained by
2	01/01/2005	Government				Private	Point of Contact	Private	Private	US	0 US\$	Cash Contained by
3	01/01/2005	Government				Private	Point of Contact	Private	Private	US	0 US\$	Cash Contained by
4	01/01/2005	Government				Private	Point of Contact	Private	Private	US	0 US\$	Cash Contained by
5	01/01/2005	Government				Private	Point of Contact	Private	Private	US	0 US\$	Cash Contained by
6	01/01/2005	Government				Private	Point of Contact	Private	Private	US	0 US\$	Cash Contained by
7	01/01/2005	Government				Private	Point of Contact	Private	Private	US	0 US\$	Cash Contained by
8	01/01/2005	Government				Private	Point of Contact	Private	Private	US	0 US\$	Cash Contained by
9	01/01/2005	Government				Private	Point of Contact	Private	Private	US	0 US\$	Cash Contained by
10	01/01/2005	Government				Private	Point of Contact	Private	Private	US	0 US\$	Cash Contained by
11	01/01/2005	Government				Private	Point of Contact	Private	Private	US	0 US\$	Cash Contained by
12	01/01/2005	Government				Private	Point of Contact	Private	Private	US	0 US\$	Cash Contained by
13	01/01/2005	Government				Private	Point of Contact	Private	Private	US	0 US\$	Cash Contained by
14	01/01/2005	Government				Private	Point of Contact	Private	Private	US	0 US\$	Cash Contained by
15	01/01/2005	Government				Private	Point of Contact	Private	Private	US	0 US\$	Cash Contained by
16	01/01/2005	Government				Private	Point of Contact	Private	Private	US	0 US\$	Cash Contained by
17	01/01/2005	Government				Private	Point of Contact	Private	Private	US	0 US\$	Cash Contained by
18	01/01/2005	Government				Private	Point of Contact	Private	Private	US	0 US\$	Cash Contained by
19	01/01/2005	Government				Private	Point of Contact	Private	Private	US	0 US\$	Cash Contained by
20	01/01/2005	Government				Private	Point of Contact	Private	Private	US	0 US\$	Cash Contained by

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Non-Financial Services
International Office of Assistance

COPE	Donor Nation	Date	Private	Other Cable	Accept / Other Cable	Confidence Cable	Description	Point of Contact	Action Status	FEMA / OFDA (FEMA)	REG/ (REG)	Cash Commitment to USA	Cash Collected by USA	Cash Committed to NCD
0	France	01/05/00	01/05/00				1.00 million USD (2000) for the relief of victims of the earthquake in Haiti. The amount is to be used for the purchase of relief supplies and for the construction of relief camps.		See report on the earthquake in Haiti, dated 12/15/99, for details on the relief supplies and for the construction of relief camps.	01/05/00	REG	1,000,000 USD		
1	France	01/05/00	01/05/00				1.00 million USD (2000) for the relief of victims of the earthquake in Haiti. The amount is to be used for the purchase of relief supplies and for the construction of relief camps.		See report on the earthquake in Haiti, dated 12/15/99, for details on the relief supplies and for the construction of relief camps.	01/05/00	REG	1,000,000 USD		
2	France	01/05/00	01/05/00				1.00 million USD (2000) for the relief of victims of the earthquake in Haiti. The amount is to be used for the purchase of relief supplies and for the construction of relief camps.		See report on the earthquake in Haiti, dated 12/15/99, for details on the relief supplies and for the construction of relief camps.	01/05/00	REG	1,000,000 USD		
3	France	01/05/00	01/05/00				1.00 million USD (2000) for the relief of victims of the earthquake in Haiti. The amount is to be used for the purchase of relief supplies and for the construction of relief camps.		See report on the earthquake in Haiti, dated 12/15/99, for details on the relief supplies and for the construction of relief camps.	01/05/00	REG	1,000,000 USD		
4	France	01/05/00	01/05/00				1.00 million USD (2000) for the relief of victims of the earthquake in Haiti. The amount is to be used for the purchase of relief supplies and for the construction of relief camps.		See report on the earthquake in Haiti, dated 12/15/99, for details on the relief supplies and for the construction of relief camps.	01/05/00	REG	1,000,000 USD		
5	France	01/05/00	01/05/00				1.00 million USD (2000) for the relief of victims of the earthquake in Haiti. The amount is to be used for the purchase of relief supplies and for the construction of relief camps.		See report on the earthquake in Haiti, dated 12/15/99, for details on the relief supplies and for the construction of relief camps.	01/05/00	REG	1,000,000 USD		
6	France	01/05/00	01/05/00				1.00 million USD (2000) for the relief of victims of the earthquake in Haiti. The amount is to be used for the purchase of relief supplies and for the construction of relief camps.		See report on the earthquake in Haiti, dated 12/15/99, for details on the relief supplies and for the construction of relief camps.	01/05/00	REG	1,000,000 USD		
7	France	01/05/00	01/05/00				1.00 million USD (2000) for the relief of victims of the earthquake in Haiti. The amount is to be used for the purchase of relief supplies and for the construction of relief camps.		See report on the earthquake in Haiti, dated 12/15/99, for details on the relief supplies and for the construction of relief camps.	01/05/00	REG	1,000,000 USD		
8	France	01/05/00	01/05/00				1.00 million USD (2000) for the relief of victims of the earthquake in Haiti. The amount is to be used for the purchase of relief supplies and for the construction of relief camps.		See report on the earthquake in Haiti, dated 12/15/99, for details on the relief supplies and for the construction of relief camps.	01/05/00	REG	1,000,000 USD		
9	France	01/05/00	01/05/00				1.00 million USD (2000) for the relief of victims of the earthquake in Haiti. The amount is to be used for the purchase of relief supplies and for the construction of relief camps.		See report on the earthquake in Haiti, dated 12/15/99, for details on the relief supplies and for the construction of relief camps.	01/05/00	REG	1,000,000 USD		

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CODE	Dept/ Nottin	Dieta	Private	Other Cable	Accept/ Decline Cable	Description of material	Activity/Project	Action Status	ESM/ OPA Action	ESF (P) Risk	Region	Cash Committed (Collected by USQ)	Cash Committed (Collected by USQ)	Cost MOD
1	100000	100000	Private			100000	100000	100000	100000	100000	100000	100000	100000	100000
2	100000	100000	Private			100000	100000	100000	100000	100000	100000	100000	100000	100000
3	100000	100000	Private			100000	100000	100000	100000	100000	100000	100000	100000	100000
4	100000	100000	Private			100000	100000	100000	100000	100000	100000	100000	100000	100000
5	100000	100000	Private			100000	100000	100000	100000	100000	100000	100000	100000	100000
6	100000	100000	Private			100000	100000	100000	100000	100000	100000	100000	100000	100000
7	100000	100000	Private			100000	100000	100000	100000	100000	100000	100000	100000	100000
8	100000	100000	Private			100000	100000	100000	100000	100000	100000	100000	100000	100000
9	100000	100000	Private			100000	100000	100000	100000	100000	100000	100000	100000	100000
10	100000	100000	Private			100000	100000	100000	100000	100000	100000	100000	100000	100000

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CODE	Donor Nation	Date	Private	Other Cable	Receipt/ Cable Charge	Consolidate Cable	Description/Transmittal Disposition	Action Status	REMA/CFDA (REMA)	Region	Cash of US\$	Cash Collected By US\$	Cash Contributed By NED US\$
1	USA	01/01/00	Donations				250,000 for cable to receive	None	None	NA			0
2	USA	01/01/00	Donations				250,000 for cable to receive	None	None	NA			0
3	USA	01/01/00	Donations				250,000 for cable to receive	None	None	NA			0
4	USA	01/01/00	Donations				250,000 for cable to receive	None	None	NA			0
5	USA	01/01/00	Donations				250,000 for cable to receive	None	None	NA			0
6	USA	01/01/00	Donations				250,000 for cable to receive	None	None	NA			0
7	USA	01/01/00	Donations				250,000 for cable to receive	None	None	NA			0
8	USA	01/01/00	Donations				250,000 for cable to receive	None	None	NA			0
9	USA	01/01/00	Donations				250,000 for cable to receive	None	None	NA			0
10	USA	01/01/00	Donations				250,000 for cable to receive	None	None	NA			0

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Donor Mission	Date	Private	Other	Account Cable	Consequence Cable	Description	Point of Contact	Action Status	FEMA/ ORCA (REMA)	Region	Cash Committed USD	Cash Collected USD	Cash Committed NGO
4	10/20/06	Disaster				10/20/06	10/20/06	10/20/06	10/20/06	10/20/06			
5	10/20/06	Disaster				10/20/06	10/20/06	10/20/06	10/20/06	10/20/06			
6	10/20/06	Disaster				10/20/06	10/20/06	10/20/06	10/20/06	10/20/06			
7	10/20/06	Disaster				10/20/06	10/20/06	10/20/06	10/20/06	10/20/06			
8	10/20/06	Disaster				10/20/06	10/20/06	10/20/06	10/20/06	10/20/06			
9	10/20/06	Disaster				10/20/06	10/20/06	10/20/06	10/20/06	10/20/06			
10	10/20/06	Disaster				10/20/06	10/20/06	10/20/06	10/20/06	10/20/06			
11	10/20/06	Disaster				10/20/06	10/20/06	10/20/06	10/20/06	10/20/06			
12	10/20/06	Disaster				10/20/06	10/20/06	10/20/06	10/20/06	10/20/06			
13	10/20/06	Disaster				10/20/06	10/20/06	10/20/06	10/20/06	10/20/06			
14	10/20/06	Disaster				10/20/06	10/20/06	10/20/06	10/20/06	10/20/06			
15	10/20/06	Disaster				10/20/06	10/20/06	10/20/06	10/20/06	10/20/06			
16	10/20/06	Disaster				10/20/06	10/20/06	10/20/06	10/20/06	10/20/06			
17	10/20/06	Disaster				10/20/06	10/20/06	10/20/06	10/20/06	10/20/06			
18	10/20/06	Disaster				10/20/06	10/20/06	10/20/06	10/20/06	10/20/06			
19	10/20/06	Disaster				10/20/06	10/20/06	10/20/06	10/20/06	10/20/06			
20	10/20/06	Disaster				10/20/06	10/20/06	10/20/06	10/20/06	10/20/06			

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Secretary RICE. Senator, I will get back to you with an answer—

Senator LANDRIEU. Thank you.

Secretary RICE [continuing]. To your question about the—

Senator LANDRIEU. Thank you.

Secretary RICE [continuing]. Various recommendations.

[The information follows:]

UNITED STATES DEPARTMENT OF STATE,
WASHINGTON, DC, July 16, 2007.

MARY L. LANDRIEU, *Chairman,*
Subcommittee on Disaster Recovery, Committee on Homeland Security and Govern-
mental Affairs, United States Senate.

DEAR MADAM CHAIRMAN: Per my June 28 letter to you, enclosed is additional information responding to the specific questions outlined in your June 14 letter. We expect to convey to you shortly information concerning the full set of assistance offers from the international community that you also requested in that letter. I hope you find this additional information useful.

Sincerely,

JEFFREY T. BERGNER,
Assistant Secretary Legislative Affairs.

Enclosure:

Question. To the extent that the Department of State is designated as the lead agency responsible, what is the status of implementation of recommendations 89 through 97 of the White House report, “The Federal Response to Hurricane Katrina: Lessons Learned?”

Answer. Below are the nine recommendations from the Katrina Lessons Learned exercise and the status of each recommendation:

Recommendation #89.—DOS should lead the revision of the International Coordination Support Annex (ICSA) to the National Response Plan (NRP), clarifying responsibilities of Department of State (DOS), Department of Homeland Security (DHS), Department of Defense (DOD), and other supporting agencies in response to domestic incidents. This revision should begin immediately.

Status.—Completed. A State Department-led interagency group completed the first revision of the ICSA in February 2007 in consultation with the Homeland Security Council. The revisions clarify expanded roles and responsibilities of USG agencies in managing the international aspects of a domestic incident. The group also included representatives from the Departments of Homeland Security, Defense, Health and Human Services, Agriculture, and Transportation, and the Agency for International Development.

Recommendation #90.—DOS and DHS should lead an interagency effort that will quickly develop procedures to review, accept or reject any offers of international assistance for a domestic catastrophic incident.

Status.—Completed. An interagency group consisting of the Department of State, USAID/Office of Foreign Disaster Assistance (AID), DHS/FEMA, DOD, and the American Red Cross (ARC) has developed a system for managing international assistance during a domestic disaster. The system outlines policies and procedures to systematically manage offers of, or United States requests for, international material assistance during a United States domestic disaster. It also specifies the roles and responsibilities of participant agencies, provides standard operating procedures for managing offers of foreign assistance and domestic requests for foreign resources, and outlines the process for receiving and distributing international assistance that is accepted by the U.S. Government. The procedures and arrangements detailed in the manual were formally approved in 2007, but the core procedures were informally in place among participants by June 1, 2006.

Recommendation #91.—DHS should lead an interagency effort to create and routinely update a prioritized list of anticipated disaster needs for foreign assistance and a list of items that cannot be accepted.

Status.—Completed. The interagency has established procedures for coordinating with USG regulatory agencies for the entry, handling, and use of foreign resources during a disaster. Regulatory agencies provide technical advice and review offers of international assistance prior to FEMA acceptance. The procedures include guidance on acceptable and unacceptable items to assist the Department of State in communicating with the international community.

Recommendation #92.—DOS should establish an interagency process to: determine appropriate uses of international cash donations; to ensure timely use of these funds in a transparent and accountable manner; to meet internal Federal government accounting requirements; and to communicate to donors how their funds were used.

Status.—Completed. Procedures have been established to manage the receipt, distribution, and use of foreign cash donations made during a domestic disaster. FEMA has pre-identified response needs likely to arise soon after a domestic disaster for which cash donations could be quickly utilized, with the understanding that certain donations may be directed to longer term disaster recovery projects. An interagency Working Group will be convened as necessary to address fund management issues and make recommendations on funding longer term disaster recovery projects.

Recommendation #93.—Public and Diplomatic Communications during domestic emergencies should both encourage cash donations—preferably to recognized non-profit voluntary organizations with relevant experience—and emphasize that donations of equipment or personnel should address disaster needs.

Status.—Completed. As was done during Katrina, the State Department provides instructions to all U.S. diplomatic missions abroad advising them to encourage foreign entities wishing to assist to make cash donations directly to appropriate NGOs rather than the USG.

Recommendation #94.—The Department of State and the Department of Homeland Security should jointly develop procedures to ensure that the needs of foreign missions are included in domestic plans for tracking inquiries regarding persons who are unaccounted for in a disaster zone.

Status.—Completed. The Department of State has worked with DHS/FEMA and the ARC to ensure that, during a domestic disaster, the USG honors its international obligations under the Vienna Convention on Consular Relations. Although the USG is not required to track down and find missing foreign nationals during a disaster in the United States, under the Convention it is obligated to assist foreign missions in obtaining “appropriate consular access” to their nationals.

The Department of State’s Office of Public Affairs has designated personnel to work with DHS/FEMA during domestic emergencies. These personnel will be part of FEMA’s information operation from the outset of a major domestic crisis, in order to ensure efficient handling of queries from and consistent messaging to foreign missions and foreign media.

The Department of State’s Office of Foreign Missions and the ARC provided briefings for foreign missions in Washington, DC on how foreign missions can best utilize the ARC’s missing persons’ registry to locate missing foreign nationals in the United States.

Recommendation #95.—DHS and DOS should revise the NRP to include DOD and Department of Agriculture (USDA)-Food Safety Inspection Service as cooperating agencies to the International Coordination Support Annex. Including DOD more directly in foreign assistance management would leverage existing relationships with partner military establishments and help to ensure that staging areas for the acceptance of foreign aid are preplanned and quickly available.

Status.—Completed. The revised ICS Annex to the NRP includes both DOD and USDA as cooperating agencies. Within the system developed for managing international assistance during a domestic disaster, regulatory agencies such as the USDA provide technical advice and review offers of international assistance prior to FEMA acceptance.

Recommendation #96.—DHS should include DOS and foreign assistance management in domestic interagency training and exercise events. Inclusion in the new National Exercise Program (NEP) should occur before the end of fiscal year 2006.

Status.—We refer you to DHS regarding its training and exercise events. We understand DHS is developing an international assistance training module for use in future exercises. DHS can provide more detailed information.

Recommendation #97.—DHS should provide daily disaster response situational updates through the Secretary of State to all Chiefs of Mission or Charges d’Affaires. These updates should improve situational awareness and provide information to address host government concerns or questions.

Status.—DHS has assured State it will provide appropriate updates to inform U.S. Missions overseas and, by extension, foreign governments.

Question. If any recommendations were not implemented by the deadlines identified in the report, why were they not?

Answer. Those recommendations involving other agencies and departments required extensive interagency coordination. We placed a premium on ensuring that our improvements in response to the modifications were developed in concert with other agencies. Additionally, fulfilling the recommendations linked to revision of the

National Response Plan hinged on a timetable established by the Homeland Security Council.

However, it is important to distinguish between the practical elements of the recommendations and the final, formal conclusion of each. Many of the professionals charged with fulfilling the recommendations had first-hand experience with the ad hoc arrangements employed in responding to Katrina. By the beginning of the 2006 hurricane season, all of the major elements of the recommendations—especially those suggesting improvements to assistance management—had been agreed informally and would have been employed had circumstances required.

Question. What additional resources are needed to complete implementation of any as-of-yet unaddressed recommendations?

Answer. All of the recommendations in the Federal Katrina Lessons Learned report have been addressed at this time.

Question. Specifically, when do you expect an amendment to the International Coordination Support Annex to the National Response Plan be complete and amended? What else must be addressed to satisfy that goal?

Answer. An interagency group completed the first revision of the International Coordination and Support Annex in February 2007 and provided the revision to the Homeland Security Council. The International Coordination Support Annex, along with all other revised annexes, will be released for general comment in the near future. The revisions clarify expanded roles and responsibilities of USG agencies in managing the international aspects of a domestic incident.

The group included representatives from the Departments of State, Homeland Security, Defense, Health and Human Services, Agriculture, and Transportation, and the Agency for International Development. Within the Department of State, we continue to ensure that relevant bureaus are familiar with the changes to the National Response Plan. However, the current NRP is in effect if an incident of national significance occurs prior to the NRP being finalized and formally approved by the Administration and NRP signatories.

DHS is finalizing revisions to the entire National Response Plan and then the document will be circulated to the interagency community for comment prior to release to the general public for comment.

Question. Of foreign assistance accepted following Hurricanes Katrina and Rita, how much has actually been distributed and used to date?

Answer. The United States Government received \$126 million of donations directly from foreign governments, political entities and individuals. All of these funds have been allocated.

On October 20, 2005, the State Department transferred \$66 million to FEMA. FEMA subsequently awarded a \$66 million grant to the United Methodist Committee of Relief (UMCOR). UMCOR established Katrina Aid Today (KAT), a consortium of nine nongovernmental organizations, to provide case management services to individuals and families affected by Hurricane Katrina. This program filled a gap in the services available to victims under federally- or state-funded programs. FEMA has advised the Department that KAT has utilized \$33 million of the funds to help over 149,000 people determine their specific needs and identify resources to help them overcome this tragedy. KAT has indicated to FEMA that it expects to provide similar services to additional people by March 2008 with the remaining funds available under this grant.

On date March 17, 2006, the State Department transferred \$60 million to the Department of Education for subsequent donation to institutions of higher education and K–12 schools. The Department of Education has advised the State Department that it allocated these funds as follows:

DoEd distributed \$5 million to the Greater New Orleans Educational Foundation for the planning and implementation of a long range strategy for K–12 educational services.

DoEd awarded grants totaling \$30 million available to 14 Higher Education institutions in Louisiana and Mississippi. These institutions have been able to draw on those funds according to their own reconstruction timetables. We understand that as of April 27, 2007, some institutions had utilized their entire grants; others were still drawing on the available funds as they proceed with their rehabilitation plans.

DoEd asked the Louisiana DoEd to develop a program to award grants totaling \$25 million. On April 19, 2007, the Louisiana Board of Education approved grants of \$190,000 each to 130 private and public schools. The current award period for use of these funds runs until November 30, 2007. Funds would be available on a year to year basis until all funds have been expended.

The United States Government received over 5 million pounds in material contributions and relief supplies from 50 foreign governments and international organizations. The vast bulk of these supplies was transferred to FEMA upon arrival and

was utilized for disaster relief. FEMA indicates that by April 4, 2006 all material donations were put into FEMA pipelines to determine disposition of resource based on disaster needs. Foreign governments also donated the use of highly specialized equipment, notably high-volume, high-pressure pumps and the services of personnel expert in their use. These services were utilized for up to 6 weeks after the storm's landfall.

Question. As we understand the Department's Katrina task force has been disbanded, what process exists today to accommodate offers from foreign governments seeking to assist the ongoing recovery and rebuilding efforts along the Gulf Coast?

Answer. The Department's crisis management system has functioned very well over the years; we have used it to manage an average of 13 crises every year. This system was used to coordinate the evacuation of almost 15,000 American citizens from Lebanon in the midst of active hostilities, the largest evacuation of American citizens via primarily commercial assets in 60 years.

The Department utilized this "Task Force" approach to support the Department of Homeland Security and FEMA during the immediate response to Hurricane Katrina. Once the immediate, acute phase of the crisis passed, the Department disbanded the Katrina task force. However, a core group of professionals with relevant expertise and with experience during the crisis, working under the overall direction of the Department's Executive Secretary, continued to address a wide range of Katrina-related issues, including managing ongoing operational coordination with FEMA and contributing to internal and USG-wide lessons learned' exercises.

Should foreign governments wish to provide additional resources to assist Katrina's victims directly to the U.S. Government, the Executive Secretary would ensure that appropriate experts at DHS and FEMA are engaged to ensure the foreign government's offer is promptly evaluated and responded to. As during the acute phase of the crisis, the Department would not itself evaluate the merits of a specific offer, but would instead assist the relevant experts at DHS and FEMA in soliciting sufficient information regarding the foreign government's offer to permit an informed decision by DHS and FEMA on whether to accept or decline the offer.

Question. What additional steps is the Department of State pursuing to better manage foreign assistance following a domestic disaster, what is the status of implementing these actions and what additional resources are needed to complete this effort?

Answer. The Department, together with partners at DHS/FEMA, AID, the Department of Defense and other Federal Departments, has developed detailed procedures to manage the solicitation, receipt, distribution, and use of foreign cash and in-kind donations prompted by a domestic disaster. These procedures have been agreed by all parties, are in place and would be used should a subsequent domestic disaster prompt offers of assistance from our international friends and allies.

With respect to cash donations, FEMA has pre-identified response needs likely to arise soon after a domestic disaster for which cash donations could be quickly utilized, with the understanding that certain donations may be directed to longer term disaster recovery projects. An interagency Working Group would be convened as necessary to address fund management issues and make recommendations on funding longer term disaster recovery projects.

The in-kind donation management system includes detailed procedures for coordinating with USG regulatory agencies for the entry, handling, and use of foreign resources during a disaster. Regulatory agencies provide technical advice and review offers of international assistance prior to FEMA acceptance. The procedures include guidance on acceptable and unacceptable items to assist the Department of State in communicating with the international community,

Q#8: The U.S. Agency for International Development (USAID) has effectively managed the direction of billions of dollars in U.S. assistance to victims of and responders to international disasters such as the South Asia Tsunami and Central Asia Earthquakes. How is USAID's experience being applied to better manage aid following disasters here at home? What barriers exist to better leveraging USAID's knowledge and resources in this way, and what would be needed to more effectively draw on this expertise and infrastructure?

Answer. USAID's role in domestic response operations is described in the National Response Plan (NRP), to which USAID is a signatory. The role described in the NRP relates to vetting, processing, and managing logistics for offers of foreign assistance.

The USAID role described in the NRP is based on USAID's expertise in disaster logistics and its experience with, and contacts in, the international disaster response community. However, USAID does have other expertise which may be called upon for domestic response operations. Such skills include camp management, response planning, technical issues, economic recovery, reconstruction, and education. In addition, USAID stockpiles disaster commodities in the U.S. and around the world.

This expertise and these commodities are available to FEMA for domestic operations.

Due to the ongoing, close working relationship between FEMA and USAID's Office of Foreign Disaster Assistance (OFDA), FEMA is aware of these capacities at USAID. During Hurricane Katrina, in fact, some of these capacities were requested by FEMA—commodities, planners, translators, logisticians. In addition, FEMA has requested that USAID/OFDA work with them in advance to establish agreements by which such assistance may be quickly requested and provided during a disaster—this process is currently underway.

USAID funding authorities prevent the Agency from expending resources for domestic activities. The International Disaster and Famine Account (IDFA) is legislated to fund only international disasters and famine. Nonetheless, during a domestic response operation, this funding issue is addressed through a FEMA Mission Assignment (MA) to USAID. The FEMA MA provides a funding source for USAID to carry out domestic operations under FEMA's legal authority. However, there is a significant barrier related to USAID preparations for domestic operations. FEMA generally cannot provide an MA to USAID in the absence of an active disaster response operation. The result is that USAID cannot dedicate staff time or resources to preparing for its role in domestic response operations. For obvious reasons, preparation and training is critical to USAID's ability to respond to a disaster. This constraint is a serious one. USAID has not yet determined how to address this problem.

Question. What other internal investigations, if any, have been conducted by the Department of State into its handling of foreign assistance following the 2005 hurricanes, and what is the status of those reviews?

Answer. Hurricane Katrina was an unprecedented disaster that presented unique challenges to domestic agencies and foreign governments trying to assist. The State Department, working with other agencies, responded to foreign offers of assistance as quickly and flexibly as circumstances permitted.

The State Department has participated in extensive interagency lessons learned reviews and exercises that addressed problems identified during Hurricane Katrina. As a result, the U.S. Government has developed significantly improved policies, procedures, and plans for managing international assistance for future domestic disasters.

The Homeland Security Council (MSC) led an after action review of the U.S. Government response to Katrina, including how we handled offers of assistance from foreign governments. The HSC and key agencies, including the State Department, reviewed the response, both what went well and what we can do better, and updated the National Response Plan to guide agency actions if another major disaster were to strike the United States. The State Department, USAID, FEMA, the Defense Department and others contributed to the update.

The Department also cooperated fully with the Government Accountability Office when it reviewed the handling of foreign assistance in response to Hurricane Katrina (GAO-06-460, April 2006). In its report, the GAO recognized that "although DOS's procedures were ad hoc, they did ensure the proper recording of international cash donations that have been received to date, and [GAO was] able to reconcile the funds received with those held in the designated DOS account at Treasury."

The Executive Secretariat's Operations Center conducted a lessons learned exercise shortly after the acute phase of the Katrina crisis, as it does after every major crisis, to assess the Department's performance and to incorporate adjustments and refinements to procedures in order to improve our response to subsequent crises. The results of this exercise informed the subsequent, broader USG assessment and ensured the Department was better prepared to respond to

similar situations, as early as the 2006 hurricane season, even before a formal set of agreed procedures were finalized through the interagency process.

Question. What was communicated to foreign governments regarding assistance that went unused, or offers of assistance that were not accepted?

Answer. For every offer of assistance, the Department, on behalf of the U.S. Government, accepted, politely declined the assistance, or referred the party offering to an alternative recipient (i.e., American Red Cross).

The Department conveyed this information to the offering governments as soon as its partners at FEMA had evaluated the offer of assistance and determined whether or not it would address an unmet need before similar commodities or services could be identified and sourced within the United States.

UNITED STATES DEPARTMENT OF STATE,
WASHINGTON, DC, June 28, 2007.

Hon. MARY L. LANDRIEU, *Chairman,*
Subcommittee on Disaster Recovery, Committee on Homeland Security and Govern-
mental Affairs, United States Senate.

DEAR MADAM CHAIRMAN: Thank you for your letter of June 14 concerning the State Department's performance in responding to Hurricane Katrina. I welcome the opportunity to provide additional information and to correct some of the persistent inaccuracies reported in the media concerning the receipt of foreign assistance following Hurricane Katrina.

Hurricane Katrina presented an unprecedented challenge; the Department's efforts in response also were unprecedented. Over 500 Department employees volunteered to help coordinate the outpouring of support and assistance from our friends and allies around the world. Many of them deployed into the region to work on the ground in the relief effort, including a group of Vietnamese speakers who worked closely with ethnic Vietnamese residents along the Gulf Coast. These volunteers were motivated by a rare opportunity to help their fellow citizens here in the United States, just as they and their colleagues help American citizens every day overseas.

Your letter asked whether the Department is better prepared now to execute its responsibilities in responding to domestic emergencies. The answer is, unequivocally, yes. The State Department learned valuable lessons regarding how best to manage and integrate international assistance offers into the federal response to a domestic emergency. Working with other parts of the federal government, we have incorporated those lessons into our planning and have developed and implemented detailed procedures to manage international offers of financial and material assistance. The basic elements of these systems were in place for the 2006 hurricane season; the final, detailed versions are now in place for the 2007 season.

As noted in our June 19 reply to your questions for the record following Secretary Rice's appropriations testimony, the State Department completed revisions to the International Support Annex of the National Response Plan in February 2007. The revised annex will be incorporated in the global revision of the National Response Plan currently in progress.

I also would like to take this opportunity to clarify inaccuracies in the public accounts of the Department's performance to which your letter refers.

First, the Department from the outset encouraged foreign governments and individuals to assist victims in the most efficient, effective way possible: through financial contributions to nongovernmental organizations expert in disaster response and recovery. An informal tally (we cannot require foreign governments to report donations to U.S. NGOs) indicates approximately \$220 million in donations initially pledged to the USG was provided directly to the Red Cross, Bush-Clinton Katrina Fund and other NGOs.

Some governments wish to contribute directly to the United States government, and from those governments we received a total of \$126 million. As the Secretary said in her testimony, these funds have been allocated (via FEMA and the Department of Education) to nongovernmental organizations, institutions of higher education and, via the Louisiana Department of Education, to 130 K-12 schools. The funds are being used to rebuild or restock laboratories and libraries, improve school physical plants and help over 148,000 individuals determine their needs and plan for their futures as they continue to recover from this tragedy.

A second inaccuracy is that the U.S. Government rejected or ignored substantial quantities of materiel and other in-kind assistance offered by foreign governments. The State Department's main objective throughout the Katrina crisis was to act as the intermediary for foreign offers of assistance to the U.S. Government, so that the Department of Homeland Security and other federal agencies could best help the victims of Hurricane Katrina. With respect to material assistance, that meant efficiently conveying all offers to departments and agencies charged with responding to the hurricane and coordinating the U.S. Government's response to offers of foreign assistance made by foreign governments. All offers were conveyed promptly to the Federal Emergency Management Agency, which, working with USAID's Office of Foreign Disaster Assistance, then decided which commodities could be utilized quickly and efficiently.

Public accounts of the Department's performance imply that all the foreign assistance offered was actually needed or could be used. In fact, seasoned disaster logisticians evaluated the commodities and services offered, and accepted only those that made sense given all of the normal considerations during a disaster—cost and time of transport, storage, processing and other factors. Moreover, much of what was of-

ferred, including foodstuffs, medical supplies and services of expert personnel, could not be accepted due to federal or state health, safety and licensing standards. Some of the equipment, notably generators, was not compatible with U.S. systems.

More detailed responses to the additional specific questions and requests included in your letter will be provided in the next week. I hope you find this information useful.

Sincerely,

JEFFREY T. BERGNER,
Assistant Secretary Legislative Affairs.

Senator LEAHY. Thank you, Senator Landrieu, Secretary Rice.

Senator Bennett.

Senator BENNETT. Thank you very much, Mr. Chairman.

Madam Secretary, as you know, I go to Europe quite often, and was there just a few weeks ago, participating in the Brussels Forum of the German Marshall Fund. It's an interesting thing to go back to Europe from time to time, as I'm sure you know. Last year, when I was there, they said to me, "The war over the war is over. We don't want to talk about Iraq, we want to talk about Russia." The Russians had cut off the gas supply to Ukraine, and were making similar kinds of statements about Georgia, and the Europeans, at least the ones with whom I spoke, were very nervous.

This year, I had a briefing with Secretary—or with Ambassador Boyden Gray and Tori Newland and Sam Fox, and they all talked about Russia and the concern that is there with respect to the turn that President Putin may be taking, a turn away from the kind of cooperation and admiration that was there fairly early in President Putin's administration and President Bush's administration. Can you give us a sense of where the Russian relationship is?

Secretary RICE. Thank you, Senator, I can.

As with any relationship, it's complicated, any big relationship. I would say, on some major strategic global issues, we are cooperating pretty well—on North Korea; we've had good cooperation on Iran, it's why we have the two Security Council resolutions. The President and President Putin have done work on global nuclear terrorism. We've done work on trying to—we're doing work on trying to modernize the Non-Proliferation Treaty, to include, for instance, fuel assurances for countries that don't do what Iran is doing, in enriching and reprocessing. So, on many things, we're—we've done very well.

But the fact is that on some others it's been a difficult period. The Russians, I think, do not accept fully that our relations with countries that are their neighbors, that were once a part of the Soviet Union, are quite honestly simply good relations between independent states and the United States, that we've tried to convince the Russians that the emergence of democracies on their borders, whether it's Georgia or Ukraine, would not be a problem, and that of course we're going to have good and sound relations with those countries, and we're going to continue to.

It's even more difficult when one looks at what is happening domestically in Russia, where I think it's fair to say that there has been a turning back from some of the reforms that led to the decentralization of power out to the Kremlin, a strong legislature, strong free press, a—an independent judiciary. I think everybody around

the world, in Europe, in the United States, is very concerned about the internal course that Russia has taken in recent years.

That said, we continue to have that discussion. One of the advantages of President Bush's very good personal relationship with President Putin is he can raise those issues, and we can talk about them. We very much hope that there will be free—truly free and fair elections as Russia moves forward with presidential and parliamentary elections next year. But it is the concentration of power in the Kremlin that has been troubling.

Finally, we have been pressing, along with Europeans and others, that there be no sense that Russia uses its great natural resources as a political weapon rather than in commercial—a commercial way. So, the—it's a complicated situation, but I would say, on a number of issues, we've worked together very well; and it's a big and important power, and we'll continue to try to work with the Russians.

Senator BENNETT. Thank you. As you know, I've always been a strong supporter of microenterprise, microcredit. I simply can't let your appearance here pass without mentioning it one more time and just keeping it on the radar screen. I'm happy that the State Department, during the time that I've been on this subcommittee, has significantly increased microcredit every year, which means I can take credit for it.

Secretary RICE. Absolutely.

Senator BENNETT. As long as it happened on my watch, I did it. Whether I had anything to do with it, in fact, or not, doesn't make any difference—

Secretary RICE. Of course you did—

Senator BENNETT [continuing]. When you're on the campaign—

Secretary RICE [continuing]. Senator.

Senator BENNETT [continuing]. Trail.

Now, moving to another issue, let's talk about China. As I look at China, I think they have tremendous internal problems and long-term challenges, demographic challenges of nature, the likes of which no other country has. Maybe India. But in the short term, they are committed to short-term economic growth. If you worry about American CEOs concentrating on next quarter's numbers, you—they don't hold a candle to the Chinese.

We're expanding our consular activities in China. We're doing what we can to increase the Embassy in China. Give me a—give us an overview of where you think things are going with the Chinese.

Secretary RICE. Well, I would start by saying what I said about Russia, also a very complex relationship. With these big countries, there tend to be good things and bad things, puts and takes. Again, on some of the global issues, we're doing very well. We are—with the Chinese, I think the way we've worked, now, on North Korea is very effective and quite remarkable, given China's history with North Korea. Similarly, we are, again, working well together in the United Nations on Iran. I wish that we could have a somewhat stronger Chinese role on Sudan.

I think that that would be very helpful, and we've encouraged the Chinese to be much more active with the Sudanese to get them to accept the U.N. forces. That's one of the most important things

that they can do. They say they will. There's some evidence of that. But that's very important.

I think when you look at the total picture, though, you recognize that this is a country in the midst of a huge and major transition. Our goal has to be to help make that transition one that ultimately makes China a more stabilizing force in international politics than a destabilizing force. On the positive side of that, the integration of China into the international economic system, I think, will help, although we've had to hold China accountable for some of its WTO responsibilities that we think it, frankly, hasn't fully met; for instance, the efforts of—on intellectual property-right protection, which I find perhaps one of the most important things we can do is get countries to protect property rights.

Similarly, on the currency issue, Secretary Paulson has worked very hard on that issue. So, China has to do things to show that this huge economy is not going to operate outside of the rules of the international economy. We spend a good deal of time on that.

On human rights and religious freedom, there is certainly a lot of work to do. We've been concerned about the direction of, particularly, religious freedom. This is something that we bring up with our colleagues.

Finally, I would just note that when it comes to the issues related to Chinese security, we—Secretary Gates and others—have spoken to our concerns about transparency in Chinese military activities, because there is a rather outsized buildup of Chinese military activity.

All of that said, it's our responsibility to try to make China—as Bob Zoellick once said, when he was Deputy Secretary—a stakeholder, a responsible stakeholder, in international affairs, because China is going to be influential. There's no doubt about that. Our policies have to be aimed at making it a—in an influential power in a positive sense, not in a negative one.

Senator BENNETT. Thank you.

Senator LEAHY. Thank you, Senator Bennett. I do appreciate the Senator from Utah taking credit on the microcredit idea. Whenever I travel, I say it was a tall, bald Senator with glasses.

Then I let people decide which of the two of us I'm talking about. Senator Alexander?

Senator ALEXANDER. Thank you, Mr. Chairman.

Madam Secretary, welcome.

My late friend Alex Haley used to say, "Find the good and praise it." I have an—I'd like to do that, in one case here, in terms of the State Department. My staff in Tennessee has reported to me that the State Department has handled the new passport requirements very well, along with the increase in passport applications, and they sent me a number of examples, which—I won't read them all, but, for example—I will take one or two—on April 17, Kathy Smith, of Kingsport, contacted us about assistance with a passport. She was terminally ill and needed to go overseas for treatment. Her passport was pulled out of a stack of 32,000, and was FedEx'd to her within a few days.

On April 19, Linda Hayes contacted our office. She's from Nashville. She had a plane ticket for a week later, to go see a brother

who had a stroke, who couldn't be moved. Within 3 days, she had her passport.

Our caseworkers say that in dealing with the passport office, even with the new requirements, it's always, "Let's see how we could help." They especially pointed out the fact that, after Katrina, since we, in Tennessee, deal the New Orleans passport office, that instead of complaining about their circumstances down there, that they really—said they really didn't hear a word about that, that they found ways to deal with the problems, even though they had to move out and go to other offices and do different things.

So, I just wanted to say that to you, and hope that you would pass it on to your passport office, and let them know we appreciate that very much.

Secretary RICE. Thank you very much, Senator. I will pass it on. They'll greatly appreciate it. They've worked very hard, and I'm very proud of the job they've done.

Senator ALEXANDER. I also wanted to ask you a question and make a comment about the Iraq Study Group report, the work that former Secretary Baker and Lee Hamilton did recently. The President's talked about it recently in favorable terms. Just the other day, I noticed he had some nice things to say about the work of the report. As I look at the work we do here, it seems ironic that we, the oldest democracy, are busy lecturing Baghdad about—an infant democracy—about coming up with a political solution to what we do in Iraq, when we can't come up with one here, and that we ought to work a little harder to try to find a way to say to our troops and to the Middle East and to the world that we're united in the United States in our mission in Iraq, and we ought to work harder to find out what that might be.

I've noticed that since the Iraq Study Group report was announced, in December, that both the administration and the Democratic majority seem to be using more and more elements of it in their different positions. For example, the administration has acted on recommendations by increasing the number of troops embedded with Iraqi forces. It's used milestones to help chart progress. It's even begun meeting with neighbors, even in meetings that might include Iran and Syria. The President's National Security Advisor has cited the fact that the Iraq Study Group said, on page 73, that a surge could be a part of a strategy, based upon that Iraq Study Group. On the other side, the Democratic Members of Congress have used milestones, they've limited the role of the United States in some of their proposals to training, equipping, and counterterrorism, they've used as their deadline the goal, not the deadline, that the Iraq Study Group mentioned, which was the early part of March.

So, I wanted to let you know that later today Senator Salazar, of Colorado, and I are going to introduce a piece of legislation that would encourage the President to develop a plan based upon the recommendations of the Iraq Study Group. We're not going to introduce it today, we're going to wait until after—after the Congress has dealt with the current Iraq funding discussions.

We know this is not the only plan that one could come up with about how we go forward in Iraq, but my purpose in bringing it up

to you is to say to you, a little bit in advance, that we hope, at least from my point of view, that this is considered as a friendly gesture, as an option that the President could still consider, to embrace it, and that the advantage of it is that it doesn't come from the President, it comes from outside the President, and that it's not a sign of presidential weakness to say, "Here's a good idea that seems to have bipartisan support. I accept it. I based my plan upon it. I ask you to accept it." The reason I like that is because I believe we have a long-term interest in Iraq, and I'm afraid that, if we don't get broader support for the President's strategy, that we won't be able to see that all the way through to the end.

So, I hope that you and the President and others in the White House will consider what Senator Salazar and I are offering today as an option for the President. It won't be acted on in the next week or 2 or 3 or 4. Perhaps the President could embrace it, and there might be

Democrats and Republicans in the Senate that could come behind it, support it, and provide the kind of bipartisan consensus that, so far, has seemed to elude us.

Secretary RICE. Thank you very much, Senator.

Senator ALEXANDER. Thank you.

Senator LEAHY. Thank you.

Senator Bond.

STATEMENT OF SENATOR CHRISTOPHER S. BOND

Senator BOND. Thank you very much, Mr. Chairman.

I'm pleased to welcome the Secretary today, here. I was pleased to learn that the State Department has been designated a national security agency, and the importance of our diplomatic efforts in the war on terror, which, make no mistake, is an existential threat to our peace and security here. I—while I strongly support our military efforts, I believe that the diplomatic efforts of the State Department are a critical element in trying to protect us from the war. I would just comment, as a member of the Senate Intelligence Committee, which studied extensively—solid 2 years—on the pre-war intelligence of Iraq, I want to congratulate you and other members of the administration—you, in a previous position—who used intelligence that may not have been totally accurate, but we found was truthfully reported both by the officials in the administration and those of us in Congress who overwhelmingly supported our efforts. We know, according to David Kay's report, that—from the Iraqi Survey Group—that Iraq was a far more dangerous place even than we knew.

But I want to change and ask you about another area that we had the opportunity to discuss a couple of weeks ago, and that's southeast Asia. You have recognized, as I think any student does, of that area, that this is a critical area, sometimes called the second front in the war on terror, but of great strategic importance, and Indonesia is the keystone.

We appreciate the support for Indonesia. I am concerned about the \$50 million cut in the rest of the East Asia Pacific, and I'm going to ask this committee to restore that. also, I would ask you why we have not been able to create a U.S. Ambassador to ASEAN, reflecting our interest and our commitment to that area. This is

critical. Your visits there are vital, but appointing a full-time Ambassador seems to me to make great sense. Could you comment on that?

Secretary RICE. Well, thank you very much.

First of all, on the region, I agree with you completely about the importance of the region. The President was, of course, there. I will be there in the Philippines for the meetings of the Asian Regional Forum in the summer. We have met, several times, at both the ministerial and at the head-of-state level, with the ASEAN countries. We're very actively engaged there, and—English-language training—and I've got New America's Corners—American Corners going into various places. Obviously it's a critical place in the war on terror. It's also a critical place because a place like Indonesia, which is a multiethnic, multireligious emerging democracy, can be a very important force for tolerance in the world. So, I could not agree with you more about the issues.

It's a very interesting point, about somebody for ASEAN, and we'll take it under advisement, Senator. We've just recently appointed an Ambassador to the African Union, for instance. Of course, have one to the Organization of American States.

Senator BOND. I hope you'll—

Secretary RICE. Let me take it—

Senator BOND [continuing]. What ASEAN—

Secretary RICE [continuing]. Back, and we'll take it under advisement. It's an—

Senator BOND. Let me—

Secretary RICE [continuing]. Interesting idea.

Senator BOND. Let me follow up on the Philippines. In Mindanao, the U.S. Institute of Peace has been facilitating a peace process between MILF and the Philippine Government; seems to be the best hope for getting that under control. I wrote to Ambassador Negroponte. Apparently, funding is being cut off for the U.S. Institute of Peace on this effort. Do you know why? Can this be restored? Because it is critical for that region.

Secretary RICE. Well, we have very active programs in Mindanao. As a matter of fact, Karen Hughes was, herself, there to talk with our people. I'll have to check on the—

Senator BOND. But the U.S. Institute—

Secretary RICE [continuing]. Specific program—

Senator BOND [continuing]. For Peace is the critical one bringing those—

Secretary RICE. I'll check on the specific program, Senator. I'm not—

Senator BOND. All right.

Secretary RICE. I will get back to you with an—

Senator BOND. Speaking—

Secretary RICE [continuing]. Answer.

[The information follows:]

THE DEPUTY SECRETARY OF STATE,
WASHINGTON, DC, *June 18, 2007.*

Hon. CHRISTOPHER S. BOND,
U.S. Senate.

DEAR SENATOR BOND: Thank you for your letter concerning the expiration of the United States Institute of Peace's (USIP) \$3 million grant for its work in the Philippines. I share your view of the importance of supporting the peace process be-

tween the Philippine government and the Moro Islamic Liberation Front (MILF) as part of a multi-faceted approach in upholding U.S. interests in Southeast Asia.

Since receiving the grant in 2003, USIP has achieved useful results in building understanding and support for the peace process, particularly through its seminars on ancestral domain. Nonetheless, the original rationale for USIP's grant no longer exists. In 2003, we believed the USIP could fill a key niche and were concerned that direct U.S. involvement in the peace process would be seen as interference by the parties. The situation has changed since then. Most importantly, the U.S. Embassy in Manila has increasingly been directly involved in the peace process, opening a dialogue with MILF leaders and actively engaging with Philippine officials on the peace process. Both parties support this increased and direct U.S. engagement.

Although the Department of State would welcome the opportunity to continue to cooperate with USIP, it is our belief that the best use of scarce U.S. resources is in direct support of the reintegration of former combatants and other assistance projects. Should the Department decide in the future to seek technical assistance along the lines USIP has been providing, USIP will of course be invited to bid on any such proposal.

Sincerely,

JOHN D. NEGROPONTE.

Senator BOND. Speaking of public diplomacy, we see the Chinese expanding and setting up throughout the world, throughout that region and elsewhere, the Confucius Centers, nonprofit public institutes promoting Chinese language and culture, local Chinese teaching.

At the same time, we are closing, and, because of security reasons, barricading American centers because of the 9/11 security setbacks, in Riyadh—they've been closed throughout the world. We're hearing where American centers, the access to American literature and books has to be behind great security barriers which prevent our—at least giving our culture an opportunity to be heard and understood. What can we do to—given the security situation, is there anything this committee can do to help you if we—to find a way to make our libraries and our resources available to people in the world who, I would hope, have a legitimate question in learning about America and what we're doing?

Secretary RICE. Well, we have put forth a very active plan. It starts with funding in the supplemental. Karen Hughes has about 15 countries, pilot countries, for—very high important countries in the war on terror for English-language camps, for English-language-focused programs. We believe that people will want their kids to learn to speak English, and that's one of our best ways to get in. So, it would be helpful to have the full funding for that.

It's also the case that—I mentioned American Corners—they are exactly as you talk about, and we have a number of them. I'm—I—let's see, it's 10 in Indonesia, 14 in the Philippines, 6 in Malaysia. They're around the world.

We're also using virtual posts, virtual presence posts, because there are places where you can get on the Internet and, in effect, be like a post.

Senator BOND. Well, I know, the Internet's very important. But, in many of these American centers, the security requirements are so great that the traffic has fallen off significantly. That's what we like to help.

But one, just, quick question. We've discussed the IMET programs, International Military and Education Training. This is an area that I believe is very important. I would think that you would agree that this is one area where it is important that we continue

to offer fledgling democracies and allies the access to our training. Is that—

Secretary RICE. Yes, I'm very big supporter of the IMET programs, and we're trying to expand them and extend them into places where they don't currently exist, because being able to have our military engaged with other militaries really sometimes gives us a generational advantage down the road. We have a couple of cases where people have gone—

Senator BOND. Right.

Secretary RICE [continuing]. On to be president, so it's a good thing.

Senator BOND. Yeah. Well, I—like SBY.

Secretary RICE. Yes.

Senator BOND. Final question. I—public diplomacy's very important. State Department is hindered by security concerns. Right now, this weekend, I was in Baghdad, and saw what the U.S. military is doing to repair and reopen the largest mosque, providing information, they're engaging local clerics and building relationships, they've established a women's council, helping local governments. The military is in a better—is in the position for security, but what we can do to help you get public diplomacy over the hurdles of security?

Secretary RICE. Well, in places like Afghanistan and Iraq, it helps us to be able, through our Provincial Reconstruction Teams, to effectively embed with the military, and to provide protection in that way. In the case of Iraq, these new Provincial Reconstruction Teams that we have, we embed at the brigade command team level, and it allows us to be out with them. We have very good relations. I just got a very good letter from one of the heads of the civil affairs in the military, talking about how a couple of our officers who were really culturally sensitive were able to help when they go into a place, and they need to deal with women's affairs or—so, I think that's really our comparative advantage. We've got people who can embed. Sometimes they aren't people who have been in the Middle East or—but they've been in other conflict areas. So, having our officers in these Provincial Reconstruction Teams, out with the military, we think is one way to deal simultaneously with the security situation and to bring to bear our best assets.

Senator BOND. Thank you very much, Madam Secretary. We are very grateful for your outstanding efforts, and wish you well.

Secretary RICE. Thank you.

Senator BOND. Thank you, Mr. Chairman.

Senator LEAHY. Thank you.

Madam Secretary, let me ask you just a couple of questions about the Western Hemisphere Travel Initiative. I believe it's referred to as "witty" [WHTI], or, as a lot of our business and tourism industry call it, "witless." It is, for those of us who live, as my wife and I do, less than an hour's drive from the Canadian border, and we see so many—so much of our business, our tourism, even families going back and forth across that border, and have, for generations, easily—here's what seems to have happened. Last week, the National Institute of Standards and Technology certified the "vicinity read" technology is appropriate for use in the so-called PASS Card as part of WHTI. I'm somewhat concerned that DHS has

rushed that through and has overridden some technology concerns—just so they can use it at 39 of our busiest ports, it won't be necessary at the other 80 low-volume ports. But the State Department is going to have to pay to produce a card with a technology that's inconsistent with what's used in passports.

Actually with security, it's inconsistent with our standards of security in this country, for privacy, just so somebody can pass through 39 ports out of 119, and do it faster. Even though, in my own State of Vermont, and Senator Gregg's State of New Hampshire, you wouldn't need it to cross some of the small crossing points, but you're still going to have to buy it. Out of the 39 ports of entry which you and DHS have agreed to upgrade for this, I believe 22 are on the southern border.

What's the cost to the State Department to create the PASS Card and fully implement it?

Secretary RICE. Senator, I'm not sure that I can give you a cost figure. I will get back to you with the specific cost figure.

Senator LEAHY. Well—

Secretary RICE. But let me just say, we had a legal requirement—

Senator LEAHY. Well, the reason I ask, the administration wants to begin requiring a passport or a PASS Card within a year or—

Secretary RICE. Yes.

Senator LEAHY [continuing]. Two of next year.

Secretary RICE. Yes.

Senator LEAHY. Senator Stevens and I had passed legislation, which the administration has ignored, to push that back to June 2009—

Secretary RICE. I'll—

Senator LEAHY [continuing]. For something that's going to be done within a year. I'd kind of like to know how much it's going to cost.

Secretary RICE. I'll have to get you the specific number.

[The information follows:]

The passport card is adjudicated and issued by the Department of State. The year to date cost for the passport card initiative totals approximately \$31 million. This includes \$283,000 for initial passport card testing in fiscal year 2007 and \$30.8 million for additional passport card testing, card stock and card printers in fiscal year 2008, the first fiscal year in which we are accepting applications and printing cards. Our cost estimate for fiscal year 2009 is \$34.5 million, and for fiscal year 2010 is \$43 million.

Secretary RICE. But let me just say, Senator, we had a legal requirement, which was to have a verifiable way to—for people coming across the two borders—we were responding to the legal—

Senator LEAHY. I mean—whoa, whoa, whoa, whoa, whoa. Your reaction to this legal requirement is something that was slipped into a bill at the request of the administration without any hearings—

Secretary RICE. No.

Senator LEAHY [continuing]. And nobody's come up to ask us—nobody's asked me, as chairman of the Judiciary Committee. Nobody's asked us here. Nobody's asked others. But we don't know what the cost is. We don't know how we're going to do it by June 2008. We know you've given us to June 2009 to work it out, but,

“The heck with that, we’re going to do it by June 2008, if it kills us, or all of you.”

Secretary RICE. Senator, let me—

Senator LEAHY. Or hundreds of billions of dollars worth of trade and traffic across the U.S./Canadian border.

Secretary RICE. Let me assure you, Senator, I believe the cost is known. I don’t have the number at my fingertips—

Senator LEAHY. All right.

Secretary RICE [continuing]. Right here. But the question of getting this done in 2008, we think it can be done in 2008. We believe that—I’ve talked with the people who are doing the—who have to oversee the validation of the technology. They believe that that validation of the technology can be done in time to make this PASS Card available. We’ve worked with DHS on publishing the rules, so that there can be comment about the rules for the Western Hemisphere Travel Initiative.

Senator LEAHY. When are they going to do that?

Secretary RICE. The rule will be published—we’re working now on some language concerning some issues that would be particularly, I would think, of interest to you, concerning how we would deal with the parental notification, so that we don’t have the trafficking of children, for instance, across borders.

Senator LEAHY. Well, that raises a point. I mean, we’ve seen what happens when we rush into things and people screw up. An example I use, like TSA, where Senator Kennedy, stopped 10 times or so, getting on a plane, because he’s on a terrorist watch list. Now, I know all of us Irish look alike, but Ted’s been taking that plane for years. Even the President called him to apologize. He said, “Well, you know, I appreciate that, Mr. President. Just get me off the darn list.” The President said, “I don’t have that power.” We’ve had a year-old child told to get a passport, because they’re listed as a 45-year-old terrorist. Without making my usual comments for those of us who went to Catholic grade schools and high schools, we have Catholic nuns who are on that watch list. Now, we have differing views about whether it should be or not, but I suspect the ones who are on the watch list should not be. Department of Homeland Security has screwed up so badly in so many areas. I mean, why should we have any confidence that, in a year from now, when they don’t even have the systems in place, they’re going to do it right?

Secretary RICE. Well, Senator, we’ve had very good cooperation with the Department, but the Department—the Department of Homeland Security actually is charged with determining the requirements. We then implement those requirements. The legislation—

Senator LEAHY. But the PASS Card won’t be compatible with the computers that you use, for example, to read passports. Does that mean you have to have—are we going to get a bill for a whole second set of computers at every border crossing?

Secretary RICE. Senator, the reason that we went to the PASS Card was that there was concern that if we required a passport of every American trying to travel across that border, that it would—the expense would be too great. As you note, there are people who go back and forth for hockey games or for—

Senator LEAHY. What's the PASS Card going to—

Secretary RICE [continuing]. For whatever. So, the—

Senator LEAHY. What's the PASS Card going to cost?

Secretary RICE. So, the PASS Card is a cheap alternative—

Senator LEAHY. What does it cost?

Secretary RICE [continuing]. To the—I think, about—do we know the number? Thirty-five dollars or something like that, I've read? We'll get back to you with the exact number.

Senator LEAHY. Well, \$35 is—

Secretary RICE. But it—don't think that—

Senator LEAHY. A family of five—

Secretary RICE. Senator—

Senator LEAHY [continuing]. Going shopping, "Hey, guys"—

Secretary RICE. Senator, don't get that—

Senator LEAHY [continuing]. "Let's"—

Secretary RICE [continuing]. Number in your head, because—

Senator LEAHY. Where do you get it?

Secretary RICE. I—

Senator LEAHY. Where would you get it?

Secretary RICE. Where would we get—

Senator LEAHY. This PASS Card.

Secretary RICE. Where would you get the PASS Card? The same way you get any other card, through the United States Government. You apply for it, and you'll get it. But it's a cheaper—

Senator LEAHY. So, we have—

Secretary RICE [continuing]. Alternative.

Senator LEAHY [continuing]. The efficiency of the United States Government standing behind us on this.

[The information follows:]

For first-time applicants, the card costs \$45 for adult and \$35 for children. For adults who already have a passport book, they may apply for the card as a passport renewal and pay only \$20. The passport card has the same validity period as a passport book: 10 years for an adult, 5 for children 15 and younger.

Secretary RICE. Well, Senator, I'm not going to speak for the efficiency of the United States Government, but I will speak for the fact that this has been on the books—this law has been on the books, not since last year—we did have an extension from the time at which the legislation was made—

Senator LEAHY. Senator Stevens and I wrote that.

Secretary RICE. We appreciate it very much. But we think we can meet this in 2008. We've worked with our Canadian counterparts, we've worked with our Mexican counterparts. The need for identification for air travel went, really, very smoothly. We've worked even with those in the Caribbean who had concerns about what might happen to their tourist industry if this did not go well.

So, I think we have some record of having delivered, and we believe that we can validate—

Senator LEAHY. But the air traffic—

Secretary RICE [continuing]. The technology and get it done.

Senator LEAHY [continuing]. Or the Caribbean traffic is a little bit different than the hundreds of thousands of people who go back across the border every single day, everything from going over to have lunch to doing business. I mean, you've encouraged the Cana-

dians to apply for the NEXUS card, because they're interoperable with PASS. Is that correct?

Secretary RICE. That's correct.

Senator LEAHY. But doesn't that require a background check?

Secretary RICE. It will—that requires a background check, but—

Senator LEAHY. You know, I—I'm going to Ireland and—Italy, briefly, at the end of this month. I can just see, if I had to go there, if they called me up and said, "Well, we've got to do a background check on you before you go." I'd say, "The heck with that."

Secretary RICE. Senator, it's—

Senator LEAHY. I mean, how do we do background checks on—

Secretary RICE. So, look at—

Senator LEAHY [continuing]. Canadians?

Secretary RICE [continuing]. Fingerprints, look for—look in records to see if there's a problem. But I—but, Senator, let me just say, I really—

Senator LEAHY. Like—

Secretary RICE [continuing]. Do believe—

Senator LEAHY [continuing]. Like Mahar?

Secretary RICE. I believe we can get this done if we put the right resources to it. We believe we can get it done. DHS—we are working very well with them. We did have a delay in determining which technology to use. That's now out for comment. The people who are working on this issue tell me we can validate the technology and have it ready to go by 2008. We think we ought to try to get this—

Senator LEAHY. So, in—

Secretary RICE [continuing]. Requirement fulfilled.

Senator LEAHY [continuing]. In June 2008, none of our businesses, none of—nobody else is going to have to worry about having these PASS Cards for—

Secretary RICE. Senator, I'm not going to—

Senator LEAHY. You're a very—

Secretary RICE [continuing]. Comment on what we—

Senator LEAHY [continuing]. Optimistic person, Madam Secretary. You know, I—

Secretary RICE. I am, Senator.

Senator LEAHY. I—

Secretary RICE. I'm not going to tell you that there won't—

Senator LEAHY. I belong to—

Secretary RICE [continuing]. Be problems.

Senator LEAHY [continuing]. A faith that believes in miracles, but even miracles—

Secretary RICE. Senator, I understand, and we've worked very hard with our Canadian counterparts, we've worked very hard with our Mexican counterparts, but we have a legal requirement, and we're trying to meet it. We're trying to meet it in a way that is going to make us safer on the border, but doesn't hold people up who need to get back and forth.

Senator LEAHY. Madam Secretary, you say we have a legal requirement. Nobody from this administration has asked anybody up here to do anything to modify or change the requirement the administration slipped into a law, or was slipped in at their request.

Makes me think of other things that have been done like that, one that allows for the easy firing of attorneys—of U.S. attorneys, for example. The—these are things—saying a legal requirement, with all due respect, is a bit of a copout, because you could ask for changes, if you want. Obviously, you’ve heard from the U.S. Chamber of Commerce and others, with their concern. I think there are justifiable concerns on this. I also am concerned about a signal we send to a country that has been a great friend, it becomes almost cliché to speak of the longest unguarded frontier in the world, but it is true—a friend and ally and supporter, our biggest trading partner, I believe. I believe it still is. We should talk some more about this.

If Senator Gregg will allow me, I’m just going to mention a couple of quick things, then I’ll yield to you whatever amount of time you want.

Much of your written testimony is devoted to Iraq, Afghanistan, and the Middle East, and, at the very end, you—and I understand the importance of those—at the very end, you mention other developing nations and vulnerable populations.

In Nepal, a country where years of fighting has cost thousands of lives, there’s a chance to end the Maoist insurgency, replace feudalism with democracy. But you propose to cut our aid.

Democratic Republic of the Congo, a huge country, with every conceivable problem one can think of, has had its first elections in 40 years. I think it’s going to influence central Africa for the next 20 years. Yet, we’re proposing to cut their aid.

Vietnam, a country of 80 million people, seeking closer ties, and the President went there last year, but, with the exception of HIV and AIDS, proposes to cut our aid. I’ve seen what even a little aid can help, the Leahy War Victims Fund that is used there.

Congress has worked hard to increase funding for global environmental programs, protect forests in the Amazon, central Africa, where they’re being destroyed, but you propose slashing funding for these programs and downgrading USAID’s Mission in Brazil, the most populous country in the hemisphere, after the U.S. USAID’s budget—operating budget is cut. I mean, I’m just worried. It seems like there’s this huge vacuum cleaner in Iraq and Afghanistan and I can debate what works and what doesn’t work there, sucking up all this money, and these other places are going to create either problems or opportunities for us for the next generation, but we’re cutting back our money.

Secretary RICE. Senator, this administration has almost tripled official development assistance since the President came to power. We have quadrupled assistance for Africa, and doubled assistance for Latin America. You can look at any given year, and whether we think there are specific programs that need funding or not in a particular place—and, in Brazil, for instance, yes, we have moved to a different kind of relationship with Brazil, which is a large and increasingly prospering country, where we’re engaged in more partnerships with Brazil than direct foreign assistance. But the numbers really do speak for themselves when you look at the commitment of foreign assistance by this President to the—to development.

Senator LEAHY. I’ve publicly praised the President—

Secretary RICE. We appreciate—

Senator LEAHY [continuing]. As you know—

Secretary RICE [continuing]. That.

Senator LEAHY [continuing]. On a number of areas, where he has, and where I have supported him. But the main increases are in AIDS and in the Millennium Challenge, and we still have questions that have been asked by both Republicans and Democrats, what the Millennium Challenge has accomplished.

The point is, in a number of these very specific areas, where we could be helpful, we've had private philanthropists who have given more money, whether it's been the Gates Foundation or others. AIDS has been our biggest increase, and that's—you've had strong bipartisan support for money there. We're also doing things, as you know, in the Judiciary Committee to make it more possible to change our patent laws and copyright laws and what not, to move drugs into these areas at a much lower cost, both to us and to the receiving countries, who are all working together on these.

But I worry about—whether it's Congo, Darfur, all these others—so—

Secretary RICE. Well, Senator, we're putting—in Africa—for instance, in Latin America, the doubling of aid is not MCC aid. That's less MCC aid. We really have put a great deal of financial—of foreign assistance into these places. Yes, sometimes a place will—like Brazil, will, in a sense, change the kind—we will change the kind of relationship that we have with a Brazil. But if you look at the amount of money that is going into the Great Lakes region, the amount of money in Africa, the amount of money that is going into Liberia, the amount of money that is going into countries in Latin America, this administration, thanks to the support of the Congress, has been extraordinarily generous.

We are trying to make better use of the resources, to go back to a point that we talked about early on, by being certain that the USAID and the State Department funds can create a total picture of what's going into any particular country. But the increases that I'm talking about are not in MCC—for instance, for Latin America.

Senator LEAHY. Secretary Rice, I've gone over my time, and you and I should probably chat about this a little bit further. You've—as I said, you've always been available, when I've—

Secretary RICE. Certainly. Anytime.

Senator LEAHY [continuing]. When I've called, and we will talk.

Senator Gregg?

Senator GREGG. Thank you, Mr. Chairman.

I wish to join you in your skepticism about the border cards crossing into Canada. Before I had the good fortune to become ranking member of this subcommittee, I was chairman of the Homeland Security Subcommittee, and this was a major issue. I think the jury's out on this technology. The responsibility for it is also—there's no clear line of responsibility, in my opinion. So, we've—we're going to need to—I'm very concerned that we're going to see a replication of the event when we stood up TSA, and it was basically, as the chairman alluded to, a real disruption in traffic, commercial traffic and individuals' traffic and in the lifestyle of Americans and Canadians.

So, we should do this through demonstration exercises. We should not just say, "x date, we're going to move to this program." We should try a demonstration exercise here, a demonstration exercise there, and work our way up to the Freedom Bridge in Detroit before we suddenly arrive there one day and say, "This is the way it has to be." So, I do hope we'll come at that in a different way. I don't—it's not really your responsibility, but you're drawn into the exercise.

On another subject, I'd be interested in your thoughts on what's happening in Turkey. This is a key country for us. They've always been a very strong ally. They're somebody we rely on in the region for stability. Yet, they appear to be going through, as many of those states are in that region, a resurgence of religious movement that was inconsistent with their, certainly, 20th century history. What do you see happening there? What should be our role? Obviously, it's internal domestic event, but what should—

Secretary RICE. Well, I think our role has to be to stand for the democratic processes there, the constitutional processes. The government that was elected by the people there has actually been a government that's been dedicated to pulling Turkey west toward Europe. It has been the policy of that government, even though it is led by leadership from the AKP Party, which has Islamist—Islamic roots—it has been trying to integrate into Europe. It's been changing its laws to try to become consistent with European Union requirements for laws on individual and religious freedom and other issues of that kind. So, I think it's very important that we just—that we support their democratic processes. They are going to have new elections, and to stand for those elections to take place in the way that we would expect elections to take place in any democracy will be very important.

But I think the history of the last few years has been of a good relationship with Turkey, probably stronger support, for instance, for Turkey—from Turkey for the new democracy in Iraq than one might have expected, given the history of Turkey in Iraq. Good support for policies in Afghanistan. And, of course, they're a strong NATO member.

But, again, I would just note that the last few years have actually not been years in which one could say that Turkey was pulling away from its European traditions, but, I think, trying to move more actively toward it, which is why we've also been very supportive of Turkey's efforts to European Union accession.

Senator GREGG. Wouldn't one of the potential consequences, which would be fairly dramatic and unfortunate, of leaving Iraq precipitously and having a breakdown in the stability, to the extent we can maintain it in Iraq, wouldn't it be that there would be a huge pressure relative to the Kurdish relationships with Turkey and, potentially, a very significant military concern there?

Secretary RICE. Absolutely. Because Iraq sits as it does on the fault lines between Shi'a and Sunni, and with Kurds to the north, I think if you had a vacuum there, you would see that there—it would be pretty irresistible for Iraq's neighbors to try and secure their interests by meddling in Iraq's affairs.

Now, if you have a Iraq that's able to manage its affairs, then I think those neighbors will be more likely to simply cooperate with

that stable government. That was very much the message, Senator, when I was at Sharm el Sheikh for the neighbors conference, that the Iraqis need, very much, to pursue urgently their national reconciliation and to bring the various groups together, but the neighbors need to allow them the space in which to do that; the neighbors need to be devoted to helping stabilize Iraq, not destabilize it; and the neighbors need to have, kind of, rules of the road, which is really what Sharm el Sheikh was about, about they're going to deal with a democratic and sovereign government in Iraq. Because I think if we were to leave precipitously, we would encourage not just chaos in Iraq, but we would encourage chaos in the region, as well.

Senator GREGG. On another subject, and then I'll—I know the Senator wants to move on—but independent of the issue of leadership right now, which is obviously in flux, for a variety of reasons, at the World Bank, do you believe the World Bank should be taking a different tack than what it's been taking in the last 20 years, that it should no longer—that it should restructure itself and refocus itself relative to poverty and alleviating poverty and addressing nations and—how it prioritizes nations, and how it prioritizes regions that it focuses on?

Secretary RICE. Well, we've had a very good working relationship with the World Bank, under the leadership of Paul Wolfowitz, and, before that, under the leadership of Jim Wolfensohn. I do think that the World Bank has been—has had an important anticorruption agenda. That's extremely important. I, myself, think that there needs to be discussion about how the World Bank's assets can best support what is a very changing—a changing profile of assistance to the developing world, where, for instance, we are learning that, in parts of the world, the biggest problem may be infrastructure development, issues like roads or electricity, and looking at that.

I think, also, for the World Bank, the fact that there are a number of countries that have graduated should be considered to be a very good thing, and to perhaps look, as has been the case when we've looked at debt relief, to what we can do for the poorest of countries that are not capable of dealing with debt—that often was brought to them by dictators or bad regimes—than leaving young democratic regimes with overwhelming debt. So, for instance, we had a joint donors conference for Liberia, just a little while ago, in which their—first and foremost, their biggest concern is to get debt relief.

So, I think there is an agenda out there for the World Bank, but, frankly, we are, in a sense, the World Bank, as well, since we're all members of the board and contributors, and it is a discussion that needs to go on, and needs to be, I think, accelerated among all of the big international financial institutions, because the landscape for development is changing.

Senator GREGG. Well, I just think we need to put some pressure on them to reduce their overhead and to actually get the money to where the rubber hit the road, as versus have it used up in the people between the road and the rubber.

Thank you, Mr. Chairman.
Senator LEAHY. Thank you.

I will submit questions. But, you know, the Republican leader, Senator McConnell, and I have joined together for years on an amendment conditioning a portion of our aid to Serbia in its cooperation with the War Crimes Tribunal at the Hague, especially to transfer Ratko Mladic and Radovan Karadzic. The Serb army helped protect Mladic. He remains at large. They say that Karadzic is not in Serbia, but suggest he—they know where he is. I hope we'll continue to make clear to them that the United States will oppose their entry into NATO and other regional economic and security organizations until we find out what's going on. I'm going to ask you questions.

I'll submit questions about Cuba, which is listed as a state sponsor of terrorism. Your report said they did attempt to track, block, or seize terrorist assets, and I want to know what evidence we do have of terrorist assets actually being there. They did not undertake counterterrorism efforts. I would hope that is not the criteria, by itself, to make somebody a state sponsor of terrorism because they don't undertake counterterrorist activities. We have an awful lot of friendly nations that don't even have the ability to do that, would be on the list otherwise.

Then, your report says they continue to provide safe haven for members of Colombian rebel groups, but the Colombian Government says they've been a facilitator in talks between these groups and the Colombian Government. I just want to know which it is.

I have questions on aid to Russia, because of a whole host of problems there that we don't have to go into.

I've got a Middle East question about both the wall and the property held by Israeli settlements, and whether that's theirs or Palestinians'.

Peacekeeping force in Darfur—as you can see, quite a few things. But I would hope you'll ask your staff to get back to us as quickly as possible on those questions.

Secretary RICE. Of course, Senator, I will.

Senator LEAHY. Thank you.

Madam Secretary, thank you very much. I suspect you and I will be on the phone a lot in the coming weeks.

Secretary RICE. Anytime, Senator. I look forward to your call.

Senator LEAHY. Thank you.

Secretary RICE. Thank you very much.

ADDITIONAL SUBMITTED STATEMENTS

Senator LEAHY. We have received statements from the Alliance for International Educational and Cultural Exchange and the United States Conference of Catholic Bishops and Catholic Relief Services that will be made a part of the record at this time.

[The statements follow:]

PREPARED STATEMENT OF THE ALLIANCE FOR INTERNATIONAL EDUCATIONAL AND CULTURAL EXCHANGE AND THE ASSOCIATION FOR INTERNATIONAL PRACTICAL TRAINING (AIPT)

As Chair of the Board of the Alliance for International Educational and Cultural Exchange, I appreciate the opportunity to submit testimony in strong support of the budget request of \$486.4 million for the educational and cultural exchange programs administered by the Department of State's Bureau of Educational and Cultural Affairs (ECA) in fiscal year 2008. If additional funds are available, the Alliance urges

an increase in the investment in State Department exchange programs to \$500 million to further strengthen U.S. public diplomacy.

The Alliance comprises 78 nongovernmental organizations, with nearly 8,000 staff and 1.25 million volunteers throughout the United States. Through its members, the Alliance supports the international interests of 3,300 American institutions of higher education. The Alliance is the leading policy voice of the U.S. exchange community. We look forward to continuing our productive working relationship with the subcommittee, and appreciate the opportunity to offer this testimony.

U.S. ambassadors consistently rank exchange programs among the most useful catalysts for long-term political change and mutual understanding, and as our experiences since September 11, 2001, demonstrate clearly, we need public diplomacy and exchanges more now than ever. Poll after poll continues to indicate rising anti-Americanism, even in nations we count among our closest allies. We must work to build trust and understanding for our people and our policy goals not just in the Muslim world—an effort that is of critical importance—but around the globe. To defeat terrorism and address other critical global issues, we will need the help of our friends and allies in every region of the world.

The Alliance therefore urges the subcommittee to fund the Department of State's exchange budget at \$486.4 million in fiscal year 2008. If additional funds are available, we urge you to increase the allocation to \$500 million in order to deepen the public diplomacy impact of these important programs and to sustain and strengthen the Department's core exchange programs worldwide while continuing to develop new and innovative proposals. A \$500 million level of spending will allow robust funding for targeted, meaningful growth in every region of the world for the State Department's core exchange programs, provide additional resources for Islamic exchange, sustain funding for Eurasia and Eastern Europe, fund the administration's request for a new initiative for Latin America, and encourage the development of new and innovative programs worldwide, including the National Security Language Initiative (NSLI).

CORE EXCHANGE PROGRAMS

The following data define the context for increased exchange program funding:

- A recent BBC poll shows that just 29 percent of those polled in 25 countries feel the United States exerts a mainly positive influence on the world, compared with 40 per cent 2 years ago. We clearly are losing ground in world public opinion. Exchanges are a proven—means to change that impression. (*BBC World Service poll of 26,000 people in 25 countries—mostly non-Arab)
- A Congressional Research Service review of 29 reports on public diplomacy revealed that the most common recommendation of these reports was to increase exchange funding.
- State Department evaluations repeatedly show that foreign exchange participants complete their programs in the United States with enhanced positive impressions of the United States, its people, and its values.

The administration has requested \$486.4 million in exchange program funding for fiscal year 2008. The Alliance urges the subcommittee to support the request, and if possible, to increase it to \$500 million. A funding level of \$500 million will allow for meaningful growth in the Department of State's time-tested exchange programs that remain at the core of our efforts to build mutual understanding and respect between the United States and critical nations around the world. These well-established programs—Fulbright and other academic programs, International Visitor Leadership, and citizen exchanges—continue to demonstrate their relevance and effectiveness in a rapidly evolving world.

The Fulbright Program has unique value in deepening mutual understanding between the United States and 150 countries. Visiting Fulbright students report the program's deep impact: 99 percent say the program increased their knowledge and understanding of the United States and its culture; 96 percent shared their Fulbright experiences in their home country through media or community activities; 89 percent report that their Fulbright experiences allowed them to assume leadership roles after their programs. U.S. Fulbright students strongly agree (97 percent) that the program strengthens bilateral relationships, and deepened their understanding of their host country (100 percent). By several indices, American Fulbright students say the program enhanced their leadership skills. Upon returning, U.S. Fulbright scholars make their campuses and communities more international: 73 percent have incorporated aspects of their Fulbright experience into courses and teaching methods. Visiting Fulbright scholars are also likely to incorporate their experiences in America into their professional lives at home: nearly two-thirds of those surveyed said that they "broadened the international aspects of their teaching and research

in general” and “became . . . a resource for their colleagues with regard to knowledge and skills learned.”

Approximately 279,500 United States and foreign nationals have participated in the Fulbright Program since its inception over 50 years ago. The Fulbright Program awards approximately 8,000 new grants annually. In 2007, over 6,000 U.S. students and young professionals applied for 1,400 available Fulbright grants, demonstrating the desire of U.S. citizens to be internationally engaged. One hundred and fifty students will receive on-the-ground training in critical languages in advance of their research grants. Of over 2,000 incoming foreign students from 135 countries, 300 are teaching their native languages at U.S. colleges and universities. Other recent program changes include: the cutting-edge research conducted by New Century Scholars, which provides deep focus on a single global problem by leading scholars from around the world; global expansion of the Fulbright Language Teaching Assistants for U.S. Students; and enrichment programs throughout the United States exposing students from abroad to local communities throughout the United States.

Other critical academic exchange programs include the Humphrey Fellowships Program, which provides powerful academic and professional training experiences for professionals in the developing world; Overseas Educational Advising, through which prospective foreign students receive reliable information about American higher education and professional assistance in the application process; the Gilman International Scholarship Program, which enables American students with financial need to study abroad; and English teaching and U.S. Studies programs, designed to enhance understanding of American society and values.

The International Visitor Leadership (IVLP) program continues to be ranked by many U.S. ambassadors as their most effective program tool. This results-oriented program allows our embassies to address directly their highest priority objectives by bringing emerging foreign leaders to the United States for intensive, short-term visits with their professional counterparts. The program also exposes visitors to American society and values in homes and other informal settings.

Thirty-three current heads of government and chiefs of state are alumni of the IVLP, including Prime Minister Tony Blair of the United Kingdom, President Hamid Karzai of Afghanistan, and Prime Minister Ehud Olmert of Israel. Georgian President Mikheil Saakashvili is an alumnus of the IVLP and Muskie programs, and many of his cabinet members either attended a university in the United States or participated in exchange programs. Saakashvili and his colleagues were among the leaders of the peaceful “Rose Revolution” in 2003 and Georgia’s subsequent transition to democracy.

According to State Department evaluations, IVLP alumni returned to their home countries with positive feelings about democratic values, overwhelmingly agreeing with the following statements: citizens should have equal rights (99 percent); rule of law is fundamental to democracy (99 percent); free and fair elections are cornerstones of democracy (98 percent); individuals and organizations have the right to free speech (97 percent); and independent media are important (95 percent).

Citizen exchanges continue to engage American citizens across the U.S. in productive international activities. In addition, these programs leverage their relatively modest federal dollars into significantly more funding through the participation of local communities, schools, businesses, and nongovernmental organizations. Increased funding for citizen exchanges would permit an expansion of these highly cost-effective activities, particularly in the critical area of capacity building in communities across the United States. There is no doubt that the United States needs more “citizen diplomats.”

REGIONAL PROGRAMS

The Alliance strongly supports growth in exchanges world-wide. Both public opinion polling and the global nature of most current issues—e.g., terrorism, the environment, public health—demand that we strengthen our public diplomacy in all world regions. In this brief testimony, however, we wish to draw attention to three particularly critical areas.

While the need for exchanges is worldwide, increased engagement with the Islamic world is particularly critical as we seek to enhance our national security and build understanding, trust, and a sense of shared interests between the people of the Islamic world and the American people.

The State Department has created a continuum of programs to reach out to Muslim participants, particularly diverse and underrepresented populations. The Department has instituted a very successful program of micro-scholarships to stimulate in-country English study by teenagers. In addition, the Youth Exchange and Study Program (YES), also known as the Cultural Bridges Program, brings high

school students from the Islamic world to live with American families and attend American schools for an academic year. For the 2006–07 academic year, the program includes nearly 675 students from 25 countries, the West Bank and Gaza. We urge funding of \$25 million for YES, which would allow the program to reach its long-term goal of 1,000 students.

The Department has devised a variety of undergraduate exchanges including summer institutes, community college programs, and semester and year-long programs at four-year institutions, and expanded the Humphrey fellowships for the Muslim world. Under the National Security Language Initiative (NSLI), the Department has used summer institutes and existing programs such as Fulbright and Gilman to increase U.S. capacity in Arabic, Farsi, and Indic languages. The International Visitor Leadership Program has targeted “key influencers” in predominantly Muslim nations, bringing hundreds of clerics, journalists, and women and student leaders to the United States for programs emphasizing tolerance, interfaith dialogue, and diversity. These programs have had remarkable and consistent impact, and U.S. embassies would welcome many more if funding were available.

We strongly support the Administration’s initiative to focus additional exchanges on Latin America. The Bureau of Educational and Cultural Affairs (ECA) intends to apply its continuum approach to Latin America to reach out effectively to non-elite groups in this very important region. Program elements would include micro-scholarships for English language study, summer institutes for student leaders, an expanded Youth Ambassadors program, “supplementary scholarships” covering incidental and travel expenses to allow talented but needy students to accept financial aid offered by U.S. colleges and universities, and scholarships to attend U.S. community colleges.

In addition, the Alliance supports continued funding for exchanges with the countries of Eurasia and Eastern Europe at no less than the fiscal year 2007 levels. Funding in this area of the world has dramatically declined in the last several years even as on-going transition and challenges to democratic change grab international headlines. The cuts for these programs have resulted in reductions of more than 50 per cent for some programs and the elimination of others.

Exchange programs have provided sustained opportunities to expose future leaders to American civil society and values, and to foster personal and professional relationships between Americans and citizens of the region. We must continue to employ exchanges to engage with a broad range of future leaders in these critical nations. Elections in recent years in Ukraine and Georgia are a testament to the need to keep active programs in this region. The peaceful government transition in Georgia demonstrates the ongoing value of vibrant exchange programs in this region. As political change continues to occur, the Alliance urges sustained U.S. engagement throughout the region.

Beyond the appropriations process, we wish to recognize and commend ECA for the creation of a new internship category within the Exchange Visitor Program. The opportunity for internships with U.S. companies, universities, and organizations will likely prove very attractive around the world, and will bring many students to the United States for substantive experiences at virtually no cost to the taxpayer. The State Department developed this creative regulatory package, now pending approval at OMB, in close consultation with the exchange community and private sector, and we believe the Department is to be commended for this initiative, which will enhance our public diplomacy with a new generation of leaders around the world.

Thank you again for this opportunity to voice the Alliance’s support for a robust appropriation for the educational and cultural exchange programs administered by the Department of State’s Bureau of Educational and Cultural Affairs in fiscal year 2008. We look forward to working with the Subcommittee throughout the year ahead to ensure that the United States continues to vigorously support the traditional exchange programs that have proven their success for the past 50 years, while also developing new and innovative programs.

PREPARED STATEMENT OF THE UNITED STATES CONFERENCE OF CATHOLIC BISHOPS
AND CATHOLIC RELIEF SERVICES

The United States Conference of Catholic Bishops (USCCB) and Catholic Relief Services (CRS), the relief and development agency of the U.S. Catholic Bishops, thank the Subcommittee for the opportunity to present testimony on the fiscal year 2008 International Affairs appropriations process.

Our Nation’s commitment to foreign aid is particularly important at this time when our country’s global role is a focus of intense discussion. We appreciate this opportunity to share the values contained within the Church’s social teaching that

underline our nation's moral responsibility to those in need around the world. In addition, our perspective is informed by the practical experience of the relief and development work of CRS in 99 countries throughout the world.

SPECIFIC PRIORITIES

Our specific priorities for international affairs appropriations in fiscal year 2008 seek to uphold human life and human dignity, support the development of poor nations, foster peace and improve our national and global security. They include:

- \$3 billion for the Millennium Challenge Corporation (MCC);
- \$2 billion for Title II Food Aid;
- \$5.78 billion (including funding from Health and Human Services appropriations) for morally and culturally responsible programs to combat HIV/AIDS, malaria and tuberculosis, with particular attention to Africa;
- substantial funding for humanitarian needs in Iraq, in addition to \$2.1 billion for reconstruction;
- \$1.1 billion for reconstruction needs in Afghanistan;
- priority funding for economic and social development in post-conflict countries transitioning towards better governance, including: Haiti, Liberia, the Democratic Republic of Congo (DRC), Sierra Leone (with substantial portions of the funding channeled through proven partners in the NGO community), as well as for continued implementation of the Comprehensive Peace Agreement in Southern Sudan;
- full funding for contributions to U.N. peacekeeping activities, especially in Sudan, Lebanon, the DRC and Haiti;
- an increased proportion of U.S. aid dedicated to social and alternative agricultural development and to victim assistance in Colombia, and strict human rights conditions on all U.S. military aid to Colombia and the Philippines;
- increased funding for the Migration and Refugee Assistance (MRA) and Emergency Refugee and Migration Assistance (ERMA) accounts to bring total funding to \$1.135 billion and \$90 million respectively to meet the needs of an ever-increasing global refugee population;
- \$1.06 billion for the International Development Association (IDA) for debt cancellation and poverty reduction programs in the world's poorest countries; and
- at least \$207 million for debt relief primarily for the DRC and Liberia whose huge debt burdens create a major obstacle to the efforts of their new democratically-elected governments to restart economies ravaged by war.

Mexico City Policy.—We reiterate our strong support for retaining the Mexico City policy, which prevents our foreign aid program from being misused to subsidize organizations that perform or promote abortions in developing nations. The Kemp-Kasten provision preventing the support of organizations involved in coercive population programs should also be retained. Under this provision, funding is denied to any organization determined by the President to be supporting or participating in the management of a program of coercive abortion or involuntary sterilization. To ensure that the President is free to make this determination the subcommittee should not earmark funds to the United Nations Population Fund (UNFPA), whose support for the coercive program in the People's Republic of China has rendered it ineligible for U.S. funds in recent years.

FOREIGN AID: OUR MORAL IMPERATIVE

Solidarity with those in need expresses a common hope for a stable and peaceful world. Despite the effectiveness of many U.S. foreign aid programs, much more needs to be done to respond to this challenge. Before us there is an opportunity to use our nation's wealth and resources to uplift human life and dignity around the globe and to work for the common good.

In this year's address to the Diplomatic Corps accredited to the Holy See, Pope Benedict XVI specifically focused on the level of international aid committed by the richer nations. He said, "[I]nitiatives have been undertaken to which the Holy See has not failed to pledge its support, at the same time reiterating that these projects must not supplant the commitment of developed countries to devote 0.7 percent of their gross domestic product to international aid."¹

Achieving authentic human development requires that the basic human needs of all are met; that social, cultural, economic and political rights are protected; and that all peoples participate in shaping their own future. Meeting these moral obligations will help our nation build a safer and more secure world. As the late beloved

¹ Address of His Holiness Pope Benedict XVI to the Diplomatic Corps Accredited to the Holy See for the Traditional Exchange of New Year Greetings, January 8, 2007.

Pope John Paul II said: "Development ultimately becomes a question of peace, because it helps to achieve what is good for others and for the human community as a whole."²

Development is not just an aspiration but a right common to all people. It corresponds, then, to a duty imposed upon all of us, as peoples and nations, to collaborate in development, and in this, it is the responsibility of those who are stronger and richer to seek out, assist and empower those who are less so.

This teaching informs the work of two agencies of the United States bishops: Migration and Refugee Services (MRS) and Catholic Relief Services (CRS). MRS works to address the needs of those who flee terror in their homeland and seek international protection, and helps settle one-quarter of the refugees who enter the United States each year. CRS works in 99 countries throughout the world, including more than 30 in Africa, and provides programs to address HIV/AIDS, health, education, building civil society, food security, agriculture, emergency relief and peace building. With 60 years of development experience, CRS knows firsthand both the tremendous needs and also the great potential of millions who live in poverty. CRS knows from experience how effective development programs can bring very real hope for prosperity and peace.

With a greater awareness that our well-being as Americans is intrinsically linked to the well-being of those who live far from our shores, foreign aid is increasingly seen by many as capable of lifting up the weak and empowering people to realize their own dignity and destiny at the same time that it improves global security and peace.

FOREIGN AID REFORM AND TRANSFORMATIONAL DIPLOMACY

USCCB and CRS have repeatedly focused on the importance of the effectiveness of foreign aid programming with the Committee. We welcome efforts to promote coherence in foreign assistance through a country-driven process that addresses duplication, complex delivery and procurement procedures and other inefficiencies. We acknowledge the relationship of development programs to broader strategic objectives, and have been monitoring the reform process closely since Secretary Rice's articulation of the doctrine of transformational diplomacy in January 2006. However, we have always maintained that the interests of poor and vulnerable people lie at the foundation of all foreign aid. We welcomed, therefore, the modified Framework for U.S. Foreign Assistance Programs that now includes the goal of "reducing widespread poverty."

Country-Focused, Objective-Based Framework: An Important First Step Forward

Now that poverty reduction has become an explicit goal of foreign aid, we look forward to programs that give priority to the needs of the poor and vulnerable even for countries with limited relationships with, or little strategic importance to, the United States. The adoption of a country-focused approach and framing aid programs in terms of specific objectives are welcome improvements. We hope that the categorization of countries in the Foreign Aid Framework will help identify more clearly the specific challenges to progress in reducing poverty, promoting human development and building security in troubled parts of our world. We thus believe the new assistance framework represents an important first step in foreign aid reform, a step we hope will be followed by broader and deeper reforms.

Concentration of Bilateral Aid in Too Few Countries

We note that 40 percent of the entire bilateral aid program is concentrated in six countries important to U.S. strategic interests related to either the "War on Terrorism" or the "War on Drugs." Only two of the six (Afghanistan and Pakistan) are classified by the World Bank as low income. While we strongly support reconstruction and peace-building in Iraq and Afghanistan, we believe that a greater share of foreign aid should be assigned particularly to the very poor among the more than 150 other developing countries. If U.S. strategic interests will continue to require a major injection of foreign aid resources into the six priority countries, and if poverty reduction is in fact to be a fundamental objective of U.S. foreign aid, this inevitably means that the overall foreign aid budget must be substantially increased.

Avoid Trade Offs in Funding

With regard to the composition of country programs, we are pleased that there has been a substantial increase over fiscal year 2006 levels for activities related to the long-term development objectives:

²Pope John Paul II, *Development and Peace*, January 1, 1987.

Governing Justly and Democratically, Investing in People and Economic Growth. At the same time we note that this increase is attributable almost entirely to increases in funding for combating HIV/AIDS and other infectious diseases and for the Millennium Challenge Corporation. We support robust funding for these important initiatives, but we believe that a country-focused approach would require complementing HIV/AIDS funding with resources for other sectors. While HIV/AIDS funding for Africa, for example, is being increased, funding for basic education, safe water and economic growth on the continent actually decline from fiscal year 2006 levels.

We support full funding of the Administration's request for \$3 billion for the MCC. Any reduction in funding would undermine the MCC as channel of support for well-governed countries through multi-year funding. Disruption in this program through insufficient funding would pose serious setbacks for countries that have worked hard to prepare eligibility, in many cases by enacting difficult policy reforms. The United States must continue to play its part.

At the same time, the MCC should not be funded at the expense of the large number of non-MCC low income countries with critical needs, including those emerging from conflict and moving towards better governance, such as Liberia, Haiti, the DRC and Sierra Leone. Funding for basic education and other sectors critical to poverty reduction should be increasing. At a minimum, the President's promise that MCC resources will be in addition to, and not in substitution for, other development and humanitarian funding should be kept.

Planning Cannot be Concentrated in Washington

Finally, we are concerned by initial indications that the new process for determining priorities has resulted in decisions that are the byproduct of top-down decision making, as opposed to a truly country-driven process. Our counterparts at USAID missions have expressed frustration with the lack of meaningful participation in the planning process. We understand the abbreviated timeline involved this year, and the tremendous work done to coordinate this new process; but the decision to base program and budget decisions almost entirely on strategic priorities crafted at Headquarters risks failing to incorporate the rich expertise and experience developed in the field.

A related concern is the absence of a clearly defined role for civil society. Adopting a country-needs focus highlights the need to take into account the experience and insight of local organizations closest to the reality that foreign aid is intended to impact. While the host government has the central role in designing and implementing a country's development policies and programs, close collaboration is needed also with civil society organizations, especially those who work on a daily basis with the poor and marginalized and are thus in a unique position to give voice to the needs of the weakest members of society. CRS, through its network of partners in 99 countries, has the ability, through direct relationships with target beneficiaries, to provide USAID missions with information about the needs of the people most directly affected.

Experience both in Washington and in the field reveals an often deficient process of consultation. In the absence of close collaboration with civil society and governments in both planning and implementing foreign assistance programs, aid programs will fail to reach their goal of reducing widespread poverty. We urge you to ensure that robust consultation—especially with civil society—be not only mandated for foreign assistance programming, but meaningfully undertaken by U.S. Government agencies involved in the entire process.

PREPARED STATEMENT OF HON. DOUGLAS BEREUTER, PRESIDENT, THE ASIA
FOUNDATION

Mr. Chairman & Members of the Subcommittee: I will begin my testimony as President of the Asia Foundation, with a personal perspective which I thought the Members and staff may find interesting since I served 26 years in the U.S. House, 20 years on the Foreign Affairs Committee, led the Asia Pacific Subcommittee for 6 years, and also chaired the "International Institutions" Subcommittee of the Financial Services Committee. For fiscal year 2008, the Asia Foundation is requesting \$18 million.

When I announced I would not seek re-election to the 109th Congress I was unaware that the position of the presidency of The Asia Foundation would open, but I had long admired the work of the Foundation. In fact, I told my wife years earlier it was one of only two positions that would interest me after Congress. What I have found in my 2.5 years at the helm of the Foundation is what I hoped and expected

to find: there is a strong commitment to Asian development and a pervasive sense of altruism among the Foundation's experienced and highly professional staff. Its long-term, on-the-ground presence through 17 Asian field offices and its work with and through literally hundreds of established and emerging Asian partner organizations make it highly knowledgeable, effective, and trusted by Asians. This experience base, coupled with a staff of more than 80 percent Asian nationals who have a sensitivity and understanding of the local context, makes us different from nearly all other nongovernmental development organizations. We do not bring in our development staff for work on a short-term basis and then leave. We are there for the long term and we are committed to building and sustaining the kinds of institutions and practices that enable Asians to replicate these successes and thereby help themselves after a funded project ends. In short, The Asia Foundation is the premier development organization focusing on Asia.

Of perhaps particular interest to the Congress today is the fact we have been working with Muslims and Islamic civil and higher education organizations for more than 35 years. Generations of Asians know us from our education grants and exchange programs and through the more than 40 million English-language books we have provided in more than 20 countries (920,000 last year alone). The result is that Asians respect, trust, and like the Foundation at a time when much of what they hear and think about our country is not very positive. In short, The Asia Foundation has an unmatched credibility. It is an irreplaceable American and international asset.

My research has shown me that seven significant American task forces, commissions and blue-ribbon committees made policy recommendations to our country for the post-9/11 world. All recommended an accelerated and more effective public diplomacy program, especially for the Islamic world. All but one specifically suggested that the expertise of nongovernmental organizations and the private sector must be enlisted, suggesting explicitly or implying that effective public diplomacy was too important and nuanced to be the exclusive domain of the U.S. Government. Members of the subcommittee, much of what The Asia Foundation does properly may be categorized as public diplomacy. We don't advocate U.S. foreign policy; however, while pursuing effective development programs, our work and staff remind Asians of what they have liked most about America and Americans—that we are an innovative, opportunity-oriented country and people, with a respect for the rule of law, the freedom of expression, and an openness and expectation for citizen participation in a democratic society.

It is instructive to review the Foundation's appropriations history. Although the Foundation has been in operation since 1954, The Asia Foundation Act, which was passed in 1983, provides for an annual appropriation from the Congress. That Act acknowledged the importance of stable funding for the Foundation and endorsed its ongoing value and contributions to U.S. interests in Asia. For a decade until 1995, the Foundation's annual appropriation was at least \$15 million. In fiscal year 1996, during the government shutdown year, despite broad bipartisan support commending its work, the Foundation's appropriation was cut by two-thirds, to \$5 million. The Foundation painfully was forced to sharply cut back its programs, but struggled to maintain nearly all of its most important asset, its field operation structure. Since that low point, the Committee, in support of the organization's mission, has gradually expanded funding for the Foundation to its current level of nearly \$14 million. Past committee report language has commended our grant-making role in Asia, and the Foundation, at the Committee's encouragement, has expanded its programs in predominantly Muslim countries, including Afghanistan, Indonesia, and Pakistan. However, the Foundation has remained at a funding level below that of 10 years ago, despite its important contributions in support of democracy and reform in Asia, the escalating costs of maintaining overseas offices, the impact of inflation, the less favorable currency exchange rates, and growing needs in the region.

Despite a very positive attitude about the Foundation in the State Department, USAID, and especially among those U.S. ambassadors with deep Asian experience who often turn to our country representatives for information and advice, past and present administrations consistently have used previous year requests as the baseline for future requests, rather than the previous year Congressional appropriations. This has resulted in a low appropriation recommendation in the past and again for fiscal year 2008. We don't have nearly the U.S. funding base we once had—in either relative or absolute dollar terms. We have the experience, expertise, and office/staffing base to do so much more of great value to the United States and those Asians who need our help; we only need the resources to restore some of the funding base we once had. Our development counterparts in multilateral development organizations express their amazement at what we accomplish with what they regard as a paltry funding base. Therefore, I respectfully urge the Committee to sustain and in-

crease its support for the vital work the Foundation is engaged in on behalf of the U.S. interests in this complex region. The Asia Foundation is requesting a modest increase back to an earlier appropriations level of \$18 million.

In making this request, we are very cognizant of the fiscal year 2008 budgetary pressures on the Committee. However, an increase would enable The Asia Foundation to strengthen program investments it has begun in recent years with Congressional encouragement, notably in the areas of protecting women and children against trafficking; promoting women's rights; building democracy and critical government capacity in Afghanistan and East Timor; increasing tolerance in predominantly Muslim nations like Indonesia, Bangladesh and Pakistan; securing human rights in Cambodia, Sri Lanka, and Nepal; and strengthening good governance and civil society throughout Asia.

REGIONAL OVERVIEW

The United States and Asia face new challenges and pressing needs, complicated by the war on terrorism and fragile democracies. More than ever, we must support political stability and economic reform, and give attention to countries where recent events have exacerbated bilateral relations, specifically in the new democracies of Asia and in countries with predominantly Muslim populations. Challenges to governance in Thailand, the Philippines, Mongolia, Indonesia, and Sri Lanka require different approaches than in countries struggling to achieve democracy, peace and stability, such as Afghanistan, Pakistan, Nepal and East Timor. Potential ties to regional terrorist networks threaten regional stability. Human rights abuses continue with impunity in parts of Asia. Even though women have made gains in many places, such as Cambodia, Thailand, Nepal and India, they still face economic and political inequities, and in the worst cases, are victims of trafficking and abuse.

THE ASIA FOUNDATION'S MISSION, CAPABILITIES, AND APPROACH

We are committed to the development of a peaceful, prosperous, just, and open Asia-Pacific region. Our core capabilities and primary program concentrations are central to U.S. interests in the region. They are as follows:

- Democracy, human rights and the rule of law.*—Strengthening democratic and civil society institutions; encouraging an active, informed and responsible governmental sector; advancing the rule of law; and building institutions to uphold and protect human rights;
- Economic Reform and Development.*—Reducing barriers at the national and regional level to the formation and productive functioning of small business and entrepreneurship;
- Women's Empowerment.*—Encouraging women's participation in public life; protecting women's rights and supporting advocacy training; and prevention of trafficking and domestic violence, including supportive efforts to protect and provide shelter to victims;
- Peaceful and Stable Regional Relations.*—Promoting U.S.-Asian and intra-Asian dialogue on security, regional economic cooperation, law and human rights.

While the Foundation does considerable development work directly with its own staff, the Foundation remains faithful to its primary focus on its grant-making role, steadily building institutions and strengthening Asian leadership for democratic societies. Foundation assistance provides training, technical assistance, and seed funding for new, local organizations, all aimed at promoting reform, building Asian capacity and strengthening U.S.-Asia relations. Foundation grantees can be found in every sector in Asia, leaders of government and industry and at the grassroots level, and in an increasingly diverse civil society. The Foundation is distinctive in this role, not only providing the technical assistance necessary, but also in providing grants that cover the nuts and bolts necessities to support that capacity-building effort. Urgent political and security needs in Asia have increased the need for experienced and credible American actors in the region. The Asia Foundation is a well recognized American organization, but its programs are grounded in Asia, helping to solve local problems in cooperation with Asian partners.

PROGRAMS

The Asia Foundation makes over 800 grants per year, and facilitates programs, provides technical assistance and leverages funding from public and private donors, to increase program impact and sustainability. With additional funding in fiscal year 2008, the Foundation's expanded activities include:

Legal Reform.—In Afghanistan technical assistance on policy and management operations for the Office of Administrative Affairs of the President, Council of Ministers Secretariat and Ministry of Parliamentary Liaison, Independent Election

Commission, in East Timor access to justice programs and public consultation in lawmaking; in China legal aid services and worker rights education for migrant women workers; in Indonesia reform of the Supreme Court including civil society input into the reform process; in Nepal, supporting the new constituent assembly process, legal analysis of constitutional issues engaging citizens' groups, civic and voter education, and mediation programs in rural areas.

Human Rights, Conflict and Islam.—In Cambodia, Sri Lanka and the Philippines, human rights monitoring, and documentation through new information technology networking; in Indonesia, the International Center for Islam and Pluralism (ICIP) a unique regional center in Jakarta for progressive Muslim scholarship, exchange, start-up activities and action plans of the Thailand Center for Muslim and Democratic Development (TCMD), the Philippine Council for Islam and Democracy (PCID) and Jamaah Islah Malaysia (JIM) and International Islamic University (IIU) in Malaysia, to support regional Southeast Asian networking and strengthening democracy under Islam; education reform in 1,000 schools including training on pluralism, human rights and civic education for 160 madrassa (day schools) teachers; curriculum reform for 800 pesantren (boarding schools), part of the Foundation's education reform of 625 Islamic schools nationwide, with over 215,000 students; and in over 70 Islamic universities, for over 120,000 students where the Foundation has pioneered civic education on the role of democracy; in Bangladesh, groundbreaking training programs in development practices for over 4,000 imams, expanding their understanding of their role in national development through exposure to USAID programs, and advancing public diplomacy with this critical leadership group.

Civil Society.—In Afghanistan, support for the Ministry of Women's Affairs organizational strategic planning and communications strategies with regional Departments of Women's Affairs across the country, girl's education, and civic education; in Cambodia, human rights and legal services; in Indonesia, promote pluralism, tolerance and moderation by Muslim organizations, radio programs on religion and tolerance on community radio stations reaching 5 million listeners a week through radio talk shows and education reform.

Women's Programs.—Region wide, with particular emphasis on Indonesia, Cambodia, Thailand, Vietnam and Mongolia, anti-trafficking program including prevention, services for victims, legal drafting and advocacy to support increased prosecutions; technical assistance and grants for services and advocacy for women victims of domestic violence; in Afghanistan, India, Pakistan, Bangladesh, Sri Lanka, Indonesia, Nepal, Thailand, and Malaysia projects to advance women's rights within Islam through analysis, public education and outreach; in Afghanistan donation of 10,000 books to the Ministry of Women's Affairs; in Cambodia and Afghanistan, support for scholarships for girls' education.

Economic Reform.—In Indonesia, Vietnam, Nepal, Bangladesh, small and medium enterprise policy reform; in Indonesia and Vietnam pioneered economic performance rating tools for local governments; in Korea, Japan, China, Thailand and the Philippines, corporate governance reform and e-government efforts to counter corruption.

International Relations.—In China, Vietnam and India, scholarships for young Ministry of Foreign Affairs leaders, exchange and study programs for Southeast Asian and American young leaders, and support for programs on cross-strait relations and Council for Security Cooperation in the Asia Pacific (CSCAP).

A full listing of programs may be found on our website www.asiafoundation.org.

CONCLUSION

The Asia Foundation is first and foremost a field-based, grant-making organization, committed to maximizing program impact in Asia while keeping costs low, despite the growing challenge of providing security to field offices and protecting staff. If the Committee provides additional funding for Foundation programs in this fiscal year, we pledge to use those funds to expand programs that build democratic capacity, strengthen civil society, increase economic opportunity, protect women, and work with moderate Muslim groups as described above. The Foundation budget needs to grow in order to meet the growing challenges to American interests in the Asian region.

Public funds are critical to our capacity to do more to advance American interests in Asia. The Foundation has expanded its private funding, but potential private donors need to be assured that the U.S. Government supports the Foundation's efforts, and private funds are always tied to specific projects. Only public funding provides the flexibility that allows the Foundation to maintain its field presence and respond quickly to new developments, as we did in supporting the Emergency Loya Jirga

in Afghanistan, where we were the first U.S. organization on the ground in spring 2002.

The increase in funding to \$18 million that we seek is essential if the Foundation is to succeed in contributing to the development of stable, democratic and peaceful societies in Asia. I respectfully urge that the Committee sustain its support for the Asia Foundation, and demonstrate our shared commitment to addressing the challenges and opportunities in Asia today.

ADDITIONAL SUBCOMMITTEE QUESTIONS

Senator LEAHY. There will be some additional questions which will be submitted for your response in the record.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

Question. The President's request significantly under-funds the United States assessed contribution to U.N. peacekeeping by projecting reduced costs for every mission except Sudan which is increased by only \$10 million. This is completely unrealistic—in fact, some of these missions are not only being extended but the costs are going to increase.

When this shortfall is added to approximately \$50 million in fiscal year 2007 arrears, the United States could have a shortfall of at least \$430 million owed to the United Nations. That is if the United States and the United Nations decide not to create any new missions in places that need assistance, like Somalia, Chad and the Central African Republic. The shortfall in fiscal year 2008 could grow to \$850 million if this happens.

The total fiscal year 2008 request for peacekeeping is \$1.1 billion, a decrease of \$28 million from fiscal year 2007. This is likely to fall short of our actual 2008 dues in every mission. How did the Department formulate the budget request for the U.S. assessed contribution to U.N. peacekeeping missions? How do we avoid going further into arrears?

Answer. The President's budget includes a request for \$1.107 billion for contributions to U.N. peacekeeping activities in fiscal year 2008. The exact requirements for U.N. peacekeeping funds for future years cannot be predicted, because the size and cost of U.N. peacekeeping missions depend on U.N. Security Council decisions based on conditions on the ground and U.N. General Assembly review of the financial implications associated with those decisions. Within the President's overall budget, our fiscal year 2008 request is based on our estimate of the requirements that take into account such relevant factors as uncertainties about the future size of missions, as well as the U.N. assessment rate and the 25 percent rate cap consistent with current law. The United States uses regular reviews to explore whether missions can be downsized or eliminated, and will continue to work with our partners and the United Nations to identify cost savings wherever possible. The request for fiscal year 2008 reflects assumptions that we will be able to reduce costs of many missions while maintaining the U.N.'s essential role in peacekeeping activities.

U.S. ASSESSED CONTRIBUTIONS TO U.N. PEACEKEEPING MISSIONS

Question In response to my question about U.S. assessed contributions to U.N. peacekeeping missions, you noted that "the request for fiscal year 2008 reflects assumptions that we will be able to reduce costs of many missions."

Does the Department still believe that the budget request levels are realistic given the current situation in each country? Please provide a justification for and the assumptions underlying the proposed reduction in each mission?

Answer. The fiscal year 2008 President's budget includes a request for \$1.107 billion for contributions to U.N. peacekeeping activities. The exact requirements for U.N. peacekeeping funds for future years cannot always be predicted and the fiscal year 2008 request was our best estimate of the requirements. Based on the U.N. approved budget for existing missions for the 12 month period from July 1, 2007 through June 30, 2008, and preliminary estimates for the cost of the U.N.-AU Hybrid Mission in Darfur (UNAMID) to be assessed to member states during fiscal year 2008, fully funding our assessments in fiscal year 2008 will be challenging. We are carefully reviewing these requirements and are having ongoing discussions with the United Nations regarding the Darfur costs as well as other U.N. mission costs for fiscal year 2008.

Question. Do you believe your fiscal year 2008 budget request contains sufficient funds to provide each U.S. embassy with the number of staff, equipment, vehicles and other resources necessary to effectively promote the myriad of U.S. foreign interests in each country?

Answer. The fiscal year 2008 budget request, including the \$230 million in program increases requested for State Programs would provide the Department with the necessary resources to further our world-wide diplomatic efforts. These operating resources are critical in ensuring diplomats are properly trained and equipped—most notably with enhanced foreign language skills—in order to advance U.S. national security efforts overseas. Additionally, continued construction of secure buildings overseas requires Embassy Security, Construction and Maintenance resources which the President has requested to increase the near and long term security of U.S. personnel overseas.

Question. Can you assure us that any foreign aid program implemented by the Department of Defense, whether humanitarian, reconstruction, train and equip, or other, will be subject to the prior concurrence of the Secretary of State?

Answer. Under the direction of our Director of U.S. Foreign Assistance, and based on the President's policy priorities for foreign assistance as informed by consultations with the Department of Defense, we formulate and submit our budget for Foreign Military Financing (FMF) and International Military Education and Training (IMET) as part of the State Department's Foreign Operations budget request. Once approved by the Congress, this State Department funding is transferred to the Defense Department for actual execution.

Select new Department of Defense authorities, coordinated closely with the Department of State, are an essential means of addressing rapidly evolving security challenges, particularly with respect to building the capacity of our global partners. The Secretary has expressed support for such select new authorities contingent upon the explicit preservation of her statutory role with respect to foreign assistance, through their exercise with the concurrence of the Secretary of State, and in practice through joint development procedures. Such new authorities should also be tailored toward the common goal of providing for closer integration of the administration's foreign assistance efforts, consistent with the Secretary's responsibility for the overall supervision and general direction of U.S. foreign assistance.

We continue discussions with the Defense Department regarding this issue.

Question. Please provide an accounting of funds appropriated for the Afghan Civilian Assistance Program, since its inception in 2002. Such an accounting should indicate the total amount obligated and disbursed, through which organization(s), for what types of activities. Please also provide your assessment of the merits of this program.

Answer. Since 2002, funding obligations for the Afghan Civilian Assistance Program (ACAP) have totaled \$8.6 million, of which \$8.3 million has been disbursed. In June 2007, an additional \$4.5 million will be obligated for the program. The International Organization for Migration has implemented the Afghan Civilian Assistance Program since 2002.

Afghan Civilian Assistance Program provides direct assistance to Afghan civilians or their families wounded or killed either by Coalition/NATO forces or improvised explosive devices targeting those forces. The program also supports communities to rebuild public infrastructure damaged or destroyed by Coalition or NATO forces. Program activities have included infrastructure rehabilitation, vocational training, psycho-social care, and medical prostheses distribution.

Afghan Civilian Assistance Program has been successful at providing rapid relief to civilian victims of war in Afghanistan. The program contributes to overall stabilization efforts in Afghanistan by redressing unintentional damage to civilian life and property, thereby reducing mistrust and resentment of military operations, the Afghan Government, and the international community.

Question. Aside from the reduction in size of the Guatemalan Armed Forces, what actions have been taken to redefine the mission and reform the Armed Forces?

Answer. The Guatemalan military has changed drastically since the days of the internal conflict. The size of the Guatemalan military has been reduced by two thirds since the 1996 Peace Accords and the military budget is under 0.38 percent of GDP, well below the level stipulated by the Peace Accords. The Guatemalan military abolished its territorial system of deployment and is now organized along functional, rather than geographical, lines. Many regional military bases were converted to civilian uses. The military developed a new military doctrine that eliminated internal security as a role of the military. The Guatemalan civil sector took part in the consultative process in formulating this new doctrine, as called for in the Peace Accords. The military's doctrine, training, and education all reflect the new limits on the Guatemalan military's roles to defense of sovereignty and territorial integ-

riety. Military training now includes mandatory human rights training as an integral part of the military education system. During the last 10 years, there have been no credible reports of human rights abuses by Guatemalan military units. The Guatemalan military is responsive to civilian political authorities and earned significant international and Guatemalan public respect for its excellent work in support of Hurricane Stan disaster response and recovery efforts. As allowed under the 1996 Peace Accords,¹ Guatemalan presidents over the last 10 years have deployed the military in joint patrols with the police in an effort to curb escalating and significant street crime. The military also plays a critical role in providing air and naval support for counter-narcotics operations, including through participation in two "Mayan Jaguar" operations in 2006 with DOD's Joint Interagency Task Force South. The Guatemalan military has also earned the respect of the international community for its professional performance in peacekeeping operations in Haiti and the Democratic Republic of the Congo, deployments that were frequently praised at the U.N. during Guatemala's 2006 candidacy for a rotating UNSC seat.

Question. Is the Embassy satisfied with the investigation and trial in the murder of Gilberto Soto in El Salvador? What progress has there been in solving this crime, and what efforts are currently underway?

Answer. On February 17, 2006, a sentencing tribunal exonerated two of the three suspects in the murder of Mr. Soto. The third suspect was convicted and sentenced to 25 years in prison. While we believe that the police and prosecutors carried out a professional and thorough investigation, the Department did express disappointment at the decision to exonerate two of the suspects.

The Embassy closely monitored all stages of the investigation and the trial itself. In addition, the Embassy established a hotline to collect additional information about the murder. Although the International Brotherhood of Teamsters offered a reward of \$75,000 to anyone providing information that would solve the crime, no credible tips have been received to date. The case is still open, and the Embassy is willing to facilitate the participation of any witnesses who choose to come forward.

Question. There are increasing concerns about the conduct of the Sri Lankan military. While it is fighting the Liberation Tigers of Tamil Eelam, an organization that has committed acts of terrorism against civilians, the military has also engaged in a pattern of violations of human rights. What amounts and what types of military equipment is the United States providing to Sri Lanka through the FMF program and through the FMS or other sales program?

Answer. U.S. military assistance to Sri Lanka is largely focused on maritime activities to improve Sri Lankan armed forces capabilities to defend their territorial waters and interdict arms shipments to the Tamil Tigers, a designated Foreign Terrorist Organization. Our fiscal year 2007 Foreign Military Financing funding totals \$890,000 and will be used primarily for providing equipment such as surveillance radars and communication linkages to the Sri Lankan armed forces. Our fiscal year 2007 International Military Education and Training funding totals \$518,000 and will be used for professional military education to include the staff college and Non-Commissioned Officer academy, human rights, counter-terrorism, and maritime interdiction training. International Military Education and Training funding will also fund training to increase interoperability with U.S. forces. Foreign Military Financing disbursed in 2007 to date totals \$310,000.

All recipients of military assistance undergo Leahy human rights vetting in accordance with the provisions of the Leahy Amendment and the Department's policies and procedures for Leahy vetting.

Question. In your response to this question, you noted that "all recipients of military assistance undergo Leahy human rights vetting in accordance with provisions of the Leahy Amendment and the Department's policies and procedures for Leahy vetting."

What are the procedures for vetting Sri Lankan recipients of U.S. military assistance, consistent with the requirements of the Leahy Amendment? Which, if any, units of the Sri Lankan military have been credibly alleged to have committed gross violations of human rights, and are therefore ineligible to receive U.S. assistance?

Answer. We look at Leahy requests on a case by case basis, using available information from a wide range of sources, including post reporting, intelligence reports, and publicly available information from human rights non-governmental organizations such as Human Rights Watch, the Asian Human Rights Commission and Amnesty International. As a practical matter, in the case of Sri Lanka, we normally vet individuals nominated for training.

¹Article 45(a) of the Agreement on the Strengthening Civilian Power and Role of the Army in a Democratic Society, signed in Mexico on September 19, 1996.

The Human Rights Officer in Embassy Colombo's political section takes the lead in vetting. The Consular Section, the Defense Attaché, the Regional Security Office, and USAID also contribute to the vetting process. Each of these offices checks for evidence of gross human rights abuses by a proposed participant.

To date in 2007, two Sri Lankan candidates were denied training. One was refused because there is a criminal case pending against him for human rights violations allegedly committed in 1997. The other was denied because of credible information received from a reliable source about his actions as the Military Intelligence Commander in Jaffna.

We have given particularly close scrutiny to those individuals who have served in Jaffna or whose service records indicate they may have been in proximity to known, egregious human rights violations.

Question. Why did you only request \$300 million for a U.S. contribution to the Global Fund in fiscal year 2008, and why in the Labor, Health and Human Services budget which funds domestic programs, rather than through the State, Foreign Operations budget which funds contributions to international organizations?

Answer. The Global Fund is an important part of the strategic plan that guides implementation of the President's Emergency Plan for AIDS Relief (Emergency Plan/PEPFAR). The U.S. Government (USG) share of total Global Fund contributions has held consistently at approximately 30 percent. The USG initially made a 5-year pledge of \$1 billion for the Global Fund in years 2004–2008. If the \$300 million in the President's 2008 Budget is approved, the USG will have nearly tripled that commitment to the Global Fund by contributing about \$2.5 billion.

In order to provide adequate financial and human resources to complete the goals of PEPFAR as well as maintain U.S. leadership in the Global Fund, the President has spread the request for HIV/AIDS-related resources across the two appropriations bills (Foreign Operations and Labor-Health and Human Services).

We consider this interagency approach in representing the United States on the Global Fund to be one of our coordination success stories. Through the Global Aids Coordinator, who has overall responsibility for ensuring that all statutory benchmarks have been met before any USG contribution is made, USAID, State, and HHS regularly meet and fully coordinate on all aspects of the Global Fund.

The Department of Health and Human Services (HHS) was instrumental in the administration's efforts to establish the Global Fund and continues to have an active role on its Board. The National Institutes of Health (NIH) makes a significant contribution to global HIV/AIDS, TB, and Malaria activities. Requesting the USG contribution within NIH continues HHS' longstanding role in the advancement of the Global Fund.

Question. How does the United States maintain leadership in the Global Fund, as you maintain, if we cut our contribution from \$725 million in fiscal year 2007 to \$300 million in fiscal year 2008? Why does requesting the U.S. Government contribution within NIH, an agency focused on domestic health care, make more sense than within the Department of State, where the President's Global HIV/AIDS Initiative focuses on international HIV/AIDS?

Answer. Although the United States continues to be the largest single source donor to the Global Fund, leadership is not determined by the size of contributions. The United States is one of only three donors to hold its own Board seat (the other two are Japan and Italy); the Board operates on a one seat, one vote basis. The U.S. Government's leadership is based on our pro-active involvement with the Fund at all levels, starting with chairmanship of key Board committees. Ambassador Mark Dybul, the U.S. Global AIDS Coordinator, currently chairs the Fund's Finance and Audit (FAC) Committee, while Dr. William Steiger, Special Assistant to the Secretary for International Affairs at the Department of Health and Human Services, chaired the powerful Policy and Strategy Committee from 2005–2007. The United States also holds regular committee seats on both the FAC and the PSC, and our representatives have served on a variety of ad hoc sub-committees, e.g. to identify a new Executive Director for the Fund, to shape a documents disclosure policy for the Office of the Inspector General, and to develop performance indicators to measure overall Fund progress.

As mandated by Congress, the interagency Global Fund Core Group also works together with our U.S. Embassies and USAID Missions overseas to conduct a parallel review of new Global Fund grant applications, and the Global Fund Secretariat has commented more than once on the relevance and usefulness of insights gained during these reviews. The United States also conducts reviews of the Global Fund's Phase Two proposals, and frequently takes the lead in mobilizing Board opinion during this key stage in the Fund's performance-based process.

Furthermore, the United States provides significant technical assistance (TA) to Global Fund grants. PEPFAR bilateral programs in both Focus and non-focus coun-

tries include such TA in their country operating budgets, in amounts ranging up to \$1 million. Such TA is vital to the success of closely-coordinated programs in which PEPFAR and the Global Fund are often working together even at the site level. As part of this in-country coordination, U.S. Government representatives are well-represented on Global Fund Country Coordinating Mechanisms, including 59 percent of the CCMs that submitted round six grant proposals. U.S. country teams are also required to describe how they plan to coordinate with the Global Fund in their annual Country Operation Plans (COPs).

Finally, the United States is authorized by Congress to use up to 5 percent of the annual Global Fund appropriation to provide targeted, short-term technical assistance (TA) to Global Fund grants experiencing bottlenecks. Because of the success of this United States-provided TA in its first 2 years, the donor community is increasingly turning to the United States to provide leadership for global technical support efforts, including through the multilateral Global Implementation and Support Team (GIST).

As mentioned in my previous response, in order to provide adequate financial and human resources to complete the goals of PEPFAR as well as maintain U.S. leadership in the Global Fund, the President has spread the request for HIV/AIDS-related resources across the two appropriations bills (Foreign Operations and Labor-Health and Human Services).

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Question. The fiscal year 2008 budget proposes to shift a significant amount of funding from Development Assistance to the Economic Support Fund. This would enable the Department to reallocate funds more easily, without the consent of Congress.

Why do you need this added flexibility?

Answer. In the fiscal year 2008 budget request, we sought to maximize the use of account authorities and establish clear priorities in support of effective implementation of foreign assistance programs. We, therefore, matched accounts with country circumstances and the priorities the county categories are designed to address.

This means that, overall, funding for Development Assistance (DA), which has traditionally supported poor countries that demonstrate performance or a commitment to development, has been prioritized to Developing and Transforming countries. Economic Support Funds (ESF), which focus primarily on providing economic support under special economic, political, or security conditions, have been prioritized to support activities in the Rebuilding and Restrictive Country Categories.

Under the Foreign Assistance Act of 1961, as amended, Congress established the Economic Support Fund to provide "assistance to countries and organizations, on such terms and conditions as [the President] may determine, in order to promote economic and political stability." We are committed to working within current statutory authorities to use ESF and all other funds in a responsible, accountable manner that is consistent with the Secretary's transformational diplomacy goal and Congress' authorization.

The intent in shifting funds from DA to ESF is to draw cleaner lines around their use, as identified by country characteristics. These cleaner lines allow us to justify to Congress why we have requested amounts for each account. The primary goal of this shift is not increased flexibility, and we will of course continue to notify Congress of significant shifts in country funding and to comply with any and all notification requirements. The primary rationale for using ESF rather than DA resources in Rebuilding Countries is that conditions in these countries are not stable and the primary reason for providing these funds contributes to objectives beyond their development impact. Therefore, in rebuilding countries, it is more appropriate to hold State and USAID accountable for the shorter-term results typically associated with ESF-funded programs rather than the medium to long term results expected from DA.

Question. As you know I am concerned about the threats to scholars—university teachers, scientists, and other academics, in countries where they have been threat-

ened and killed. This is particularly the case in Iraq today, where many have been assassinated, including officials at the Ministry of Education.

The fiscal year 2007 supplemental appropriations bill includes some funding to resettle Iraqi scholars. I would appreciate it if someone in your office would stay in touch with me about the management and use of those funds.

Answer. The plight of scholars in Iraq is a concern for us, particularly because the skills they possess will be vital in rebuilding the nation and recreating the institutions of a civil society. We are determining the best implementation policy for the currently appropriated funds for refugees in the fiscal year 2007 Supplemental. These funds will be crucial to help ensure these scholars and others receive needed assistance and can return to Iraq when conditions permit. We will be happy to keep you informed as the program progresses.

Question. It would be a serious mistake to reduce USAID's mission and bilateral assistance programs in Brazil, a country of over 170 million people most of whom are impoverished which is facing immense environmental challenges of global importance. I strongly urge you not to do this and I would appreciate written justification for it and for any other USAID missions you plan to close or downgrade.

Answer. The reduction in USAID's assistance programs in Brazil reflects the prioritization of U.S. global foreign policy goals against available resources and competing demands. Under the new Foreign Assistance Framework, Brazil's solid level of economic and democratic progress warrants only a small USAID development assistance program. In fiscal year 2008, USAID's program will focus on reducing tuberculosis in Brazil.

The reduction in assistance from USAID does not signal a reduction in United States support for Brazil. While the fiscal year 2008 budget has diminished, significant resources have been leveraged from the private sector toward addressing issues such as renewable energy and social inequities. The U.S. mission is seeking to harness the energies of the private sector, including through a Chief Executive Officer forum, comprised of executives from both Brazil and the United States. We have developed a Corporate Social Responsibility (CSR) forum with the American Chamber of Commerce, the largest such entity in the world, to maximize our effectiveness in assisting those that are most in need of help in Brazil.

This approach is consistent with the principles of Transformational Diplomacy which is rooted in partnership, and reflects the important position of Brazil in the Western Hemisphere as well as the world.

Question. How much does the administration plan to allocate for environmental conservation activities in Brazil in fiscal year 2007, and for what purposes?

Answer. In fiscal year 2007 USAID is providing a total of \$9,269,000, which includes \$4 million from the Amazon Basin Conservation Initiative, to support Brazil's conservation efforts in the Amazon. USAID is helping Brazil save its unique biodiversity while simultaneously reducing greenhouse gas emissions from deforestation. We are implementing activities that empower indigenous peoples' organizations, promote environmental governance and support the sustainable management of natural resources. USAID supports efforts to create and disseminate information regarding public-private institutional alliances that are working to incorporate sustainable natural resource management practices and technologies into rural enterprises. Additionally, USAID assistance is helping the Government of Brazil consolidate forest conservation in both protected areas and productive landscapes.

Question. Your budget would cut USAID's Operating budget from \$641 million in fiscal year 2007 to \$609 million in fiscal year 2008. Your supplemental request for 2008 includes \$61 million for USAID Operating Expenses, but that is for only Iraq and Afghanistan. The rest of the world gets shortchanged, again.

If you ask anyone at USAID they will tell you that the agency's biggest weakness is the shrinking number of professional staff. Why have you cut USAID's Operating budget when we should be increasing it?

Answer. The fiscal year 2008 USAID budget request is a reflection of the many competing demands on resources in the current budget environment. We believe the President has requested the amount necessary to accomplish the mission of the agency.

USAID operates in some of the most difficult circumstances in the world and adequate resources are critical to implementing successful programs. USAID is currently reviewing its budget and structure to ensure that operations and staffing are appropriately funded to continue its mission and support our national security interests abroad. Specific attention is being paid to rationalizing the workforce as USAID needs appropriate staffing both in the field and in Washington. Programmatic and administrative resources must be allocated to ensure that operations are funded in a cost-effective manner, while preserving the integrity of USAID's mission.

Question. In your response to this question, you recognize that USAID operates “in some of the most difficult circumstances in the world and adequate resources are critical to implementing successful programs.”

How do you explain the substantial reduction in funding for USAID’s Operating Expenses from the President’s fiscal year 2007 budget request compared to the budget request for fiscal year 2008, for expenses outside of Iraq and Afghanistan?

Answer. The fiscal year 2008 Operating Expense (OE) request for expenses outside of Iraq and Afghanistan is 3 percent less than the fiscal year 2007 OE appropriation. At the time the President’s budget was submitted, USAID expected to have implemented structural and operational reforms during fiscal year 2007 that would allow the Agency to effectively perform at the operating expense level requested for fiscal year 2008. The fiscal year 2008 OE budget request reflected a strategy of repositioning resources and restructuring operations around the world, including Washington. With that strategy in mind, the OE budget request was judged sufficient to carry out the mission of USAID.

USAID is reviewing and refining its worldwide operations to better serve its mission. USAID will use all available authorities and resources in fiscal year 2008 to ensure that its programs are successful.

Question. The Congress has consistently provided increased funding for international environmental programs, both to protect biodiversity and to promote energy conservation and efficiency. These programs have bipartisan support, from the Russian Far East to Central Africa to the Amazon.

But your fiscal year 2008 budget would either eliminate completely or drastically reduce funding for environment programs everywhere. How do you explain this when forests, wildlife, water and other natural resources are being polluted or destroyed at a faster and faster pace on virtually every continent?

Answer. Our strategy is to link healthy ecosystems to sustainable economies, good governance, and equitable and just societies. The fiscal year 2008 budget request includes \$249 million for programs to protect natural resources, biodiversity, and support clean, productive environments. The decrease in resources to support the environment, down 17.5 percent from the fiscal year 2006 enacted level of \$302 million, is not a reflection of a lack of commitment but rather due to two changes. The first is the administration’s decreased request for DA. The second is our new allocation process which is a more demand driven process from our Embassies and Missions.

Countries were given their total budget number at the outset of the Operational Plan Process. In some cases, the total number was lower than last year or lower than their request. Under this year’s more demand focused allocation process, many of our country teams either did not request funds for environment or they requested funds in smaller amounts than previously in order to maintain or increase programs in sectors which they judged to be more critical to their objectives. A few countries did identify environment as needing a higher priority and chose to request more funds in the environment than they had in previous years. Haiti, for example, had no funds budgeted for environment in fiscal year 2006 and requested \$2.9 million for fiscal year 2008. As one of the most deforested countries in the world, Haiti’s need to address environmental problems was identified this year by our country team as needing funding. The Near East and Asia region saw a small overall increase in their environment budget due to a \$10 million increase in Lebanon’s and Jordan’s water programs. The country teams in these two countries identified the need to address and fund water scarcity and poor quality issues as an important factor in maintaining stability and security.

This year’s demand-driven process illustrates how the Department of State and USAID jointly determined a country’s need and drove the selection of funds into the various sectors; a process that we believe will produce more robust results in transformational diplomacy.

Sustainable conservation programs should not only be demand-driven, but focus on host country ownership by being developed in partnership with local governments, institutions, and the private sector. To encourage this, we will undertake an innovative approach to facilitate private sector investment on environmental issues. Beginning in fiscal year 2007, we will look to the Development Credit Authority (DCA) to facilitate private sector investment through partial loan guarantees for partnerships in environmental sustainability for commercially viable ventures.

The Development Credit Authority is a USAID partial credit guarantee mechanism that mobilizes private financing to achieve transformational development. By mobilizing private resources for market changing impact, USAID leverages an average of roughly \$25 of private capital for each \$1 invested by the USG. For example, in India, DCA raised nearly \$23 million from the local capital market through a

pooled municipal bond for water transmission and distribution networks in eight municipalities in Bangalore. The cost to the U.S. taxpayer for the loan guarantee was approximately \$1 million.

USAID can also provide DCA guarantees to engage private financial institutions in lending for steward projects led by communities. For example, a DCA guarantee can mobilize financing for community managed forestry concessions while encouraging the tree harvesting and marketing to be undertaken in a sustainable manner. Because the community is itself invested, the likelihood of the community working to make it sustainable is increased. Should such investments prove successful and profitable, our hope is that local financial institutions will look for similar investment opportunities without further credit guarantees from the USG foreign assistance budget. While this DCA experiment is not appropriate for most of the environmental programs needed by our partner countries, it illustrates an innovative and low cost approach to addressing the environment in those cases where facilitating such private sector ventures can be helpful additions.

FUNDING FOR INTERNATIONAL ENVIRONMENTAL PROGRAMS

Question. You responded to my question about cuts in funding for environmental conservation programs by saying that your new allocation process is “much more demand driven” from Embassies and Missions, and that you plan to look to the Development Credit Authority (DCA) “to facilitate private sector investment in environmental sustainability for commercially viable ventures.”

This suggests two things, first, our Embassies and Missions do not regard environmental conservation as a priority and are therefore not demanding the funds. Second, by putting so much reliance on the DCA and the private sector you appear to have a very limited approach to environmental conservation. Given the increasing threats to the environment and the implications this has for regional and global stability, how much do you expect to allocate through your demand driven approach, and in which countries?

Answer. In my previous answer, I did not intend to give the impression that the administration does not place a priority on environmental conservation. To the contrary, the administration is committed to helping developing countries address critical environmental threats, including climate change and biodiversity, and to achieving economic growth and poverty reduction that is based on sustainable use of natural resources.

President Bush’s major new Climate Change Initiative, announced on May 31 in his speech to the Global Leadership Council, is one example of how we are working to address environmental problems. The Initiative is designed to rapidly reduce global greenhouse gas emissions by engaging major developing country partners, who account for a large and growing share of greenhouse gas emissions. The President’s Climate Change Initiative will build on a number of existing global and regional programs, including the Asia-Pacific Partnership and the Methane to Markets initiative.

In this and other key environmental areas, our Embassies and Missions are working with diverse government, private sector, and civil society partners in more than 40 countries—and we are applying a broad range of country-based and regional approaches—to improve environmental protection and conservation.

Our new assistance process is also helping to address these issues. The After Action Review of the fiscal year 2008 budget process resulted in the adoption of Assistance Working Groups (AWGs). The AWGs are tasked with determining what approaches may be appropriate in a given country or region based on a holistic view of the critical development gaps and the perspective of the relevant host government(s). The purpose of the AWGs is to bring together expertise from across State and USAID to identify the most effective and efficient way to use USG foreign assistance to advance USG foreign policy priorities.

In the fiscal year 2009 budget allocation process, to consider how economic growth programs and activities, including the environment, could be implemented to advance our foreign policy priorities, an economic growth AWG, co-chaired by Office of the Director of U.S. Foreign Assistance with State and USAID Functional Bureau leadership, was assembled. This AWG also considered other USG global, regional, and bilateral resources, such as fiscal year 2009 anticipated MCC allocations, and were encouraged to reach out to other implementing agencies with questions or a request for additional details. Taking into account this information and the Mission Strategic Plans from the field, the economic growth AWG provided program allocations to the program element and account level, and, where possible, attributed funds to specific countries and/or programs.

In developing our foreign assistance budget in the constrained budget environment that is our reality, there are numerous competing demands in supporting development, including security and governance issues, and raging health crises. In setting our budgets, we are looking to address immediate problems in a sustainable way and to find the best opportunities to impact the lives of the most people. At the same time, we recognize that addressing stability and governance can achieve environmental results, as conflict, poverty and poor governance are significant contributors to environmental degradation in the developing world. The fiscal year 2008 budget request includes \$249 million for programs to protect natural resources, biodiversity, and support clean, productive environments although final allocations for fiscal year 2008 will be impacted by the fiscal year 2008 appropriations bill. We anticipate that the heightened cooperation arising from the AWG process may well result in a fine tuning and perhaps even expansion of regional and country environmental programs in the fiscal year 2009 request which we are currently working on with the Office of Management and Budget.

Question. I am leading a CODEL to the Middle East over Memorial Day recess, including to Israel and the West Bank. Since the beginning of this administration I and others have called for sustained, high level engagement with Israelis and Palestinians, but for the most part the administration's focus has been elsewhere. Your recent efforts are welcome, but it is very late in the game. In the past 6 years the situation has, if anything, become more intractable. We need to see real progress in resolving the key issues that underlie this conflict.

When was the last suicide bombing for which Hamas was responsible?

Which Palestinian faction(s) are responsible for recent rocket attacks against Israel?

The Arab countries have proposed an initiative which offers Israel full recognition by the 22 members of the Arab League in exchange for Israel's withdrawal to its pre-1967 borders. Does the administration support this proposal? If not, what aspects of it does the administration not support?

Who is responsible for recent rocket attacks from Gaza into Israel? In 2007, what if any acts of terrorism against Israeli targets are credibly attributable to Hamas?

Answer. In his September 19, 2006, UNGA address, President Bush said that fulfilling his vision of two states—Israel and Palestine—living side by side in peace and security, was one of his greatest priorities. Internationally, the Quartet—made up of the United States, EU, United Nations and Russia—has declared repeatedly the need to make progress toward peace in the Middle East.

During my repeated trips to the region over recent months, I have emphasized the importance of continued bilateral discussions between Prime Minister Olmert and President Abbas both on day-to-day practical issues such as security, movement, and access, as well as on elements of a political horizon for Palestinian statehood. I traveled to the region on March 23rd to continue discussions with the parties as well as with our Arab partners in the region. This trip resulted in agreement by Olmert and Abbas to hold regular meetings addressing practical issues affecting the quality of life of Israelis and Palestinians, as well as beginning to discuss some of the characteristics of a future Palestinian state, such as governing institutions and economic relations with Israel. These discussions should build confidence between the parties and begin to lay the foundation for meaningful negotiations leading to the establishment of a Palestinian state, consistent with the Roadmap.

The last suicide bombing for which Hamas was responsible took place on January 18, 2005 in Gaza, killing an Israeli security officer and injuring eight other soldiers and security agents. In March of this year, Hamas claimed responsibility for shooting an Israel Electric Corporation worker near the Karni/al-Mintar crossing between the Gaza Strip and Israel, moderately wounding him. According to press reports, that same month, Egyptian authorities detained an alleged would-be Hamas suicide bomber next to the Israeli border as he awaited instructions to carry out a terrorist attack inside Israel.

Individuals linked to Hamas were involved in the September 21, 2005 kidnapping and murder of an Israeli citizen in the West Bank. According to claims by Hamas, al-Aqsa Martyrs Brigade, and the Popular Resistance Committees (PRCs), a number of terrorist attacks were perpetrated by one or more organizations acting together, including the January 13, 2005 truck bombing of the Karni/al-Mintar cargo crossing terminal on the Israeli-Gaza border, which killed six Israeli civilians and wounded another five.

In November 2006, President Abbas and Prime Minister Olmert agreed to a ceasefire in Gaza. Following this announcement, Hamas stopped launching rocket attacks into Israel. No action was taken, however, by the forces of the Hamas-led Interior Ministry to stop rocket attacks launched against Israel by Palestinian Islamic Jihad (PIJ) and the al-Aqsa Martyrs Brigade. Over recent weeks, as intra-Pal-

estinian violence escalated, Hamas disavowed the ceasefire and Hamas and PIJ have been responsible for much of the recent spate of Qassam rocket attacks against Israel.

The United States welcomes the Arab Peace Initiative, which provides a regional political horizon for Israel, complementing the efforts of the Quartet and of the parties themselves to advance towards peace.

Question. According to recent press reports a current Israeli Government registry shows that more than 30 percent of property held by Israeli settlements in the West Bank is actually private Palestinian land. I have also read that the separation wall exacerbates this problem because in many places it does not follow the 1967 border and instead encroaches into the West Bank, cutting off villagers from their fields or access to water, and in some places dividing Palestinians from their neighbors. I've not heard anything from the administration on either of these issues. What is your position?

Has the administration completed its review of Israel's use of cluster munitions in Lebanon last year, particularly during the final 3 days of the conflict, and has it taken any action as a result of the findings of that review?

Answer. The President stated in April 2005 that "Israel has obligations under the roadmap. The roadmap clearly says no expansion of settlements. And we'll continue to work with Israel on their obligations. Israel should remove unauthorized outposts and meet its roadmap obligations regarding settlements in the West Bank."

The Government of Israel has legitimate defense needs to secure its border in response to attacks and infiltrations by those who commit suicide attacks against citizens. Our view remains that the barrier should be a security rather than a political barrier, should be temporary rather than permanent, and should therefore not prejudice any final status issues including final borders, and its route should be taken into account, consistent with security needs, its impact on Palestinians not engaged in terrorist activities.

Regarding cluster munitions, the Department provided a report to Congress on this matter in January, and will continue to update the Senate Appropriations and Foreign Relations Committees staffs on this issue through additional briefings, including the results of the Government of Israel's ongoing internal investigation. As the contents of our agreements with Israel are classified, we are not in a position to provide further information in this letter.

Question. Last year, when the White House announced that its survey indicated a slight rise in the price of cocaine in the United States over a period of 6 months, the State Department claimed it was proof that Plan Colombia was finally beginning to show the results we were promised. When this year's report was released and the survey showed that the price of cocaine had fallen to a new low, the administration said nothing.

Since then, the only argument the administration makes that its counterdrug policy is working is that if the cocaine that has been seized or eradicated had made it to the United States, the drug problem would be worse. But that ignores the fact that the flow of cocaine is determined by the demand. There is no evidence that Plan Colombia, after \$5 billion in U.S. aid, has made a dent in the availability or price of cocaine in this country.

Your fiscal year 2008 budget request for Colombia is almost exactly the same amount for the same purposes as it has been for the past 5 years. Isn't it time to evaluate why it isn't working, and try another approach?

Answer. This question provides an important opportunity to examine and clarify what we are doing in Colombia and why we are doing it. The U.S. Government strategy against cocaine is based on the underlying principle of action against the early stages of drug production—to disrupt activities, eradicate crops and interrupt materials flow as much as possible in the source zones.

A key goal of Plan Colombia's comprehensive approach, which encompassed our strategy plus the strengthening and expanding of government presence, eradicating and interdicting the drugs that fueled the conflict, and implementing alternative and social development programs, was to reduce significantly the supply of cocaine to the United States. Although these measures arrested, and temporarily reversed, the almost unfettered increase in coca cultivation that occurred through 2001, they did not permanently diminish the supply of cocaine to the degree necessary to increase its price significantly or reduce its purity on U.S. streets.

Contrary to the assertion in the question, cocaine supply is not solely determined by demand. The supply of a substance as addictive and as aggressively marketed as cocaine itself influences the level of demand. Suppliers are in the business of expanding their market, and they use whatever means available to them. Also, one explanation for the reported lack of progress on price and purity could be that be-

cause U.S. cocaine use has steadily declined over the same period, it simply takes less product to meet market demand.

We continue to believe that the removal of hundreds of metric tons of cocaine from the supply chain every year (approximately 500 MT in 2006 alone) through United States-supported eradication and interdiction efforts has a very real and positive impact on cocaine availability, as well as a very real reduction in illicit drug finances. Conversely, because those eradication and interdiction efforts place the illicit drug industry under great pressure, abatement of those efforts would yield real and negative results.

More broadly, we do not believe that the price and purity of cocaine in the United States should be the primary benchmark by which the success of foreign assistance to Colombia in general, and support for Plan Colombia in particular, is measured. Colombia's democratic security policy—and the paramilitary demobilization—has strengthened Colombia's democratic institutions, and led to substantial improvements in human rights protection. Murders are down almost 40 percent, from 29,000 in 2002 to 17,300 in 2006. Colombia's aggregate homicide rate is at its lowest level since 1987. Kidnappings fell 75 percent over the same time period, from 2,885 to 687. Victims of massacres fell from 680 in 2002 to a little over one third that amount in 2006. The dispersion and decentralization of the coca crop in Colombia is a reflection of the dispersion and weakening of the cartels and terrorists that once threatened to overrun the country.

The improved security climate has promoted Colombians' freedom to travel, work, socialize, and invest. Economic growth has averaged over 5 percent since 2002. Civil society and political parties operate more openly than ever before. The labor-affiliated National Unionist College reported that murders of unionists fell by over 60 percent between 2001 and 2006. The number of human rights defenders killed or missing dropped from 17 to 4 over this same time period. Much of this improvement can be attributed to greater government control and participation, brought about by the improved security situation generated by our eradication and interdiction efforts.

In most categories by which we can measure the success of our foreign assistance investment, Colombia is vastly improved over its pre-Plan Colombia days. Indeed, it is difficult to imagine another country in which U.S. foreign assistance has produced more impressive returns. Of course, many serious challenges remain, including bringing perpetrators of crimes against humanity to justice and providing alternative livelihood opportunities for those now compelled by coercion or economic circumstance to collaborate with drug traffickers or to engage in armed actions against the legitimate government. However, exclusively defining foreign assistance success in Colombia by the price and purity of cocaine in the United States, or by the number of hectares under coca cultivation, overlooks these broader successes.

Moreover, eradication and interdiction are reasonable law enforcement efforts in their own right. Growing coca is illegal in Colombia. Transporting and processing coca, coca base, and cocaine are also illegal. The terrorist groups and others which these illegal activities fund are a threat to Colombia's democratic society.

We are not advocating continuance of the status quo without critical review and development of more effective strategies. Indeed, we have been engaged with the Government of Colombia for over a year in developing a new strategy that would carry through fiscal year 2013 and that, subject to yearly Congressional approval, would shift funding to social programs and reduce by one third U.S. funding to law enforcement and military ("hard side") programs. In the near term, we are looking for ways to strengthen the Prosecutor General's office and produce movement on longstanding cases. In addition, we are continually reviewing operational strategy and tactics to find more efficient and effective methods. A prime example is the change to our aerial eradication strategy in which we stay longer in the three primary growing areas, instead of trying to spray every major and minor growing area once a year. This new strategy is designed to directly address replanting and break the cultivation cycle.

However, as long as illicit drug trafficking remains a highly profitable enterprise, this battle will require the full array of law enforcement, military, alternative development, social, judicial, and economic assistance. The fiscal year 2008 budget request is similar to fiscal year 2007 in part because it is necessary to maintain aviation asset availability to keep eradication apace (including manual eradication, which is also partially dependent on United States-supported aviation assets).

Aviation-intensive counternarcotics and counter-terrorism programs have filled a critical need in Colombia's war against drugs and terrorist groups. The Colombian Government has clearly stated that continued U.S. support for these programs remains critical, and that, for now, our proposed mix of U.S. assistance continues to reflect their most urgent needs.

Question. You recently certified that the Colombian Government and military have met the human rights conditions in our law. According to information we have received from the United Nations, the Procuraduria, and the Colombian Commission of Jurists, extrajudicial killings by the Army rose sharply last year, to between 150–250 depending on the source of the information. Did the Embassy discuss these cases with the United Nations, the Procuraduria, or the Colombian Commission of Jurists prior to making the certification? If so, what conclusions did the Embassy reach as a result of those discussions? Why, given this negative trend, did you certify substantial progress? Has anyone been convicted of any of those crimes?

The United Nations and the Colombian Commission of Jurists also estimate over 800 targeted killings by paramilitaries, despite the demobilization, last year. Has anyone been convicted of any of these crimes?

What has the Embassy done to determine whether paramilitary commanders in the Itagui prison are continuing to engage in criminal activity? In light of recent revelations that they were apparently using cell phones to continue committing killings and other crimes, has the Colombian Government ordered the cell phones removed? Was the Colombian Government legally monitoring paramilitaries' calls?

We are told that Mancuso has confessed that General Rito del Rio collaborated with the AUC, and that he told the AUC which areas of the country they could control. Is it true that President Uribe publicly praised Rito del Rio in a ceremony organized to honor del Rio after the United States revoked his visa and after he was fired from the Army? What is the Fiscalía doing to investigate the allegations against del Rio? What is the Fiscalía doing to investigate other members of the military named by Mancuso?

Answer. The Embassy discussed the issue of alleged extrajudicial killings with the U.N. High Commissioner's Office on Human Rights, the Colombian Commission of Jurists (CCJ), and the Inspector General's Office (Procuraduria), as well as with the International Committee of the Red Cross (ICRC). The Embassy has also emphasized to the Prosecutor General's Office (Fiscalia), the Minister of Defense, the Armed Forces and Army Commanders, and the Procuraduria the need to investigate these cases in a rapid and thorough manner and to review military practices, training, and doctrine to prevent such cases from occurring.

The CCJ provided the Embassy with information that showed 93 people were allegedly killed or disappeared by paramilitaries in the first half (Jan-July) of 2006. During the period June 2005 to July 2006, the CCJ reported 354 individuals were allegedly killed by paramilitaries, down from the 1,234 reported during the comparable period from June 2003 to July 2004. The Fiscalía told us it currently has multiple cases open against former paramilitaries, but was not able to provide an exact nationwide figure. The Fiscalía also said there have been convictions over the past year, but that the Human Rights unit does not have centralized statistics on the exact number of convictions.

The Fiscalía has 77 cases of extrajudicial killings open at the moment, with a total of 133 victims. According to the Fiscalía, there are 48 members of the military now in preventive detention in connection with these cases. The Procuraduria has since told the Embassy that 131 cases of alleged forced disappearance committed by the military have been reopened. We will continue to follow these cases.

There is an ongoing investigation by a USG law enforcement agency, in cooperation with the Colombian authorities, of criminal activities allegedly being committed by former paramilitary commanders currently in Itagui prison. The Colombian government reports that paramilitary leaders held in Itagui—who have the formal status of negotiators in the paramilitary process—enjoy access to cell phones similar to that provided to ELN negotiators Francisco Galan and Juan Carlos Cuellar. Colombian law enforcement agencies are investigating the alleged involvement of paramilitary commanders in Itagui in criminal activities, but have not ordered the cell phones be removed. Colombian National Police Commander Oscar Naranjo has since told the Colombian Congress that the Police's monitoring of communications in Itagui was legal. The Fiscalía and the Procuraduria are reviewing the monitoring and will make a determination regarding its legality.

According to the Fiscalía, currently there are no active investigations linked to Mancuso's testimony. In particular, General Rito del Rio is not presently under investigation by the Fiscalía. However, the Fiscalía plans to follow-up with Mancuso regarding his testimony that concerns General del Rio; it will make a decision on whether to reopen the case and undertake a formal investigation at that time.

We understand that the Inspector General has reopened its investigation into General del Rio's actions while serving as commander of the 17th Brigade, as a result of disclosures from the paramilitary investigations. The reported praise of del

Rio by President Uribe occurred at a dinner at the Hotel Tequendama in Bogotá in May 1999. This was 2 months before the United States revoked his visa.

Question. What will it take to get a U.N. peacekeeping force deployed of sufficient size to stop the genocide in Darfur? Is it just a question of how much international pressure the Sudanese Government can withstand? Where does that pressure need to come from? What is the administration doing, since past efforts have failed?

Answer. The United States and the international community are firmly committed to resolving the crisis in Darfur and bringing sustainable peace to Sudan. Transition of the current African Union Mission in Sudan (AMIS) to a more robust United Nations/African Union (U.N./AU) hybrid peacekeeping operation remains a policy priority for the United States and its allies. However, President Bashir continues to defy his international obligations and reject the deployment of an U.N.-led hybrid force in spite of previously stated support for the Addis Ababa framework of a three-phased peacekeeping plan to Darfur.

We believe that continued unified multilateral pressure from key players, including members of the U.N. Security Council, European Union, AU, and Arab League is required to convince the Government of Sudan (GoS) to accept the U.N./AU hybrid force with U.N. command and control structures that conform to U.N. standards. We continue to reach out to international partners in the United Nations and European Union to urge sustained pressure on Khartoum. We believe that all options must remain on the table. This includes possible multilateral and further bilateral sanctions.

In preparation for the hybrid deployment, we are also working with the United Nations and our international partners to accelerate implementation of the Addis Ababa framework and to mobilize potential Troop Contributing Countries (TCCs) to contribute to a stronger Darfur peacekeeping mission. This includes U.S. logistical support for the United Nations Light Support Package to AMIS to bolster the current mission on the ground and facilitate transition to a robust hybrid operation as well as training and equipping of additional TCCs through the African Contingency Operations Training and Assistance (ACOTA) program.

Question. Do we have any evidence of the existence of terrorist assets in Cuba? Your [U.S. State Department Country Report on Terrorism] report says Cuba did “not undertake any counterterrorism efforts.” Does that make them a state sponsor of terrorism? Your report says Cuba continued to provide “safe haven” for members of Colombian rebel groups. But according to the Colombian Government, Cuba has been acting as a facilitator for peace talks between the government and these groups. How does this make them a state sponsor of terrorism?

Answer. Cuba has been on the State Sponsors of Terrorism list since 1982. The decision to place Cuba on that list was originally based on Cuban support for terrorist insurgencies attempting to overthrow democratic governments in Latin America.

Cuba has provided on-going safe haven to several U.S. designated terrorist organizations such as the FARC, ELN, and ETA. If Cuba were serious about fighting terrorism, it would renounce the support it offers to these terrorist groups, arrest members and seize their assets. The fact that the Cuban government allows the presence of these groups in Cuba is an indication that terrorist assets or support structures exist as well. Cuba’s role in dialogue between Colombian terrorist organizations and the Colombian government does not discount the support it provides these terrorist organizations.

Cuba also remains on the list since it continues to harbor fugitives from U.S. justice, including Joanne Chesimard, who escaped from prison after her conviction for the murder of a New Jersey State Trooper while a member of a domestic terrorist group. In addition, Cuba provides shelter to Victor Manuel Gerena, an FBI Top-Ten Most Wanted fugitive. Gerena, a member of the “Macheteros” terrorist group, participated in the 1983 armed robbery of an armored car that netted \$7 million.

Question. Why are we backing a general who seized power in a coup and has used his position to weaken democracy and the rule of law in Pakistan, without clear benchmarks with which to measure progress on democracy and human rights?

Answer. We have made it clear to the Pakistan Government that we expect Pakistan’s upcoming national elections, which are likely to take place in late 2007 or early 2007, to be free and fair. In those elections, Pakistani voters will have the opportunity to select the government that will lead the country forward.

We have also been clear to the Pakistan Government about our appreciation for the enduring, substantial support that President Musharraf has provided in the Global War on Terror—and we have been clear that we believe that his vision of “enlightened moderation” represents a positive future for Pakistan.

During meetings in Islamabad in March 2006, President Musharraf and President Bush agreed the United States would support Pakistan as it builds strong and

transparent democratic institutions and conducts free and fair elections to ensure sustainable democracy. We continue to support these goals.

President Musharraf has stated that his plan remains the same—to move toward a civilian-controlled democracy. We have seen some positive progress in Pakistan in key areas such as electoral reform, women's rights, local governance, and—despite recent setbacks—freedom of the press.

To take a few examples: in the area of election reform, Pakistan—with USAID assistance—is assembling the highest-quality and most-reliable electoral roll in its history, to be finished in time for the upcoming national elections. In the civil liberties arena, in December 2006 President Musharraf signed the Women's Protection Act amending the Hudood Ordinance, marking a significant step toward improving the legal rights of women in Pakistan by allowing criminal courts (rather than religious courts) to try rape cases. The act marks the first time in nearly three decades that a Pakistani government has rolled back discriminatory laws that have stood virtually untouched since the time of General Zia-ul-Haq. In the area of local governance, the devolution reforms implemented by the Government have increased public access to local government, and government accountability.

We have also seen, over the past 6 or 7 years, significant increases in the freedom of the Pakistani press and in the Pakistani public's access to reliable information and outspoken views in the media. We have made our views clear that this is a trend that must continue, and that cannot be set aside or reversed. We urge the Pakistan government to continue their progress by holding free and fair multi-party elections as scheduled in 2007 or early 2008 that meet international standards.

As the President recently stated, "We have a fundamental interest in the success of Pakistan as a moderate, stable, democratic Muslim nation."

Question. When Speaker Pelosi met recently with Syrian President Assad, the White House accused her of meddling in foreign policy and undermining the administration's efforts to isolate Syria. However, when other Members of Congress, including Republicans, met with Assad, the White House said nothing. And in Egypt recently you met with Syria's foreign minister in what were described as substantive and professional discussions. Is the administration's position that it is okay for Republicans to meet with the Syrians, but not Democrats? Or that it is okay for the administration, but not Congress?

Answer. In an effort to ensure that the legislative and executive branches of the U.S. Government deliver the same message that Syria must change its behavior on a broad range of issues, the Department continues to advise against Congressional travel to Damascus. High-level United States visits to Damascus are exploited by the Syrian regime to demonstrate a degree of legitimacy and international acceptance that Syria has not yet earned.

The United States remains committed to maintaining peace and security in the region. To this end, we continue to review what tools are available to pressure the Syrian regime into changing its behavior.

The Syrian Foreign Minister and the Secretary's discussion on the margins of the Expanded Iraq Neighbors' Conference meeting in Sharm el-Sheikh was limited to Iraq. Moreover, the Secretary relayed to the Syrians that we have no desire to have bad relations with Syria. As the Secretary said, "the Syrians clearly say that they believe that stability in Iraq is in their interest, but actions speak louder than words we will have to see how this develops." Before we can accept Syria into the international community, "there need to be concrete steps that show that on the Iraqi issue, for instance, that there is actually going to be action."

Question. You have already heard many of us mention China this morning. China is our fastest growing competitor on every front, but the rule of law is often violated by Chinese authorities and civil society has few rights. The courts are not independent and there are almost no checks on government power.

Each year, Senator McConnell when he was Chairman and I, as well as Senator Specter, have tried to increase our assistance for rule of law and justice programs in China. Yet each year, the administration proposes to cut these programs. For fiscal year 2008 you propose only \$1.3 million. How can we have a meaningful impact on issues as important as these in a country of over 1.2 billion people with such a tiny amount of money?

Answer. We share Congress' support for rule of law, public participation and civil society programs in China.

We concur with your assessment and concerns that China's authoritarian system and a lack of judicial independence pose enormous challenges for reform. However, within these constraints, our China programs are working to foster judicial independence and legal reform; improve citizen access to legal services; increase the capacity of legal professionals; and help to produce better laws through public participation and strategic assistance from outside experts.

We hope to have a long-term impact because these programs foster the growth of civil society both as a counterweight to the government and a provider of public services.

A substantial amount of Governing Justly and Democratically programming in China is supported by funds from the Human Rights and Democracy Fund, administered by the Bureau of Democracy, Human Rights, and Labor (DRL). By the end of this fiscal year alone, DRL will have openly competed and awarded \$19.8 million in 25 grants using fiscal year 2006 appropriated funds. While democracy and rule of law development are long-term efforts, programs have already produced concrete successes that are indicative of greater changes to come. For example, in the area of women's rights, provincial level stakeholders used DRL-supported technical assistance to advocate and win passage of refinements to workplace sexual harassment laws in six provinces—including definitions and forms of sexual harassment that provide greater clarity than national law. DRL assistance is also helping to clarify judicial interpretations on sexual harassment claims. These clarifications and refinements will afford women greater protection from sexual harassment and form the foundation for future legal reform.

For fiscal year 2008, DRL intends to dedicate \$5 million out of the \$35 million requested for the global Human Rights and Democracy Fund to programs in China. This figure is a product of the new Foreign Assistance Framework and the USG's prioritization of China as a country of high importance. DRL will continue to include rule of law issues in its competitive calls for proposals to support the best initiatives proposed by partners in the NGO and academic communities.

Additionally, our Bureau for International Narcotics and Law Enforcement Affairs continues to use International Narcotics and Law Enforcement funds to support a Department of Justice Resident Legal Advisor (RLA). The RLA provides Chinese government officials, jurists, and academics with expertise on U.S. criminal law and procedure, and to promote long-term criminal justice reform in China consistent with international human rights. To this end, the RLA seeks to facilitate contacts between the United States and China, and introduce Chinese officials to U.S. justice sector values and practices.

USAID also is carrying out significant rule of law programs in China through partnerships between United States and Chinese universities. In 2006, USAID provided \$5 million, in line with the Congressional mandate, to university partnerships in the area of rule of law and the environment. A partnership between Vermont Law School and Sun Yat-sen University is strengthening environmental rule of law in China, focused on application and enforcement of environmental regulations. A consortium including the University of the Pacific McGeorge School of Law and American University's Washington College of Law with the South China University of Technology and Zhejiang Gongshan University focuses on the application of law in practice. Another premier college of law in China is expected to join the consortium in the coming year.

In 2007, USAID will be providing another \$2 million for rule of law and \$3 million for environmental governance programs, and has requested another \$5 million for fiscal year 2009.

Question. You propose to cut our aid to Russia from \$84 million in fiscal year 2007 to \$52 million in fiscal year 2008. If this aid was for the Russian Government I would agree with that. But most is to support Russia's beleaguered democratic forces and for health and other programs to help the Russian people, who number over 140 million. So far, your efforts to strengthen democracy in Russia seem to have failed. What is your policy toward Russia today?

By comparison, you propose \$71 million for Ukraine with 46 million people and \$35 million for Armenia with 3 million people. Given Russia's problems, why do you believe that \$52 million is adequate?

Answer. Our policy toward Russia is to cooperate when we can and to push back when we must. We work well and closely with Russia on counterterrorism, many non-proliferation issues, and nuclear issues. We have discussed our concerns over Russia's backsliding on democracy issues and relations with its neighbors.

This decline in the request for Russia reflects, in part, Russia's high economic growth rates and the related decision to phase out economic reform assistance for Russia. fiscal year 2008 is the first year where no funds are budgeted for assistance in this area. Democracy programs in Russia remain a top U.S. priority, with particular focus on helping to strengthen civil society, democratic institutions, independent media, and the rule of law. As in previous years, over half of the Russia budget (in fiscal year 2008, approximately \$26.2 million) will continue to be devoted to supporting efforts to promote democracy and rule of law.

The reduced request for civil society programs this year is based on the expectation that support for democratic development will be bolstered by over \$180 million

recovered from previous activities: The U.S.-Russia Investment Fund (TUSRIF) will invest its profits in a new foundation that will give grants to support entrepreneurship, the rule of law and the free flow of information in Russia. Funds recovered through the settlement of a civil lawsuit against a USAID contractor will be programmed to bolster Russian civil society groups.

Combating HIV/AIDS is also a priority, given that Russia has one of the fastest growing epidemics in the world. President Putin joined President Bush in recognizing HIV/AIDS as a threat to Russia's national security and has made fighting the disease a priority. As a result of programs in this area, United States and Russian lab specialists are working side by side to strengthen HIV/AIDS laboratory capacity in Russia and Africa. Funding in this area will increase to \$11 million in fiscal year 2008. U.S. programs also support joint efforts with Russia to combat transnational threats such as organized crime, drug smuggling, trafficking in persons, cyber-crime, and terrorist financing.

In the North Caucasus, the Russian Government's unwillingness to meet the needs of internally displaced persons exacerbates regional instability and creates an environment ripe for extremism. Fiscal year 2008 funding will also support conflict mitigation programs in the region as well as humanitarian assistance to help stem the spread of violence and promote health, sanitation, and community development.

Question. Your fiscal year 2008 budget would cut aid for Guatemala, Honduras, and Nicaragua, three of the poorest countries in the hemisphere. Each of these countries is a source of illegal immigrants to the United States. Why does this make sense?

Answer. The Americas are an important priority for the administration. Overall foreign assistance to the region has nearly doubled since the start of this administration, from \$862 million in fiscal year 2001 to \$1.5 billion in fiscal year 2008 (requested). This amount does not include MCA compacts.

The traditional bilateral assistance programs for Guatemala, Honduras, and Nicaragua in fiscal year 2007 are reduced from their fiscal year 2006 levels. However, pending the final fiscal year 2007 allocations, we expect that all three bilateral programs will be increased in fiscal year 2008. It is important to note that our bilateral programs do not reflect the totality of our assistance. For example, in fiscal year 2008, we requested \$40 million for the regional CAFTA-DR TCB program focused on helping these economies take full advantage of the benefits of the CAFTA-DR Free Trade Agreement. USAID also administers several significant development programs focused on health, education, and environment throughout Central America. The Peace Corps is also very active with robust programs in all three countries.

In addition to traditional foreign assistance programs, the United States contributes to the region through innovative mechanisms such as the Millennium Challenge Account (MCA) and debt relief programs. The Millennium Challenge Corporation (MCC) has approved five-year compacts for Nicaragua (\$175 million) and Honduras (\$215 million), and we are working closely with Guatemala to help them qualify for future MCA assistance.

In his March 5 speech to the Hispanic Chamber of Commerce, the President announced several additional development initiatives for Latin America, including a \$385 million expansion of a \$100 million OPIC program that helps underwrite mortgages to families in the countries of Central America, and an agreement with the IDB to extend debt relief to the most highly indebted countries in the region (including Honduras and Nicaragua) by \$3.4 billion. The latter would be in addition to an earlier agreement with the Group of 8 industrialized nations to reduce the debt of Latin America and Caribbean nations by \$4.8 billion. That works out to about \$110 for every man, woman, and child in these countries, monies that their government should use to invest in the education and health of their citizens.

In 2006, the United States spent nearly \$3 million and conducted 70 medical readiness and training exercises, or MEDRETEs, in 18 countries throughout Central and South America and the Caribbean at an estimated cost of nearly \$3 million. In 2007, we have already conducted 65, in 15 countries, including activities in Guatemala, Honduras, and Nicaragua. Combined, the MEDRETEs provide medical care to more than 200,000 individuals—in many cases the only professional medical care they will receive.

Additionally, Health and Human Services Secretary Mike Leavitt and his Panamanian counterpart just inaugurated during the OAS General Assembly the "Initiative for Health Diplomacy in the Americas," which is providing technical and financial resources from the U.S. Government and private-sector to improve health care for people in Central America. One of the main objectives of this initiative is to train community health workers and nurses from across Central America in providing basic preventive care and in responding to infectious disease outbreaks. We

remain committed to assisting governments to address the needs of their peoples, and are now taking advantage of non-traditional ways to do so.

Question. The Millennium Challenge Corporation was established in 2003, and since then we have appropriated \$5.9 billion for it. The MCC has signed 11 compacts to date and six more are projected in 2008. To date, \$3 billion obligated and only \$68 million has been disbursed to governments, much of which has not actually been used yet to purchase anything. What has actually been accomplished with the funds?

Answer. Early year MCC disbursements have been admittedly modest, but we are working with MCC to match disbursements with expectations. During a typical 5-year Compact, MCC generally expects to disburse less than 8 percent of total funds during the first year, nearly 28 percent the second year, around 31 percent the third year, 22 percent the fourth year, and 11 percent during the final year as projects and related contracts are completed. This is consistent with large project implementation even in the private sector. While actual disbursements are modest at around \$84 million, contracts and commitments (administrative reservations of funds not taken on legally binding transactions or documents) are nearly double that amount. In Madagascar, MCC's first Compact partner country, 23 percent of the total Compact amount has been committed.

MCC has every intention of using the entire amount obligated to each and every Compact and Threshold partner country, but in many cases MCC's high standards—on procurement processes, environmental and social impact mitigation, monitoring and evaluation—have slowed down the process. In some cases, disbursements are triggered only when conditions precedent, as spelled out in Compact and Threshold documents, are met. Indeed, we often remind countries that MCC should not be taken for granted, since continued engagement is conditional on good policy performance. That is one of the core principles of the Millennium Challenge Account, distinguishing it from foreign assistance policies of the past.

However, MCC's high standards are not the only reason behind modest disbursements. In some cases, MCC overestimated country capacity or misjudged the political independence of the programs. MCC works with host countries as partners, but sometimes those partners are slow to establish key structures, have complex plans or government systems, or lack the full technical capacity to manage and implement the programs they propose.

To address these problems, MCC is offering better guidance to partner countries and developing standard operating documents. MCC is also conducting up-front analysis of host country capacity and developing explicit capacity-building plans, which include specialized training. In addition, MCC is using 609(g) authority to provide pre-Compact funds to establish systems and structures needed to get a Compact implemented. Finally, MCC is developing more realistic first-year disbursement projections.

To date, MCC has signed 11 Compacts worth a total value of \$3 billion. MCC expects that two more will be approved and signed within the coming weeks, another before the end of the fiscal year, and four more early in fiscal year 2008. MCC hopes to conclude another four later in fiscal year 2008. Indeed, the eight Compacts in the pipeline for fiscal year 2008 total roughly \$3 billion, the amount the President put forward for MCC in his fiscal year 2008 budget request.

As MCC Board Chair, I plan to follow-up with MCC on the issue of disbursements and budget pipelines to ensure that MCC budget requests are fully aligned with these realities and, just as importantly, so that partner country expectations regarding rewards for good policies and consequences for bad behavior are met. This will ensure that the MCC's positive multiplier effect will continue to influence host country actions and encourage constructive policy reforms within MCC partner countries and beyond.

Question. For years, an amendment Senator McConnell and I wrote has conditioned a portion of our aid to Serbia on its cooperation with the war crimes tribunal at The Hague, including apprehending and transferring to The Hague former Bosnian Serb leaders Ratko Mladic and Radovan Karadzic.

We know the Serb Army helped protect Mladic, and he remains at large. The Serbs say Karadzic is not in Serbia, but that suggests they know where he is. The Hague prosecutor says he is there. How is it possible that two of Europe's worst war criminals have escaped justice for so long? Can we count on you to make clear to the Serb authorities and to the European governments that the United States will oppose their entry into NATO and other regional economic and security organizations unless these men are turned over?

Answer. We continue to make clear publicly and privately that Serbia needs to fully cooperate with the International Criminal Tribunal for the Former Yugoslavia before it can completely integrate into Euro-Atlantic institutions. While I am fully

supportive of Serbia becoming part of a united Europe, whole, free, and at peace, and while many reforms have been successfully implemented, Serbia simply cannot complete its process of integration without several final changes. Fundamental to this is the full establishment of the rule of law, including the establishment of accountability for war criminals.

Our policy has been a balanced one. By constructively engaging Serbia, encouraging integration, and offering some forms of assistance, we have increased our influence, given impetus to reformers within Serbia, and have moved our bilateral relationship forward. At the same time, we have made clear to the Serbian leadership that their ultimate goal of full integration and membership will not come to pass until they deal with this issue. This is a point we make in virtually every meeting we have with their political and military leadership. And we have consistently encouraged our European allies to do the same.

Ensuring accountability for war criminals is a priority for this administration. In March of this year, we critically re-examined our efforts to secure the capture of the remaining ICTY fugitives in light of recent developments. I can assure you that I continue working to realize justice for the victims of atrocities in the Former Yugoslavia. As one example, we are currently working towards the establishment of mechanisms through which each of the five remaining ICTY fugitives will face justice even if their capture eludes us by the time the ICTY closes, currently scheduled for the end of 2010. This will send a clear signal that fugitives cannot out-wait justice.

But we are not idly waiting for the remaining fugitives to turn themselves in. We are actively encouraging their apprehension. The State Department's Office of War Crimes Issues, in coordination with the Bureau of European and Eurasian Affairs, has been facilitating better cooperation among security services in the region in the handling of investigations of fugitives. To that effect, we have designated a regional liaison officer to assist war crimes cooperation.

While it is a disappointment to me that Ratko Mladic and Radovan Karadzic remain at large, ultimately, responsibility lies with local authorities to apprehend those fugitives who are on their territory. We have seen progress recently, including, notably, the recent arrest of Zdravko Tolimir, one of the architects of the Srebrenica genocide, but we remain focused on the capture of Ratko Mladic and Radovan Karadzic.

Question. In November 2006 an Indonesian court found Antonius Wamang guilty of leading an attack that left two Americans dead and eleven people wounded near the gold and copper mine of Freeport McMoRan in Timika, West Papua. The conviction of Wamang represents the success of years of diplomacy—only after years of pressure from your good offices did the Indonesian authorities bring anyone to justice for this assault on Americans. Six other men were charged in November as Wamang's accomplices. But questions remain about the evidence that links some of these men to the murders. Reverend Isak Onawame, a local human rights advocate who has met with congressional offices and State Department officials, helped convince Wamang to surrender. Reverend Onawame accompanied Wamang when he surrendered to FBI special agents in Timika. The FBI delivered Wamang, Onawame, and other men to the custody of Indonesian police officers. Alleged police mistreatment led to a "confession" of involvement by Reverend Onawame: he told the interrogators that he supplied the attackers with rice. Onawame and others have since recounted their statements, saying that they were made under duress. Is the administration aware of any credible evidence linking Reverend Onawame to the murder of American citizens?

According to the ballistics evidence, 13 guns were fired in the attack, including M-16's, yet only three shooters were accounted for. The police who conducted the initial investigation concluded the military was involved, but the case was taken away from them. Does the administration know who supplied the bullets? Does the administration have any idea who fired the 10 other guns? What effort is being made to find out?

Answer. The Department also welcomed the conviction of Antonius Wamang and his accomplices. The defendants were afforded legal counsel and a public trial. It is our understanding that, while the FBI continues to pursue investigative leads, it typically does not disclose details regarding pending investigations. To the extent the Committee is seeking other information regarding this matter, we suggest the Committee seek this information from the FBI.

Question. There have been several cases recently of domestic employees, such as housekeepers and gardeners, working at embassies in Washington being exploited and abused, their passports seized, and being detained against their will by foreign diplomats. I understand that in 2000 the State Department informed foreign embassies that visas for domestic staff would only be considered if the embassy has a con-

tract with the staff person and steps have been taken to ensure they understand the terms.

What is the role of the State Department in ensuring the fair treatment of domestic staff at foreign embassies located in the United States?

How is the Department monitoring and enforcing the requirement that foreign embassies have a written and understood contract with domestic staff?

Have any visas been denied because of a lack of such contracts, or because of prior violations?

Has the State Department ever pressured a foreign government to waive the immunity of any diplomats when there was credible evidence that they were involved in a serious crime? Could that be done in cases of abuse of embassy domestic employees?

Answer. The State Department has implemented several measures to address complaints that diplomatic personnel exploit foreign domestic workers. The Department has issued periodic diplomatic notes to diplomatic missions containing model employment contracts and underscoring the importance of humane treatment of domestic staff. In particular, the Department requires that in order for a visa to be issued to a foreign domestic worker to come to the United States to work for diplomatic or consular personnel, or persons working for an international organization, the worker and employer must have agreed to a contract that provides fair terms of employment. The contract must be in the worker's language and must provide that the worker will be paid minimum or prevailing wage, whichever is higher. The contract must also have other provisions intended to ensure fair treatment of the worker, e.g., a requirement that the worker be given his or her passport. If a visa is issued, the issuing consular facility also gives the worker a brochure explaining some basic rights of persons in the United States; that brochure has a "hotline" telephone number that can be called if a worker suffers abuse.

Following issuance of the contract requirement, the numbers of visas issued have dropped:

Fiscal year 1999: A-3/2,279 G-5/1,737

Fiscal year 2000: A-3/2,486 G-5/1,737

Fiscal year 2001: A-3/2,228 G-5/1,645

Fiscal year 2005: A-3/1,227 G-5/998

Fiscal year 2006: A-3/1,017 G-5/940

Although there may be several reasons for this, inquiries received from consular officers concerning issuance of these visas suggest that the contract requirement, coupled with instructions from the Department concerning treatment of these workers, has caused fewer visas to be issued.

Recent complaints of abusive conditions that have been brought to the Department's attention have prompted Department offices to examine what additional steps may be appropriate. The Department plans to increase its efforts to obtain better compliance by embassy personnel with the registration requirement of the Vienna Convention on Diplomatic Relations and to draw to the attention of the diplomatic community the importance the Department and other U.S. agencies place on compliance with U.S. laws and fair treatment of these workers. Additionally, the Department is reviewing the visa issuance process for these workers.

When potential cases of abuse arise, it is the Department's policy, stated in internal regulations (2 FAM 234), to request a waiver of immunity of a diplomat if a prosecutor informs the Department that "but for immunity" the prosecutor would bring criminal charges against a diplomat. This rule is equally applicable to cases of abuse of domestic staff. It is important to underscore, however, that many members of the diplomatic community, e.g., most consular personnel and employees of international organizations, will likely not have immunity from either criminal prosecution or civil suit involving abuse of domestic staff, so that no waiver of immunity is required for criminal and civil actions.

Question. I understand that when Deputy Secretary Negroponte was in Libya last month he raised the case of the Bulgarian nurses and Palestinian doctor who were re-sentenced to death last year for allegedly infecting children with HIV. Many scientists and physicians are concerned that the trial ignored evidence that the virus was spread through lack of safe hygiene in the hospital, which may deter other health professionals from working in the developing world where they might be subject to unfair prosecution. They believe it is important that the nurses and doctor not only be released but be exonerated.

Is it the United States position that they should be exonerated? Did the Deputy Secretary ask that the Libyans exonerate them or just release them?

Answer. Deputy Secretary Negroponte met with Libyan Foreign Minister Shalgam and other senior Libyan officials during his April 18-19, 2007, visit to Tripoli. In each of these meetings, the Deputy Secretary called upon the Libyan government

to find a way to release the five Bulgarian nurses and Palestinian doctor imprisoned on charges of deliberately infecting over 400 Libyan children with HIV. The U.S. Government, including President Bush, has repeatedly expressed its view that there is no evidence to suggest that the medical personnel conspired to infect the children.

At the same time, we recognize the human tragedy posed by the infection of more than 400 children. The United States is working with the EU, UK, and Bulgaria, to help Libya provide necessary medical and psychological care to the children and their families.

Question. There has been a continuing failure to achieve accountability for crimes against humanity committed in East Timor in 1999. At the end of April 2007, Indonesian General Noer Muis participated in a joint military exercise with the U.S. Army in Indonesia. On February 24, 2003, Muis was indicted with other senior officers by the U.N.-backed serious crimes process in East Timor. General Muis was tried and convicted for crimes against humanity by Indonesia's Ad Hoc Human Rights Court in 2003 for his role in brutal attacks on East Timor's Dili Diocese, Bishop Belo's residence and the Suai Church massacre in September 1999. However, his conviction, like most involving Indonesian military officers, was overturned on appeal.

Did the State Department know that the U.S. Army was collaborating with General Muis, an indicted human rights violator? What does this say about the Department's ability to effectively vet lesser known military officers to weed out human rights violators, as required by U.S. law? What if any steps have been taken to prevent the recurrence of a mistake like this?

Answer. The State Department knows Indonesian General Noer Muis has been indicted for war crimes for his role in the events in East Timor in 1999. General Muis did not participate in the two-week tabletop exercise that was recently conducted in Indonesia by elements of the U.S. Pacific Command with members of the Indonesian First Infantry Division Strategic Reserve Command (KOSTRAD). Rather, as commander of the KOSTRAD, General Muis observed a portion of the exercise for a single day. KOSTRAD provided most of the 850 Indonesian soldiers who deployed to Lebanon last year as part of the U.N. Interim Force in Lebanon (UNIFIL) and is expected to deploy another battalion to Lebanon later this year to replace the current battalion. Such exercises serve to prepare the Indonesian military (TNI) for peacekeeping duties. It is manifestly in our national interest and the interests of the United Nations that Indonesia participate in this and other peacekeeping operations.

As required by law, all foreign security force personnel involve in State Department-funded training and assistance are subjected to vetting for past human rights violations, and known human rights violators are not provided such training. In the past 3 years we have denied 122 Indonesian applicants training, DOD requests vetting when they deem it necessary to comply with their statute and State responds to their requests.

Our interaction with the TNI necessarily means that American military and civilian personnel work with those in positions of authority. When, in the course of our duties, we must engage with TNI leaders with troubling human rights backgrounds, we limit that engagement to official business and do not engage in social activities. We do not, however, refuse to engage with such individuals in the ordinary course of official business nor to accord them the normal courtesy that is due official counterparts; such actions would be counterproductive. The Department and Embassy Jakarta are working with Pacific Command to ensure that in the future such engagement is not publicized in a manner that appears to imply USG assistance or support for individuals with suspect human rights backgrounds.

The extraordinary democratic transformation of Indonesia is one of the world's great successes of the past 10 years. As integral elements of Indonesian society, the Indonesian military (TNI) must be part of this transformation. Our interaction with the TNI facilitates the adoption of democratic norms such as greater transparency, respect for human rights, civilian control, and builds capacity to address immediate threats such as terrorism and natural disasters. Indeed, these democratic principles are a key component of all training that we provide to TNI, after vetting to ensure that gross human rights violators are excluded. Our normalized relationship with the TNI is producing enormous dividends, both in terms of improving respect for human rights and in promoting regional stability. The TNI is out of politics, is under civilian leadership, has abolished the "dual function" role under which military leaders often held positions in local civilian government, and is moving to divest itself of business interests. Allegations of human rights abuses in Papua and elsewhere have fallen steadily.

We continue on a regular basis to insist in all appropriate fora for accountability for past human rights abuses, including during the recent Indonesian-U.S. Strategic

Dialogue talks conducted by DOD, in public remarks, and in meetings with the country's senior leaders. Our consistent message is that Indonesia's partners will have more confidence in the deep and genuine reforms the Indonesian military has undertaken and continues to undertake if credible steps are taken to address widespread perceptions that a culture of impunity continues to exist.

Question. Last year on October 27, a young American journalist, Bradley Roland Will, was killed as he was filming a political demonstration in Oaxaca, Mexico.

There are photographs and video footage of municipal officials including police officers in civilian clothes shooting at demonstrators with rifles and pistols, the same day that Bradley Will was shot. At least 2 others were killed and 23 were wounded that day. More than 20 people were killed during the many months that the demonstrations took place, and some of those who were arrested were reportedly physically and sexually abused in the custody of state and federal police officers.

My office has tried unsuccessfully to get any information from the Mexican Government about the killings of civilians in Oaxaca, including Bradley Will. Are you satisfied with the investigation of Bradley Will's murder? Have any of the municipal officials or police been charged with any of the killings of civilians? Is there any hope for a thorough, independent investigation into the police conduct in Oaxaca during the demonstrations last year?

Answer. The U.S. Embassy in Mexico City and the Department of State have been monitoring the ongoing investigation into the death of Mr. Will from the beginning. Embassy officials, including U.S. Ambassador to Mexico Antonio Garza, have expressed the concerns and interests of the U.S. Government and of the Will family to the Mexican federal and Oaxacan state authorities and have offered assistance to ensure a complete and proper investigation. The Mexican Government has conducted an investigation into the conduct of law enforcement during last year's demonstrations, but to date has not filed any charges against local or municipal police. The investigation remains ongoing. At this time no one has been charged in Mr. Will's death. We hope the involvement of the federal Attorney General's Office will move this case forward. The Embassy will continue to express our interest in the case at the highest levels of the Mexican Government until it is completed.

Question. In March 2003, Rachel Corrie, a young American woman, was run over by an Israeli bulldozer and killed as she was peacefully protesting the destruction of a Palestinian family's property. An investigation was conducted by the Israeli military, who concluded it was a tragic accident. However, the Israeli investigation, which was neither thorough nor independent, satisfied neither the State Department nor Ms. Corrie's family. As far as I know, there has been no follow up. What is being done to obtain a thorough, independent investigation of this case involving the death of an American citizen?

Answer. The Government of Israel conducted two separate investigations, one by the Israeli Defense Forces and the other by the Military Advocate General's Office. While the second investigation was more thorough, we nonetheless made clear to the Government of Israel that the investigation failed to meet the standard of thoroughness we would expect in such a case. The Corrie family has informed us that they are pursuing legal options with the courts in Israel against the Israeli Defense Forces. We continue to maintain contact with the Corrie family regarding the death of their daughter.

Question. Despite two separate investigations into the death of Rachel Corrie by the Government of Israel, you noted that the Government of Israel's investigation "failed to meet the standard of thoroughness we would expect in such a case."

Given that this case involved the death of an American citizen, and the inadequacies of the investigation by the Government of Israel, what further action is the administration taking to obtain an investigation that is thorough and credible?

Answer. The U.S. Government takes matters involving American citizens abroad very seriously. In late October, representatives from the Department of State met with the Corrie family, along with Congressman Baird, to discuss concerns that they have with respect to the tragic death of Rachel Corrie.

The U.S. Government continues to raise this issue with senior level officials in the Israeli Government. On her recent trip to Israel and the Palestinian territories, Assistant Secretary of State for Consular Affairs Maura Harty raised the issue of Rachel Corrie's death with her counterpart at the Israeli Ministry of Foreign Affairs, Mr. Yigal Tzarfati. Assistant Secretary Harty gave Mr. Tzarfati a letter reiterating the U.S. Government's request that a full and transparent investigation of the incident be conducted. She has asked the U.S. Embassy in Tel Aviv to follow up with the Government of Israel in obtaining a response to her inquiry.

Question. The Senator Paul Simon Water for the Poor Act of 2005 commits the United States to support international clean drinking water and sanitation. The act calls on the United States to increase support for sustainable drinking water sup-

plies and adequate sanitation in countries with the greatest need where aid can be used most effectively. Yet the State Department's June 2006 "Report to Congress" showed that U.S. aid for drinking water and sanitation is overwhelmingly spent on short-term emergency relief efforts and in a few strategically important countries like Afghanistan. Only \$24 million, less than 10 percent of the total, was used for long-term development projects. What plans does the administration have to allocate increased funds to support long-term, sustainable drinking water and sanitation projects, as called for by the act?

Answer. USAID's fiscal year 2005 Report to Congress showed actual obligations of \$161 million for drinking water supply projects and related activities. Of this amount, \$96 million was obligated in the International Disaster and Famine Assistance Account (IDFA). While some of the IDFA resources are used for short-term relief efforts, these funds are also used to establish permanent wells and sanitation facilities or other facilities necessary for the longer-term provision of water and sanitation services. All of the remaining resources were used for long-term sustainable activities regardless of the account.

In fiscal year 2006 (this report will be delivered to Congress shortly) USAID increased total water and sanitation obligations to \$203 million. Of this amount, \$86 million came from the IDFA account. USAID hopes to maintain this increase in fiscal year 2007.

Most of the countries with the greatest need are located in Sub-Saharan Africa. The attached spreadsheet shows that USAID non-IDFA funding for water and sanitation in Sub-Saharan Africa increased each year from 2002 thru 2006. Again, USAID hopes to maintain this upward trend in fiscal year 2007.

2002–2006 USAID WATER OBLIGATIONS IN AFRICA

[In millions of dollars]

	Fiscal year					Total
	2002	2003	2004	2005	2006	
Water Supply and Sanitation (non-IDFA)	8.758	9.785	15.385	19.444	22.544	75.916
IDFA-funded Water Supply and Sanitation	12.383	29.449	35.230	63.926	59.738	200.726
Sub-Total—Water Supply Projects & Related Activities	21.141	39.234	50.615	83.370	82.282	276.642
Water Resources Management	6.151	14.227	14.452	9.615	4.227	48.672
Water Productivity	3.790	11.056	14.640	12.912	5.119	47.517
Grand Total—All Water Funding Categories	31.082	64.517	79.707	105.897	91.628	372.831

Question. I am concerned about human rights in Ethiopia. Ethiopia is a strategic ally, but that should not prevent us from expressing our concern about the well-being of Ethiopia's restive and increasingly alienated majority populations. From the populous and economically rich Oromo region to the vast oil rich Ogaden region, economic and political tensions seem to be rising.

The leaders of Ethiopia's most important opposition party are still in prison. What is the evidence against them?

Answer. Between May 8, 2006 and November 29, 2006, the prosecution introduced one audio tape, 19 video tapes, 179 documents, and 54 witnesses in support of the charges against opposition, civil society, and media leaders in Ethiopia's main trial of opposition leaders. This evidence described opposition party strategies and deliberations, speeches, rallies, press reports, and activities of the defendants. On April 9, 2007, upon reviewing the witnesses' testimony and evidence submitted, the court dismissed the charges against 25 defendants and dismissed all charges of treason and attempted genocide. The court found that the evidence submitted in support of the remaining charges against the remaining defendants warrants proceeding with the defense phase of the trial, which is expected to resume in June 2007. The U.S. Government continues to monitor every phase of the judicial proceedings.

Question. Even as the Ethiopian military ends its occupation of Somalia, the ethnic Somali people of the Ogaden region feel they are oppressed and exploited by the government in Addis Ababa. The largest group in this diverse country is the Oromos, and they, along with other political groups, are losing patience with what they see as a repressive central government.

We have spent a lot of money to help promote stability in the Horn of Africa. Can you assure us that the administration is standing up for democracy and human rights even when they are being threatened or violated by allies against terrorism like Ethiopia?

Answer. Significant work remains to be done to strengthen democratic institutions and practices and to ensure for the protection of human rights in Ethiopia. While our annual Human Rights Report is the most public assessment of Ethiopia's performance in protecting the human and political rights of Ethiopians, democracy and human rights issues remain a permanent element in our bilateral dialogue with Ethiopian leaders and civil society.

The United States has developed a strong partnership with Ethiopia to foster progress in these areas. While our foreign assistance contributes to capacity building efforts targeting the legislature, judicial independence, executive functions, and human rights awareness and protection, American diplomats in Ethiopia and Washington urge Ethiopian officials to create the environment where improvements in these sectors can continue.

While significant work remains, the Government of Ethiopia has taken steps to improve respect for human rights and democratic practices following the setbacks in 2005. Through U.S. diplomatic and development engagements, we are contributing positively to this effort and will continue to encourage important reforms.

Question. You noted that "while significant work remains, the Government of Ethiopia has taken steps to improve respect for human rights and democratic practices following the setbacks in 2005."

How has the administration responded to recent reports by journalists and NGOs of widespread human rights abuses by Ethiopian security forces in the Ogaden region?

Answer. We take very seriously any and all allegations of human rights abuse. Our Embassy staff in Addis Ababa is working to verify credible allegations to the extent possible. The Ethiopian Government has committed publicly to investigate such allegations.

We will continue to insist that credible allegations be investigated and, where appropriate, that violators are punished. The Government of Ethiopia is working with Mr. Kassa, Chairman of the Ethiopian Human Rights Commission, to investigate allegations of abuse in the Ogaden. Mr. Kassa's team is in Jijiga, on the edge of the Ogaden, investigating reports. We are in close contact with the Human Rights Commission and will work with this and other groups on any human rights enquiry. The United Nations has called for an independent investigation of human rights abuses in the Ogaden.

Question. With the G-8 summit coming up in June, some of our allies are focusing on global education. In particular, on May 2, 2007, the European Commission and the World Bank hosted a conference on basic education in Brussels, entitled "Keeping our Promises on Education", where they announced a number of new funding commitments to be carried forward to the G-8. Are any new U.S. commitments for education planned for the G-8 or otherwise along these lines?

Answer. USG has increased its support for basic education five-fold, from less than \$100 million in fiscal year 2000 to more than \$500 million in fiscal year 2006, and in the same time period more than doubled the number of countries receiving basic education support from 25 to more than 50.

As a founding partner of the Education for All Fast Track Initiative, and signatory to the Paris Declaration on Aid Effectiveness, USG has in the past and will continue to align with other donors behind country-driven education plans and priorities to best meet the human capital needs for the sustainable development of each country.

On May 31, 2007 President Bush called for Congress to fund \$525 million by 2010 or \$173 million more a year in fiscal years 2008-2010 for an estimated \$638 million a year for basic education—a 37 percent increase over current spending and a 425 percent increase over fiscal year 2002 (\$150 million) when the President's administration started. He also expanded his African Education Initiative, started in 2002, from \$300 million to \$600 million by 2010.

QUESTION SUBMITTED BY SENATOR TOM HARKIN

Question. Polio Eradication efforts are clearly working as we have seen the number of countries with indigenous polio drop to four, two billion children have been immunized, five million have been spared disability and over 250,000 deaths have been averted from polio. However, until the world is polio-free, every child, even those in the United States, is at risk.

In fiscal year 2007, both the House and Senate included \$32 million for polio eradication in their respective Foreign Operations Appropriations bills.

A. What amount is included for polio in your fiscal year 2007 projections?

B. What is included for polio in your fiscal year 2008 budget submission?

Answer. For fiscal year 2007, USAID intends to provide \$31,680,000 for polio eradication, which meets the House and Senate request level minus a 1 percent rescission.

For fiscal year 2008, the administration will fund polio eradication but specific funding levels are still under consideration.

QUESTIONS SUBMITTED BY SENATOR RICHARD J. DURBIN

Question. For the coming fiscal year, the President requested only \$300 million for the Global Fund to Fight AIDS, Tuberculosis, and Malaria in his budget and all of that in Labor Health and Human Services rather than the Foreign Operations account. The Global Fund estimated need for the U.S. contribution is \$1.3 billion. Why is the President continuing to lowball this important multilateral program that leverages U.S. contributions? Why did the President omit the Global Fund entirely from his Foreign Operations request and place the entire request in the Labor, Health and Human Services account?

Answer. The Global Fund is an important part of the strategic plan that guides implementation of the President's Emergency Plan for AIDS Relief (Emergency Plan/PEPFAR). The U.S. Government (USG) share of total Global Fund contributions has held consistently at approximately 30 percent. The USG initially made a 5-year pledge of \$1 billion for the Global Fund in years 2004–2008. If the \$300 million in the President's 2008 Budget is approved, the USG will have nearly tripled that commitment to the Global Fund by contributing about \$2.5 billion.

In order to provide adequate financial and human resources to complete the goals of PEPFAR as well as maintain U.S. leadership in the Global Fund, the President has spread the request for HIV/AIDS-related resources across the two appropriations bills (Foreign Operations and Labor-Health and Human Services).

We consider this interagency approach in representing the United States on the Global Fund to be one of our coordination success stories. Through the Global Aids Coordinator, who has overall responsibility for ensuring that all statutory benchmarks have been met before any USG contribution is made, USAID, State, and HHS regularly meet and fully coordinate on all aspects of the Global Fund.

The Department of Health and Human Services (HHS) was instrumental in the administration's efforts to establish the Global Fund and continues to have an active role on its Board. The National Institutes of Health (NIH) makes a significant contribution to global HIV/AIDS, TB, and Malaria activities. Requesting the USG contribution within NIH continues HHS' longstanding role in the advancement of the Global Fund.

Question. When Beijing exercises its considerable influence, Khartoum appears to listen and we see progress such as the agreement to allow 3,000 peacekeepers. But then China provides assistance to build a new presidential palace and wants to develop expanded military cooperation in all areas. How do you evaluate China's role in Darfur?

Answer. China has an important role to play in ending the genocide in Darfur. China's leverage is not absolute, but there is much that it can do. For example, China can do more to persuade Khartoum to accept the full deployment of the U.N./AU hybrid peacekeeping force under U.N. command structures, and to convince Khartoum to engage seriously in a peace process that involves all parties to the conflict. China's lead diplomat at the United Nations, Wang Guangya, helped broker the November agreement in Addis Ababa in which the Government of Sudan accepted, in principle, the three-phase deployment of the U.N./AU force. As you mention, China's diplomacy was likely influential in convincing President Bashir to accept the 3,000-person "heavy support package" (HSP) under phase two of the deployment. Perhaps most significantly, Beijing recently agreed to send a 275-person engineering unit as part of the HSP. Special Envoy Natsios, Deputy Secretary Negroponte, and Assistant Secretary Frazer have all had serious, in-depth discussions on Sudan with the Chinese, as have I.

President Bashir has reneged on a number of his commitments and continues to obstruct the full deployment of the U.N./AU force under phase three. Full deployment is the key, and we are committed to working with China and our other international partners to apply pressure on President Bashir to accept the full U.N./AU force unequivocally.

China is not where we would like it to be on Darfur. The no-interest loan to build a palace in Khartoum that you mention is one clear example. We have also communicated our serious concerns to China that weapons sold to the Government of Sudan have contributed to the violence in Darfur. At the same time, we do see movement in China's position and believe that Beijing has made a decision that it must join with the international community in insisting that the atrocities in Darfur must stop.

Question. How is the Department of State addressing the geopolitical implications of global warming?

Answer. We recognize the seriousness of global climate change and the importance of reducing greenhouse gas emissions, enhancing energy security and promoting sustainable development.

Two years ago, G8 leaders agreed that tackling climate change, promoting clean energy and achieving sustainable development globally are serious and linked challenges. The President announced on May 31 U.S. support to develop by the end of 2008 a new post-2012 framework on climate change based on the principles that climate change must be addressed by fostering both energy and economic security and by accelerating the development and deployment of transformational clean energy technology.

Secure, reliable and affordable energy sources are fundamental to economic stability and development. One-third of the world's people lack access to modern energy services. This blocks their path to better health and prosperity.

In consultation with our developing country partners, G8 leaders committed to reduce greenhouse gas emissions, improve the global environment, and enhance energy security in ways that promote human development.

The United States plays an integral part in promoting the advanced energy technologies that are helping people, while protecting the global environment.

The President has in place a comprehensive strategy to address climate change that incorporates incentives, mandatory programs, and international partnerships all that will help us meet the President's goal to reduce greenhouse gas intensity 18 percent by 2012. This policy is working as we are well on track to meet that goal. The U.S. Department of State supports the President's strategy in international fora and works closely with our international partners to implement innovative climate change partnerships.

For example, we are working with Brazil to advance biofuels. We facilitated an agreement with China to install the largest coal mine methane power facility in the world. Through the Asia-Pacific Partnership for Clean Development and Climate, we are expanding investment and trade in cleaner energy technologies.

Our development assistance program, through USAID, dedicates about \$180 million a year to build resilience to climate variability and change in developing countries. Our efforts include analyzing data from Earth observations, developing decision support tools, and integrating climate information into development programs.

All of these activities are part of a broader development agenda that encourages global collaboration to improve energy security, address greenhouse gases and reduce air pollution, while ensuring continued economic growth. These activities aim to achieve a secure energy supply and a cleaner global environment.

The most effective way to bolster security and stability, however, is to increase the capacity of states to govern legitimately and protect basic human freedoms. States that can govern effectively can best anticipate and manage change.

Stresses associated with energy shortages or climate impacts may be among factors putting pressure on government capacity in this century, as might population growth, natural disasters, but absence of these stresses will not eliminate civil strife.

Successful long-term development strategies must also focus upon education, rule of law, good governance, and the protection of human freedom and economic reforms. The State Department works with countries across the globe to promote this integrated development agenda and support countries in making choices that will provide strong and functioning institutions and policies, and promote just governance and rule of law. Such choices are a much more important determinant of peace and security independent of any specific climate or environmental impact.

The United States has a long history of extending a helping hand so that people can live in democratic societies with strong and stable governance.

The Millennium Challenge Corporation (MCC) is a global investment fund based on the principle that aid is most effective when it reinforces good governance, economic freedom and investments in people. Since its establishment in 2004, MCC has provided nearly \$3 billion to 11 countries to help them reduce poverty and stimulate economic growth.

Around the world, the United States is promoting free and fair election processes, full participation of all citizens, civil societies, and media freedom. With our international partners, these efforts are strengthening governance and international security.

The State Department will continue to promote the United States' leadership role of engaging with other nations on these issues of vital importance through our bilateral and regional initiatives and in appropriate multilateral fora, such as the G8 and the United Nations.

Question. What about the anticipated consequences for health and development? Some of the most economically vulnerable and politically fragile countries are also those most at risk from global warming. What steps are you taking to assist adaptation EFFORTS?

HEALTH AND DEVELOPMENT

Answer. On the potential health implications of climate change, impacts are difficult to discern due to adaptation and many non-climatic drivers. In addition, research continues to focus on effects in high income countries, and there remain important gaps in information for the more vulnerable populations in low- and middle-income countries.

According to the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report, "projected climate change-related exposures are likely to affect the health status of millions of people, particularly those with low adaptive capacity, through:

- increases in malnutrition and consequent disorders, with implications for child growth and development;
- increased deaths, disease and injury due to heat waves, floods, storms, fires and droughts;
- increased burden of diarrhoeal disease;
- increased frequency of cardio-respiratory diseases due to higher concentrations of ground level ozone related to climate change; and,
- altered spatial distribution of some infectious disease vectors (high confidence).

"Climate change is expected to have some mixed health effects, such as the decrease or increase of the range and transmission potential of malaria in Africa (high confidence). Studies in temperate areas have shown that climate change is projected to bring some benefits, such as fewer deaths from cold exposure. Overall it is expected that these benefits will be outweighed by the negative health effects of rising temperatures world-wide, especially in developing countries (high confidence). Most projections suggest modest changes in the burden of climate-sensitive health outcomes over the next few decades, with larger increases beginning mid-century. The balance of positive and negative health impacts will vary from one location to another, and will alter over time as temperatures continue to rise. Critically important will be factors that directly shape the health of populations such as education, health care, public health prevention and infrastructure and economic development (very high confidence)."

ASSISTING ADAPTATION

Climate shapes a wide range of activities and decisions, from the types of crops grown to the design and construction of buildings, water delivery systems, and other infrastructure. In countries that are already at risk from food insecurity, ecosystem degradation, or weak institutional capacity, short- and long-term changes in the climate pose an additional challenge to sustainable development. A diverse, robust, and open economy can better withstand many types of disruptions, including those related to climate events.

The United States collaborates with developing country partners in a broad range of activities designed to better understand climate and its implications for development and to build resilience to climate variability and change. These activities include analyzing data from Earth observations, developing decision support tools, and integrating climate information into development programs and projects.

All of these activities assist countries in developing stronger institutional capacity and more flexible and resilient economies that have the capacity to address both the challenges and the opportunities presented by changing climatic conditions.

In addition, the United States encourages all developing countries to establish their own national development plans with the view to create thriving, prosperous economies in recognition that successful growth must be predicated upon education, rule of law, good governance, the protection of human freedom and economic reforms. This successful and proven approach underpins our wide range of programs and activities that assist all developing countries through our trade policies, devel-

opment assistance programs, and international environmental initiatives, as well as our support for such internationally-agreed strategies as the Doha Development Agenda, the Monterrey Consensus, the Johannesburg Plan of Implementation, and the Delhi Declaration.

MILLENNIUM DEVELOPMENT GOALS

On the issue of whether climate change will negatively impact our ability to implement the Millennium Development Goals (MDG's), it is important to understand that the MDG's are set for 2015, while projected climate change impacts span a much larger time scale. According to the IPCC Working Group II Report (Chapter 20): "The anthropogenic drivers of climate change, per se, affect MDG indicators directly in only two ways: in terms of energy use per dollar GDP and CO₂ emissions per capita. While climate change may, with high confidence, have the potential for substantial effects on aspects of sustainability that are important for the MDG's, the literature is less conclusive on whether the metrics themselves will be sensitive to either the effects of climate change or to progress concerning its drivers, especially in the near-term."

QUESTIONS SUBMITTED BY SENATOR MARY L. LANDRIEU

Question. How could such valuable assistance be turned away in such a great time of need? What are your reasons for turning away the offered foreign aid? How did this happen?

Answer. Katrina generated an unprecedented outpouring of assistance from allies and friends around the world. All of these offers of assistance were greatly appreciated, and, in fact, many of the offers were accepted and directed to hurricane recovery efforts. At the same time, not all offers of material and personnel assistance was or could be accepted for reasons set forth below. Moreover, as explained more fully below, not all offers of financial assistance were directed to the U.S. Government. With our encouragement, a considerable amount of financial assistance was donated directly to NGOs working in the affected areas. While some other pledges did not materialize, all financial assistance that was received by the U.S. Government was directed toward hurricane recovery efforts.

The Department of State moved to support the Federal Emergency Management Agency (FEMA), the Department of Homeland Security (DHS) and other Federal partners that were leading in the response to the disaster. One of the Department's mandates is to help American citizens in trouble/need overseas. This was a unique opportunity to help American citizens within the United States. The State Department acted as an intermediary for foreign offers of assistance to the U.S. Government and worked with FEMA, USAID, and other agencies to respond to such requests and expedite delivery of assistance.

We had two main objectives:

- Provide all possible support requested by Federal partners.
- Protect the American people by maintaining U.S. health and safety standards as directed by Federal regulators.

The U.S. Government encouraged foreign donors to direct their cash assistance to private organizations from the beginning, consistent with the consensus among aid professionals that cash assistance to relief organizations in the affected region was the best way for donors to help. The amount of cash actually donated to the U.S. Government from international sources totaled \$126 million, all of which has been distributed by the Department of State to other USG agencies. Not all pledges of cash resulted in actual donations—over \$450 million in pledges were not fulfilled.

Working with imperfect information from first responders on conditions and needs on the ground, the Department of State worked with FEMA and other agencies to identify and arrange transport of commodities, equipment, experts and other in-kind assistance that could be utilized quickly and efficiently.

Not all international material assistance offered was needed. Disaster logisticians at FEMA and USAID evaluated the commodities and services offered by foreign governments and organizations, and accepted only those that made sense given all of the normal considerations during a disaster—e.g. transport, storage, and processing. In many cases, material assistance was more readily available from within the United States. Furthermore, some of the foreign commodities offered were not approved for entry into the United States by U.S. regulators, especially foodstuffs and medical equipment and supplies. Similarly, some offers of medical services and emergency medical teams were also not accepted due to state-based licensing requirements and related issues. We did not want to accept goods which could or

would not be used. In total, the Department of State, working with USAID and FEMA, coordinated the donation of over 5 million pounds of relief supplies.

Question. Was an internal investigation conducted on this mishandling? Was any action taken against employees who were identified in trying to cover-up or hide mishandling of situations, specifically the individual just quoted in regards to the Italy debacle?

Answer. Hurricane Katrina was an unprecedented disaster that presented unique challenges to domestic agencies and foreign governments trying to assist. The State Department, working with other agencies, responded to foreign offers of assistance as quickly and flexibly as circumstances permitted.

The State Department has participated in extensive interagency lessons learned reviews and exercises that addressed problems identified during Hurricane Katrina. As a result, the U.S. Government has developed significantly improved policies, procedures, and plans for managing international assistance for future domestic disasters.

The Homeland Security Council (HSC) led an after action review of the U.S. Government response to Katrina, including how we handled offers of assistance from foreign governments. The HSC and key agencies, including the State Department, reviewed the response, both what went well and what we can do better, and updated the National Response Plan to guide agency actions if another major disaster were to strike the United States. The State Department, USAID, FEMA, the Defense Department and others contributed to the plan.

USG officials did the best they could under unprecedented circumstances. There was no cover up of the Italy medical supply contribution. State Department officials were in regular contact with Italian authorities regarding the contribution, including on the disposal of the spoiled supplies.

GAO reviewed the handling of foreign assistance in its report on Hurricane Katrina International Aid (GAO-06-460, April 2006). In its report, the GAO recognized that "although DOS's procedures were ad hoc, they did ensure the proper recording of international cash donations that have been received to date, and [GAO was] able to reconcile the funds received with those held in the designated DOS account at Treasury."

Question. I know \$60 million of the \$126.4 million has been allocated to Louisiana and Mississippi K-12 and Higher Ed institutions and that \$66 million was contracted to a consortium of 10 faith-based and charity groups, but how much has actually been distributed/used to date? What is holding up the distribution of the remaining funds?

Answer. The Department of State transferred \$66 million to FEMA on October 20, 2005 and \$60 million to the Department of Education (DoEd) on March 17, 2006. Although State is not directly responsible for managing the distribution of these funds, we understand from FEMA and DoEd that:

FEMA awarded \$66 million to The United Methodist Committee of Relief (UMCOR) as a grant to provide case management services.

FEMA facilitates the UMCOR grant. UMCOR established Katrina Aid Today (KAT), a consortium of 10 non-profit relief organizations, to provide case management services in Louisiana and Mississippi. To date, KAT has utilized \$33 million and are on track to utilize the balance of the \$66 million in the remaining time of the grant.

DoEd awarded grants totaling \$30 million available to 14 Higher Education institutions in Louisiana and Mississippi. These institutions have been able to draw on those funds according to their own reconstruction timetables. We understand that as of April 27, 2007, some institutions had utilized their entire grants; others were still drawing on the available funds as they proceed with their rehabilitation plans.

DoEd asked the Louisiana DoEd to develop a program to award grants totaling \$25 million. On April 19, 2007, the Louisiana Board of Education approved grants of \$190,000 each to 130 private and public schools. The current award period for use of these funds runs until November 30, 2007. Funds would be available on a year to year basis until all funds have been expended.

DoEd distributed \$5 million to the Greater New Orleans Educational Foundation for the planning and implementation of a long range strategy for K-12 educational services.

Question. Also, some questions were raised surrounding the terms in the contract proposal for the \$66 million consortium contract. Are you conducting oversight on this proposal, to ensure it is being used solely for its intended purposes?

Answer. The Department of State distributed \$66 million to the Federal Emergency Management Agency (FEMA) in October 2005, to finance a social service case management system for Katrina's victims. In December 2005, DHS/FEMA granted the \$66 million to the United Methodist Committee on Relief (UMCOR), which es-

tablished Katrina Aid Today, a case management consortium of ten social service and voluntary organizations.

FEMA has assured State that it is conducting oversight of the contract to ensure appropriate use in accordance with standard auditing practice/procedures. State officials met with officials from FEMA's Office of Inspector General when that entity was developing its auditing plans.

FEMA requires quarterly reports that address both financial and programmatic information as well as weekly reports detailing the number of cases and case managers. FEMA has appointed a liaison to Katrina Aid Today that not only monitors reports but attends meetings at all levels (national, regional, grass roots) and consults with Katrina Aid Today on all programmatic and informational exchanges.

Question. What is the progress/status of the State Department's progress on completing all 9 recommendations from the Federal Government Katrina Lessons Learned exercise? If you have completed all recommendations, were they finished before June 1, 2006?

Answer. Below are the recommendation and status of the nine items identified for the State Department from the Katrina Lessons Learned exercise:

Recommendation 89. DOS should lead the revision of the International Coordination Support Annex (ICSA) to the National Response Plan (NRP), clarifying responsibilities of Department of State (DOS), Department of Homeland Security (DHS), Department of Defense (DOD), and other supporting agencies in response to domestic incidents. This revision should begin immediately.

Status: Completed. A State Department-led interagency group completed the first revision of the ICSA in February 2007 in consultation with the Homeland Security Council. The revisions clarify expanded roles and responsibilities of USG agencies in managing the international aspects of a domestic incident. The group also included representatives from the Departments of Homeland Security, Defense, Health and Human Services, Agriculture, and Transportation, and the Agency for International Development.

Recommendation 90. DOS and DHS should lead an interagency effort that will quickly develop procedures to review, accept or reject any offers of international assistance for a domestic catastrophic incident.

Status: Completed. An interagency group consisting of the Department of State, USAID/Office of Foreign Disaster Assistance (AID), DHS/FEMA, DOD, and the American Red Cross (ARC) has developed a system for managing international assistance during a domestic disaster. The system outlines policies and procedures to systematically manage offers of, or United States requests for, international material assistance during a United States domestic disaster. It also specifies the roles and responsibilities of participant agencies, provides standard operating procedures for managing offers of foreign assistance and domestic requests for foreign resources, and outlines the process for receiving and distributing international assistance that is accepted by the U.S. Government. The core procedures and arrangements detailed in the manual were agreed informally among participants by June 1, 2006.

Recommendation 91. DHS should lead an interagency effort to create and routinely update a prioritized list of anticipated disaster needs for foreign assistance and a list of items that cannot be accepted.

Status: Completed. The interagency has established procedures for coordinating with USG regulatory agencies for the entry, handling, and use of foreign resources during a disaster. Regulatory agencies provide technical advice and review offers of international assistance prior to FEMA acceptance. The procedures include guidance on acceptable and unacceptable items to assist the Department of State in communicating with the international community.

Recommendation 92. DOS should establish an interagency process to: determine appropriate uses of international cash donations; to ensure timely use of these funds in a transparent and accountable manner; to meet internal Federal Government accounting requirements; and to communicate to donors how their funds were used.

Status: Completed. Procedures have been established to manage the receipt, distribution, and use of foreign cash donations made during a domestic disaster. An interagency Working Group will be convened as necessary to address fund management issues and make recommendations on funding disaster recovery projects. Immediate needs would be pre-identified by FEMA, with the understanding that certain donations may be directed to longer term disaster recovery.

Recommendation 93. Public and Diplomatic Communications during domestic emergencies should both encourage cash donations—preferably to recognized non-profit voluntary organizations with relevant experience—and emphasize that donations of equipment or personnel should address disaster needs.

Status: Completed. As was done during Katrina, the State Department provides instructions to all U.S. diplomatic missions abroad advising them to encourage foreign entities wishing to assist to make cash donations directly to appropriate NGOs rather than the USG.

Recommendation 94. The Department of State and the Department of Homeland Security should jointly develop procedures to ensure that the needs of foreign missions are included in domestic plans for tracking inquiries regarding persons who are unaccounted for in a disaster zone.

Status: Completed. The Department of State has worked with DHS/FEMA and the ARC to ensure that, during a domestic disaster, the USG honors its international obligations under the Vienna Convention on Consular Relations. Although the USG is not required to track down and find missing foreign nationals during a disaster in the United States, under the Convention it is obligated to assist foreign missions in obtaining "appropriate consular access" to their nationals.

The Department of State's Office of Public Affairs has designated personnel to work with DHS/FEMA during domestic emergencies. These personnel will train with DHS/FEMA and will be part of FEMA's information operation from the outset of a major domestic crisis, in order to ensure efficient handling of queries from and consistent messaging to foreign missions and foreign media.

The Department of State's Office of Foreign Missions and the ARC have discussed with foreign missions in Washington, DC how foreign missions can best utilize the ARC's missing persons' registry to locate missing foreign nationals in the United States.

Recommendation 95. DHS and DOS should revise the NRP to include DOD and Department of Agriculture (USDA)-Food Safety Inspection Service as cooperating agencies to the International Coordination Support Annex. Including DOD more directly in foreign assistance management would leverage existing relationships with partner military establishments and help to ensure that staging areas for the acceptance of foreign aid are preplanned and quickly available.

Status: Completed. The revised ICSA Annex to the NRP includes both DOD and USDA as cooperating agencies. Within the IAS, regulatory agencies such as the USDA provide technical advice and review offers of international assistance prior to FEMA acceptance.

Recommendation 96. DHS should include DOS and foreign assistance management in domestic interagency training and exercise events. Inclusion in the new National Exercise Program (NEP) should occur before the end of fiscal year 2006.

Status: We refer you to DHS regarding its training and exercise events. We understand DHS is developing an international assistance training module for use in future exercises. DHS can provide more detailed information.

Recommendation 97. DHS should provide daily disaster response situational updates through the Secretary of State to all Chiefs of Mission or Chargé d'Affaires. These updates should improve situational awareness and provide information to address host government concerns or questions.

Status: DHS has assured State it will provide appropriate updates to inform U.S. Missions overseas and, by extension, foreign governments.

Question. What is the timeline of when an amendment to the International Coordination Support Annex to the National Response Plan may take place? What else must be completed to reach this goal?

Answer. An interagency group completed the first revision of the ICSA in February 2007. The group included representatives from the Departments of State, Homeland Security, Defense, Health and Human Services, Agriculture, and Transportation, and the Agency for International Development. Within the Department of State, we continue to ensure that relevant bureaus are familiar with the changes to the National Response plan and prepared to act in the event the National Response Plan is activated.

Question. With DOS designated the lead agency, can I get from you, in writing, the status of where all affected agencies are in completing the nine recommendations. If they are complete, I want to know their status on completing final recommendation for amending the International Coordination Support Annex to the National Response Plan?

Answer. Below are the recommendation and status of the nine items identified for the State Department from the Katrina Lessons Learned exercise:

Recommendation 89. DOS should lead the revision of the International Coordination Support Annex (ICSA) to the National Response Plan (NRP), clarifying responsibilities of Department of State (DOS), Department of Homeland Security (DHS), Department of Defense (DOD), and other supporting agencies in response to domestic incidents. This revision should begin immediately.

Status: Completed. A State Department-led interagency group completed the first revision of the ICSA in February 2007 in consultation with the Homeland Security Council. The revisions clarify expanded roles and responsibilities of USG agencies in managing the international aspects of a domestic incident. The group also included representatives from the Departments of Homeland Security, Defense, Health and Human Services, Agriculture, and Transportation, and the Agency for International Development.

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Status: We refer you to DHS regarding its training and exercise events. We understand DHS is developing an international assistance training module for use in future exercises. DHS can provide more detailed information.

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Status: DHS has assured State it will provide appropriate updates to inform U.S. Missions overseas and, by extension, foreign governments.

QUESTIONS SUBMITTED BY SENATOR JACK REED

Question. The START Strategic Arms Reduction Treaty expires December 2009 but either side must notify the other one year in advance. The Russians have expressed an interest in beginning discussions, but the United States does not appear to be interested. When will the United States begin discussions on START I extension?

The Moscow Treaty, even though it is a Treaty of no duration beyond the day in 2012 when it comes into force and expires, relies on the inspection provisions of START I. Unless START I is extended there is no transparency or semblance of verification under the Moscow Treaty.

Would the administration support multiparty talks along the lines of those suggested by Senator Nunn, George Schultz, and Henry Kissinger, to substantially reduce total stockpiles of nuclear weapons?

Why should other nations not be worried about the U.S. decision to pursue a Reliable Replacement Warhead? How is this program consistent with the U.S. obligations under Article VI of the NPT? (Article VI directs the nuclear weapons states to work toward the elimination of nuclear weapons)

Answer. The START Treaty was valuable in a time when the United States and Russia had a relationship based on enmity and distrust. The Moscow Treaty took the first step in formalizing our new strategic relationship. As a result, by the end of 2012, both sides will have reduced their strategic nuclear warheads to no more than 1,700–2,200, the lowest levels in decades and less than one quarter of their cold war peak. In addition, the United States and Russia have both stated their intention to carry out strategic offensive reductions to the lowest level consistent with their national security requirements, including commitments to allies and friends.

By its terms, the START Treaty is scheduled to expire in December 2009. In anticipation of the expiration, the United States and Russia have begun to consider and discuss what type of arrangement will follow START. Both sides believe that it is important for a follow-on arrangement to provide predictability for the sides in strategic matters. We need to understand the trends and directions of each others' strategic nuclear forces. Neither side believes that extension of the START Treaty is the most effective way to achieve the predictability we seek, although both are drawing upon the START Treaty to find the best tools to either employ or modify for gaining the predictability our two nations seek.

Former Under Secretary of State for Arms Control and International Security Affairs, Robert Joseph, met several times over the past year with his Russian counterpart, Deputy Foreign Minister Sergey Kislyak to explore a post-START arrangement. At their meeting on January 29 in Moscow, they agreed to hold experts talks to continue the exchanges on this subject.

The first of these meetings was held in Berlin on March 28. The United States effort is led by Assistant Secretary of State for Verification, Compliance and Implementation, Paula DeSutter. The Russian effort is led by Ministry of Foreign Affairs Director of Security and Disarmament Affairs, Anatoliy Antonov.

The United States and Russia are now engaged in discussions aimed at developing transparency and other measures to provide continuity and predictability regarding strategic nuclear forces in a post-START arrangement, including exchanges of information, notifications, visits, and other mutually agreed measures.

With respect to the Reliable Replacement Warhead (RRW), RRW will enable us to fulfill the President's goal of achieving a credible deterrent with the lowest possible number of nuclear warheads consistent with our national security needs, including our obligations to our allies. RRW is not a new military capability, but is a means to incorporate new technology for safety, security, and to ensure long-term reliability of the U.S. nuclear stockpile. RRW is fully consistent with our obligations under the Nuclear Nonproliferation treaty—including Article VI—and would eventually enable further reductions in the stockpile. RRW will reduce the likelihood of the need to return to underground nuclear testing. It will also strengthen extended deterrence and our commitment to allies and friends.

Question. In its fiscal year 2008 budget request, the administration breaks the parity between Armenia and Azerbaijan, in favor of Azerbaijan, in both Foreign Military Financing (FMF) and International Military Education and Training (IMET). What is the rationale for the divergence from military parity between Armenia and Azerbaijan?

Would a break in military parity in Azerbaijan's favor undermine the Nagorno-Karabakh peace process and negate the role of the United States as an impartial broker of peace?

Answer. In light of the ongoing conflict over Nagorno-Karabakh, U.S. military assistance to both Azerbaijan and Armenia is carefully considered to ensure that it does not undermine or hamper ongoing efforts to negotiate a peaceful settlement between Armenia and Azerbaijan or be used for offensive purposes against Armenia. In fiscal year 2008, the administration looks forward to a robust program of military cooperation with both Azerbaijan and Armenia, based on activities tailored to U.S. interests and local capabilities in each country.

Specific increases for Azerbaijan are linked to U.S. priorities in the war on terror, building Azerbaijan's peacekeeping capabilities, and enhancing Caspian maritime security. The administration believes that building the maritime capabilities of Caspian Sea countries including Azerbaijan is important to prevent the transit of dangerous materials, to deter and prevent terrorist activity, and to support the growing contribution of the Caspian basin to world energy supplies.

We do not believe that the differences in security assistance in the fiscal year 2008 budget requests undermine prospects for peace or compromise our ability to serve in good faith as an impartial mediator for the Nagorno-Karabakh conflict. As a mediator, we consistently deliver the message to both sides that only a peaceful solution for the conflict is acceptable. We hope that the presidents of Armenia and Azerbaijan will endorse as soon as possible the set of Basic Principles for the peaceful settlement of the conflict that they have been negotiating for the past several months. It is longstanding U.S. policy that we support the territorial integrity of Azerbaijan and—through our role as one of the three OSCE Minsk Group Co-Chair countries, along with Russia and France—seek to help Armenia and Azerbaijan reach a peaceful negotiated settlement of the Nagorno-Karabakh conflict. A peaceful resolution of the conflict will increase regional security and allow for the opening of trade and communications links that will be important for the future prosperity of the South Caucasus region.

Question. On what grounds has the administration sought a substantial reduction in economic assistance to Armenia?

Does the Millennium Challenge Account continue to supplement and not replace traditional economic assistance to Armenia?

Answer. The administration considers the totality of U.S. assistance resources available when formulating its bilateral budget requests. The fiscal year 2008 budget request for Armenia decreased by 48 percent (over \$35 million) from fiscal year 2006. This decline reflects in part reduced need as a result of Armenia's successful indicators and performance, particularly in promoting economic growth and addressing rural poverty, but also Armenia's 5-year, \$236 million Millennium Challenge Corporation (MCC) Compact. If estimated MCC disbursements (over \$60 million) for fiscal year 2008 are taken into account, the actual fiscal year 2008 funding level for Armenia increases by 34 percent to more than \$98 million.

Armenia's MCC Compact is focused on irrigation systems and rural road rehabilitation. While the country's recent economic growth and standard of living surpass most developing countries, the sustainability of this performance may be weakened by the government's inconsistent approach to implementing democratic reforms. In line with the MCC Compact signed in March 2006 and Armenia's good indicators and performance, we have shifted some investments from Economic Growth and In-

vesting in People and increased our focus on Ruling Justly to promote the sustainability of reform.

Existing development funding in the economic sector is therefore targeted to providing support for small- and medium-sized enterprise development, financial sector development, and regulatory reform to complement the MCC program and maximize its impact.

Question. One of the most useful tools in Afghanistan and Iraq has been the “Commanders Emergency Response Program”, or CERP funds, which gives military commanders unrestricted, undedicated funds to immediately address relief and reconstruction issues. I have heard during my visits that it would be very useful if the State Department has an equivalent program—that there is too much bureaucracy in State Department funding and the State Department has to go the DOD for needed funds. Is it true State personnel ask for CERP funds? Should the State Department institute a CERP-like program—particularly since State Department and USAID workers will be in Iraq and Afghanistan long after the military leaves?

Answer. The Department of State and USAID coordinate with DOD at the Provincial Reconstruction Team (PRT) level on the use of Commanders Emergency Response Program (CERP) funds. Department of State and USAID foreign assistance currently incorporates a number of programs to expediently respond to local needs in places like Iraq and Afghanistan. In Iraq, these programs, coordinated through the Provincial Reconstruction Teams, include Provincial Reconstruction Development Councils (PRDC), the Community Action Program (CAP) and the Community Stabilization Program (CSP). In close coordination with Iraqi officials, the Provincial Reconstruction Development Councils (PRDCs) in all eighteen governorates in Iraq identify critical projects that fulfill immediate community needs and implement those programs. Coordinated project selection by the PRTs and PRDCs fosters consensus-building among Iraqi officials, while helping to enhance the position of moderate officials and to isolate extremists. This program has already started to show impressive results and is accelerating with an additional \$600 million appropriated in the fiscal year 2007 supplemental.

The PRDC program is complemented by two USAID programs, also coordinated through the PRTs, which reach out to neighborhoods and transform communities. USAID’s CAP program establishes neighborhood councils to conduct small scale infrastructure projects and community revitalization. The CSP targets conflict-prone neighborhoods and works to revitalize the economy through job creation and infrastructure projects. CSP recently reached its target of establishing 40,000 jobs in Baghdad.

While USAID and State do not have a precisely CERP-equivalent mechanism by which we can obligate funds without procurement and other restrictions, each of these is a flexible, quick response program that enables the U.S. Government to respond to relief and reconstruction needs in Iraq.

We are eager, however, to continue to work with Congress to determine the most effective mechanisms to respond fully to relief and reconstruction needs worldwide. At present, we work to use existing authorities and funds to be as flexible and responsive as possible in states characterized by political, economic, and security instability.

For example, we appreciate Congress’ support for funding accounts like International Disaster and Famine Assistance (IDFA), Peacekeeping Operations (PKO), and Transition Initiatives (TI) that address urgent humanitarian and post-conflict needs. The President also requested funding in fiscal year 2008 within the PKO account to bolster flexible reconstruction and stabilization capability in places such as Lebanon and Sudan. In addition, as you are aware, the Department of State has created the Office of the Coordinator for Reconstruction and Stabilization, with the intent to foster rapid response capabilities and programming. We appreciate the Senate’s support in its passage of \$50 million in the fiscal year 2007 supplemental (contingent on specific authorization in a subsequent act of Congress) to support and maintain a Civilian Reserve Corps, whose expertise and rapid deployment will allow us to further ensure effective use of post-conflict assistance.

Finally, the fiscal year 2008 budget request is built to support and implement stabilization strategies in such countries as Iraq, Afghanistan, Sudan, Liberia, and the Democratic Republic of the Congo. The request carefully considered the appropriate amount, account authorities, and purpose for the funds requested, such that stabilization strategies could be supported with the appropriate tools. Earmarks and account shifts limit our ability to effectively employ funds within current authorities to achieve success in difficult and rapidly transitioning environments. We appreciate Congress’s consideration of these factors as you evaluate the fiscal year 2008 request.

Question. Report on the Need to Improve Interagency Support to National Security Efforts.

Madam Secretary, section 1035 of the Fiscal Year 2007 National Defense Authorization bill directed the President to submit a report on improving interagency civil-military support for U.S. national security missions, including peace and stability operations. The report was due on April 1, but the Armed Services Committee has not received it. When will it be submitted? Tell us, please, why it has been delayed.

Answer. The National Security Council tasked the Department of Defense with drafting the report called for in section 1035 of the Fiscal Year 2007 National Defense Authorization bill, in coordination with the State Department. Given the complexity and importance of the report's topic, Defense and State have worked closely together in its preparation. We regret the delay in its submission; the report is in the final stages of review and we anticipate that it will be transmitted to Congress shortly.

Question. Madam Secretary, the Fiscal Year 2007 National Defense Authorization bill also directed the President—in section 1211—to appoint a senior coordinator for North Korea policy by December 16, 2006. This is similar to action Congress took in 1998 when it directed President Clinton to review his North Korea policy and appoint a special coordinator. President Clinton appointed Former Secretary of Defense William J. Perry. Secretary Perry launched a comprehensive review, and established new unity among Republicans and Democrats and, the United States managed to keep most of North Korea's nuclear and missile activities frozen. I understand that last December diplomatic efforts—that led to the February 13 agreement—were ongoing. But since then, 3 months have gone by. This action is 5 months overdue, and our negotiations are stalled.

Why have we had a 5-month delay, and when can we expect a coordinator to be appointed?

Answer. As noted in your question, the Six-Party Talks have made progress—marked by the February 13 Initial Actions agreement to implement the September 2005 Joint Statement, the March 13–14 visit of IAEA Director General ElBaradei to North Korea and the March inaugural meetings of the Six-Party working groups. Assistant Secretary Hill and the interagency delegations supporting the Talks and its five constituent working groups continue to engage our Six-Party partners, as well as the IAEA, on the way forward on DPRK denuclearization. Interagency coordination and attention to North Korea issues also continues on a regular basis with the engagement of senior State Department officials.

The 2007 National Defense Authorization Bill directed the President to appoint a senior coordinator for North Korea policy. The interagency is continuing to deliberate on this and will send its recommendation to the President shortly. The State Department will continue to concentrate its efforts on this important issue.

Question. How does the U.S. position on Nagorno-Karabagh in the human rights report differ from the Azerbaijani position?

Could you please explain the decision process behind crafting and introducing this new language?

The State Department did post revised language on its website but then restored the original language a few days later. Can you please walk me through that process—who was involved in the initial revision, then the subsequent return to the original text, and the justifications they used to guide their actions?

The press widely reported that the Azerbaijani government lodged protests with the administration on this issue—and even went to the extent of postponing a planned bilateral security meeting until the text of our human rights report was changed to its satisfaction. Is it the case that the Azerbaijani government has been in touch with the administration on this matter? If so, did the Azerbaijani government indicate that it would like to see the language changed in any way?

In light of this recent controversy, I think it would be constructive for the Department of State to clearly articulate the role that the self-determination of the people of Nagorno Karabagh should play in the settlement of this conflict. Do you agree?

Does the report's language describing Armenia as an occupier of Azerbaijani territory and Nagorno Karabagh reflect U.S. policy?

Answer. Some mistakenly interpreted the language in the human rights report as a change in U.S. policy concerning the Nagorno-Karabakh conflict. There has been no change in U.S. policy. The United States remains deeply committed to finding a peaceful settlement of the Nagorno-Karabakh conflict as an honest broker in the OSCE's Minsk Group process. As a result of the conflict over Nagorno-Karabakh, Armenian forces control most of that region, as well as large portions of surrounding territory. We support the territorial integrity of Azerbaijan and hold that the future status of Nagorno-Karabakh is a matter of negotiations between the parties.

The language on Nagorno-Karabakh was intended only as a brief backdrop to the description of human rights issues as covered in depth by the country report. After the report was published a number of questions arose about the implications of the passage in question. We attempted to clarify the language. In so doing, however, we encountered additional questions over terminology, and realized that we had only added to the confusion by adding new language. We therefore restored the original language to that of the version submitted to Congress, while assuring both the Government of Armenia and the Government of Azerbaijan that our policy had not changed.

QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

Question. A. Secretary Rice, how long is this war going to last, and how, specifically, are you measuring “progress?” What evidence can you give us that this time is different, and we are about to see progress in Iraq?

B. Secretary Rice, can you explain to the Committee why a coordinator for Iraq policy—what has been dubbed a “war czar” by the media—is necessary? I thought, according to the Constitution, the President was the “war czar.” Who has been managing Iraq policy in the administration in the absence of this position? How do you foresee working with the new “war czar,” if one were to be appointed?

Answer. A. We measure progress along three tracks—security, political, and economic—and remain fully committed to helping the Iraqi Government meet “benchmarks” it has articulated. This includes passing key legislation, including a hydrocarbons law, De-Ba’thification reform, constitutional review, and provincial elections. The Iraqi Government understands the importance of meeting these benchmarks and is working towards that goal. We have already seen some progress, but much hard work is yet to be done. For example, Iraqi political leaders are actively negotiating a de-Ba’thification Reform Law and a hydrocarbon package of laws.

B. As the White House has said, an Assistant to the President and Deputy National Security Advisor for Iraq and Afghanistan is necessary because the President’s “New Way Forward” in Iraq requires greater coordination and involvement from across the Government. The individual named to fill this role will handle, full-time, the implementation and execution of our strategies for Iraq and Afghanistan, and will lead the policy development process for these two theaters. He or she will report directly to the President and, as an Assistant to the President, will work closely with National Security Advisor Steven Hadley, who provides overall leadership of the National Security Council staff. He or she will also be empowered by the President to request and receive information and assistance from the Federal Departments and Agencies, including the Department of State, needed to carry out the President’s strategies. For our part, the Department of State will work closely with the new Deputy National Security Advisor for Iraq and Afghanistan to make sure he or she has the tools and information needed to carry out the duties of the position.

Question. Secretary Rice, on April 30, 2003, the State Department reported that the number of international terrorist attacks worldwide decreased 44 percent and anti-U.S. terrorist attacks decreased 65 percent from the previous year. A year and a half after September 11, we were apparently doing some things right. Unfortunately, 4 years later, the picture is not so bright: the latest “Country Report on Terrorism” issued by the State Department on April 30, 2007, concluded that terrorist attacks in Iraq had increased 91 percent from 2005 to 2006 and that 65 percent of global fatalities from terrorism occurred in Iraq during 2005–2006. In the words of the April 2006 National Intelligence Estimate, Iraq has become “the ‘cause celebre’ for jihadists.” Looking back, and based on those figures, would you argue that the Iraq war has been a positive development for U.S. national security interests?

Answer. The war in Iraq resulted in the removal of a brutal dictator who terrorized his people, threatened the region and the international community, sanctioned the massacre of more than 300,000 Iraqis, and launched the invasion and occupation of Kuwait. The international community tried to counter the threat posed by Saddam Hussein by imposing sanctions on his regime. However, the sanctions did not have their intended affect, and Hussein continued his course unabated, which prompted the administration to pursue other avenues of action. On balance, U.S. national security interests have been strongly enhanced by the removal Saddam Hussein.

We would advise against placing too much emphasis on any single set of incident data to gauge success or failure against the forces of terrorism. Tallying incident data necessarily involves relying exclusively on frequently incomplete and ambiguous information that is not derived from Federal Government collection programs

created or operated specifically to obtain the data. Simply counting terrorist incidents provides an incomplete measure of our counter terrorism efforts; this does not account for the large number of terrorists arrested, plots disrupted, and potential recruits and sympathizers who are persuaded to reject the violent ideology and misinformation spread by terrorists.

Clearly, Iraq has a significant terrorism challenge. A paramount strategic objective in Iraq and the region is preventing al-Qaida, its affiliates or other terrorists from establishing safe haven in al-Anbar or anywhere else in Iraq. Groups like al-Qaida in Iraq (AQI) and Ansar al-Sunna are attempting to drive the United States out of Iraq in order to establish a safe haven from which to train and plan attacks. Together with the Iraqi Government and our Coalition partners, we are destroying terrorist networks and helping the Iraqis secure their territory so al-Qaida cannot do in Iraq what they did in Afghanistan before the fall of the Taliban.

Although Iraq is a proven ally in the War on Terror, Iraq's developing security and armed forces will require further training and resources before they can effectively address the terrorist groups already operating within their borders without international assistance. Iraq's intelligence services continue to improve in both competency and confidence but will require additional support before they can adequately identify and respond to internal and external terrorist threats. The international community's support is critical to ensure that the Government of Iraq's plans to reduce violence, improve services, and increase economic opportunities are successful.

Prospects for increasing stability in Iraq will depend on: the extent to which the Iraqi government and political leaders can establish effective national institutions that transcend sectarian or ethnic interests and, within this context, the ability of the Iraqi Security Forces to pursue extremist elements of all kinds; the extent of international assistance to the Government of Iraq to do so; the extent to which extremists, most notably AQI, can be defeated in their attempt to foment inter-sectarian struggle between Shia and Sunnis; and the extent to which Iraq's neighbors, especially Iran and Syria, can be persuaded to stop the flow of militants and munitions across their borders.

Question. Secretary Rice, we have received reports from former Ambassadors and Foreign Service Officers serving overseas that U.S. policy toward detainees—particularly in Guantanamo Bay—is impacting our diplomatic credibility and placing our personnel at risk. There is now a widespread belief in the rest of the world that the United States routinely tortures prisoners and denies them due process when it suits us. The global perception that this is our policy makes it more likely that our own citizens could face the same treatment if they are detained overseas. Would you agree that it is in our national security interests to reverse this perception? What steps would you take in order to do so?

Answer. The administration is acutely aware of concerns that have been raised both at home and abroad about detentions of individuals at Guantanamo Bay. Our challenge has been to explain to the world that the United States and other nations around the world share a common problem in dealing with dangerous terrorists intent on harming our civilian populations, while at the same time being mindful of the need to operate lawfully and in a manner that preserves our commitment to principles of human rights and international humanitarian law.

Unfortunately, the detention facility at Guantanamo Bay has become a lightning rod for international criticisms stemming from the misperception that detainees there are in a “legal black hole.” In fact, detainees at Guantanamo enjoy a robust set of procedural and treatment protections. All detainees at Guantanamo have received or will receive a Combatant Status Review Tribunal to confirm that they are properly detained as enemy combatants. Under the Detainee Treatment Act of 2005, detainees have the opportunity to challenge these status determinations in the U.S. Court of Appeals for the D.C. Circuit.

In addition, the administration remains committed to trying by military commission those who have violated the laws of war or committed other serious offenses under the Military Commissions Act of 2006 (MCA). After the Supreme Court in *Hamdan v. Rumsfeld* set aside the original system of military commissions, we worked with the Congress to create a new set of military commission procedures in the MCA that are fully consistent with U.S. law and Common Article 3 of the Geneva Conventions.

The Detainee Treatment Act, the Department of Defense Detainee Directive, and the revised Army Field Manual on interrogation collectively provide detainees at Guantanamo a robust set of treatment protections that are fully consistent with, and in some respects exceed, our international obligations, including Common Article 3 of the Geneva Conventions. The success of these legal protections in creating an environment at Guantanamo that meets international standards is reflected in

the reports of visitors to Guantanamo, such as the Special Representative of the OSCE Parliamentary Assembly President for Guantanamo, Belgian Senator Anne Marie Lizin and the U.K. House of Commons Foreign Affairs Committee. These groups have found that conditions there mirror, and in some respects improve upon, those of high security prisons in Europe and the United States, with no evidence of ongoing detainee abuse. Where allegations are made of detainee abuse, those allegations are investigated fully, and if true, those responsible are held accountable.

Given the national security imperative to dispel these misimpressions, the Department has made dialogue with our allies on these difficult issues a priority. The Department has undertaken extensive bilateral and multilateral efforts to discuss with our international partners a common approach to legal issues arising out of asymmetric armed conflicts, such as the one we are now in with al-Qaida. In addition, we have made explanation of our detainee policy a cornerstone of our public diplomacy efforts through the use of media events, editorials, and outreach to academia and international opinion makers. The result of these efforts has been a growing international recognition that the threat posed by al Qaida does not neatly fit within existing legal frameworks, and that the need exists to work on common approaches to difficult international legal questions posed by this conflict.

In the long run, the President has stated that he would like to move towards the day when we can eventually close the detention facility at Guantanamo Bay. We have worked hard with the Department of Defense to reduce the population of Guantanamo by more than half. Although our critics abroad and at home have called for Guantanamo to be shut immediately, they have not offered any credible alternatives for dealing with the dangerous individuals that are detained there. We are frequently unable to transfer or release approved detainees because of the human rights or security conditions in the detainees' home countries. And with few exceptions we have been unable to resettle these detainees in third countries because other nations are unwilling to accept them for resettlement. Moving forward, it is critical that the international community recognize, as the UK Foreign Affairs Committee recently did, that many of the detainees at Guantanamo pose a threat not just to the United States but to its allies, and that the longer-term solution to Guantanamo, including resettlement of detainees who cannot be repatriated, is a responsibility shared between the United States and those allies.

Question. Secretary Rice, I'm sure that you were as disgusted as I was to see in the latest SIGIR report that out of eight rebuilding projects in Iraq recently investigated, which cost approximately \$150 million and were declared successes, seven are now in disrepair or have been abandoned. Seven out of eight projects that the U.S. taxpayer has built in Iraq are now falling apart. What are you doing to ensure this waste does not continue? Are you investigating other reconstruction projects that have been completed, to verify that they are still operational? Have any lessons been learned from the failure of these efforts?

Answer. We share your concerns about operations and maintenance of our completed reconstruction projects in Iraq. Adequate operations and maintenance are essential to ensure that U.S. funded reconstruction projects are used to the maximum benefit of the Iraqi people. The Special Inspector General for Iraq Reconstruction (SIGIR), Stuart Bowen, has repeatedly acknowledged the progress that has been made in improving our management efforts and has stated that the majority of U.S. reconstruction programs have been completed on time and as planned.

Initially, we anticipated that the Government of Iraq would assume responsibility for operations and maintenance of completed reconstruction projects. As SIGIR points out, however, there is a clear need for assistance in increasing the Iraqis' capacity to operate and maintain completed reconstruction projects. To address this need, we shifted the emphasis of our assistance programs away from large scale reconstruction projects toward capacity development programs. We programmed \$285 million within the fiscal year 2006 Supplemental Appropriations to contribute to the operations and maintenance of completed reconstruction projects and another \$60 million for capacity development for Iraqi technicians and plant managers.

We continue to work closely with SIGIR, the GAO, and our Inspector General to improve management and oversight of U.S. reconstruction projects in Iraq. We have benefited from SIGIR's recommendations on how we can better manage our reconstruction projects in Iraq.

We are working closely with the Iraqi government to ensure that Iraq's own resources are used to provide essential services such as oil, water, and electricity for the Iraqi people. Despite repeated attacks, the Iraqis have been able to maintain key infrastructure facilities in extremely difficult circumstances. Our continued assistance will help Iraq improve the security, operation, and maintenance of these critical facilities.

QUESTIONS SUBMITTED BY SENATOR SAM BROWNBACK

Question. The State Department request for FMF to Ethiopia is only \$850,000. In your estimation, does the Ethiopian Government have the resources it needs to continue fighting the war against the Islamic Courts and their allies in Somalia?

Does the administration plan on increasing FMF for Ethiopia in the near future? If so, for what specifically will the money be used?

Answer. Fiscal year 2008 funding request levels were determined in early 2006 before the Council of Islamic Courts in Somalia had begun to pose a threat to the Horn of Africa region. Ethiopia's ongoing intervention in Somalia to promote the Transitional Federal Government and to support the establishment of security and national reconciliation have significantly depleted its hard currency reserves and taxed its budget. The Ethiopian Government does not have sufficient resources to continue at its current pace indefinitely.

In light of recent developments in the Horn of Africa region and Ethiopia's needs, the administration is reassessing assistance to Ethiopia.

Questions. Recent news reports have indicated that the Iranian regime has targeted and harassed NGO's and human rights groups inside Iran in response to the announcement of the U.S. allocating \$75 million for democracy programs in Iran. Are such reports credible, and if so, what kinds of steps are being taken to avoid doing harm to the very groups we are trying to empower?

Where does the administration place the issue of the Iranian regime's human rights violations in the context of the regime's ongoing nuclear proliferation and state sponsorship of terrorism?

Is there any downside to establishing a special envoy to coordinate human rights and democracy promotion for Iran along the lines of Sudan and North Korea?

Answer. The Department of State's monitoring of Iranian regime's reaction to dissidents and activists indicates that the number of arrests has remained consistently high, with no noticeable increase following our announcement of the \$75 million for democracy programs in Iran. We are sensitive to the fact that democracy and human rights advocates face risks in Iran. Recent criticism of the USG's Iran democracy programming activities has missed the mark; it is the actions of the Iranian regime that put its own people in danger, not USG support for freedom and personal liberty. We must be clear: the Iranian government, like other authoritarian and totalitarian regimes, views democracy and human rights activists as a threat. The Islamic Republic has little tolerance for those encouraging reform, irrespective of the origins of their funding. But that has never been a justification for us to stop supporting democratic actors around the world. Our programming remains important to encourage the development of personal liberty and freedom in Iran and we have safeguards to ensure the confidentiality of those with whom we work. We would be happy to discuss these safeguards with you.

While the nuclear debate overshadows other categories of our Iran policy, we maintain a strong message on human rights, including not only the condemnation of random arrests and tyrannical actions, but also support for the universal rights of speech, assembly, press and religion—as a crucial element of the President's policy of support to the Iranian people.

Undersecretary for Political Affairs Nick Burns coordinates the Department's Iran efforts, including human rights issues. We do not see the need for a separate human rights envoy. Human rights need to be advanced in the overall policies, which we are following. Since ultimately the Iranian people must determine their future, public outreach, support to Iranian civil society and people-to-people exchanges provide the United States the best opportunity for encouraging democratic reform in Iran.

Question. What is the timeline for taking more coercive, bilateral and multilateral, action against the Sudanese Government if they don't accept U.N. peacekeeping troops and take real steps toward ending the genocide?

Answer. The United States continues to engage with partners to press Sudan to fully cooperate in the peaceful resolution of the crisis in Darfur. We have repeatedly made clear to the Sudanese Government that all options remain on the table should Khartoum continue to defy the will of the international community.

President Bush announced on April 18 the USG's intention to impose increased bilateral sanctions on Sudan and pursue additional multilateral sanctions through the United Nations if President Bashir does not take significant political, humanitarian and peacekeeping actions to improve the situation in Darfur. The USG agreed to allow United Nations Secretary-General Ban Ki-Moon more time to urge President Bashir to honor his commitments, but our patience is not open-ended. We continue to work towards concerted international pressure on Khartoum. This includes possible multilateral and bilateral sanctions.

Question. What action are you, and the State Department as a whole, doing to engage China to play a more productive role in getting a robust peacekeeping force into Sudan and ending the genocide?

Answer. One of the central objectives of our diplomatic engagement with China has been to persuade Beijing to assume responsibilities commensurate with its rising influence and stature. Nowhere is this more the case than on Darfur. China's leverage with Khartoum is not absolute, but there is much that China can do to persuade the Government of Sudan to accept the full deployment of the U.N./AU hybrid peacekeeping force under U.N. command structures, and to convince Khartoum to engage seriously in a peace process that involves all parties to the conflict. Special Envoy Natsios, Deputy Secretary Negroponte, and Assistant Secretary Frazier have all had serious, in-depth discussions on Sudan with the Chinese, as have I.

Let me be clear. China is not where we would like it to be on Darfur. The no-interest loan to build a palace in Khartoum that President Hu announced on his February visit to Khartoum is one example. We have also communicated our serious concerns to China that weapons sold to the government of Sudan have contributed to the violence in Darfur. At the same time, we do see movement in China's position and believe that Beijing has made a decision that it must join with the international community in insisting that the atrocities in Darfur must stop.

For example, China's lead diplomat at the United Nations, Wang Guangya, helped broker the November agreement in Addis Ababa in which the Government of Sudan accepted, in principle, the three-phase deployment of the U.N./AU force. China's diplomacy was likely influential in convincing President Bashir to accept the 3,000-person "heavy support package" (HSP) under phase two of the deployment. Perhaps most significantly, Beijing recently agreed to send a 275-person engineering unit as part of the HSP. These are important steps, taken with our active diplomatic encouragement and support.

President Bashir has reneged on a number of his commitments and continues to obstruct the full deployment of the U.N./AU force under phase three. While China's support for the preliminary deployments is welcome, the critical element, as you suggest, is the full deployment of the U.N./AU force under robust U.N. command structures. China has said publicly (and to us in private) that it supports this. We are committed to working with China and our other international partners to apply pressure on President Bashir to accept the full U.N./AU force unequivocally.

Question. Are Baghdad's mixed neighborhoods still mixed, or are they continuing to become mostly Sunni and mostly Shi'a enclaves? What about other previously mixed areas of Iraq?

Answer. Some mixed neighborhoods still remain in Baghdad, and, although demographic shifts in Baghdad's neighborhoods and throughout Iraq continue to occur as a result of sectarian violence, such shifts have been slowed (and in some areas halted) by Operation Fardh al-Qanoon (Baghdad Security Plan). Older neighborhoods in Baghdad, which have been historically mixed for generations, are feeling pressures from rival terrorist, insurgent, and militia groups who are trying to win territory in these old neighborhoods, but we are working with the Iraqis to try to overcome these sectarian problems.

Question. What is the strategy to diffuse tensions between the Iraqi Kurds and Turkey? Are you getting sufficient cooperation from the Iraqi Kurds on fighting the PKK terrorists based in the Kurdish region?

Answer. We are engaged in intense diplomatic efforts to prevent an escalation in tension between Turkey and Iraq. Our efforts are led by General Joseph Ralston, the Secretary of State's Special Envoy for Countering the PKK. The General continues to work closely with his Turkish and Iraqi counterparts, as well as officials of the Kurdistan Regional Government, on this issue. His conversations have focused on building confidence between Turkey and Iraq and obtaining cooperation to fight against the terrorist Kurdistan Workers Party (PKK), which is using Northern Iraq as a base of operations for attacks against Turkey. Iraq and Turkey share a long border and have many common problems—including ending PKK terror attacks in Turkey—and interests; we are hopeful that leading figures in both countries will focus on solving problems and advancing mutual interests rather than exploiting differences.

Question. After receiving reports that USAID was supporting programs in occupied Cyprus without consultation with the Government of the Republic of Cyprus, the Senate Appropriations Committee included in its fiscal year 2006 Report the following: "The Committee is concerned that funds made available for bi-communal projects on Cyprus have been obligated without appropriate notification and participation of the Government of Cyprus. The Committee believes that if such funds are to improve the prospect for peaceful reunification of the island, they must be allo-

cated transparently and in full consultation with the [Government of Cyprus] and other interested parties.”

How does USAID engage and consult with the Government of the Republic of Cyprus as Congress directed in the 2006 appropriation? What has USAID done to address the concerns expressed by Congress?

Since 1993, Congress has imposed a statutory restriction on the use of ESF monies: “to be used only for scholarships, administrative support of the scholarship program, bi-communal projects, and measures aimed at reunification of the island and designed to reduce tensions and promote peace and cooperation between the two communities on Cyprus.” Has USAID or the State Department used funds outside of ESF for programs on Cyprus, thus avoiding Congress’s statutory restriction?

Answer. The United States is committed to consultation and transparency with “the Government of Cyprus and other interested parties” on the U.S. foreign assistance program for Cyprus, consistent with the fiscal year 2006 Senate Appropriations Committee report. Embassy Nicosia has made it a priority to increase the frequency and breadth of consultations since 2005. The Ambassador, Public Affairs Officer and USAID Representative in Nicosia have had numerous meetings with Cypriot Government officials to discuss U.S. foreign assistance in Cyprus. USAID has also regularly provided the Government of Cyprus with written information on existing and planned activities, and we have taken into account in our programs both U.S. policy and concerns expressed by Cypriot officials. For example, we have been careful to avoid any implication of recognition of Turkish Cypriot authorities, and we have chosen locations for our programs, including for contractor offices, to ensure that they do not raise any questions of property claims.

We support and consistently offer the Government of Cyprus consultations on our assistance programs, although the government has not always accepted our offers. Obtaining government approval for each project, however, would effectively cede decision-making authority to the Government of Cyprus and in so doing would nullify the basic premise of over 30 years of bi-communal programming. This would jeopardize the Turkish Cypriots’ pro-solution leadership and discourage Turkish Cypriots from participating in our programs. Although we welcome consultations with the Government of Cyprus, the U.S. Government maintains full authority over and accountability for U.S. assistance programs in Cyprus to ensure that they remain consistent with U.S. law and U.S. Government policy in support of the reunification of Cyprus as a bi-zonal, bi-communal federation.

USAID conducts its activities in Cyprus in a manner consistent with Congressional concerns and statutes. USAID programs in Cyprus are conducted exclusively through use of Economic Support Funds (ESF) and for the purposes outlined in the Congressional statutory restriction. The U.S. Embassy uses ESF as well as funds from the Department of State’s International Information Program Office, the Education and Cultural Affairs Office, and the European and Eurasian Affairs Press and Public Diplomacy Office, for cultural and bi-communal programs in Cyprus, including Fulbright Scholarships. In addition, the Embassy uses Export and Border Security funds to help establish fully effective export controls and nonproliferation investigations and prosecutions in Cyprus. We use all of these funds transparently, and offer to the Government of Cyprus consultations on the use of these funds. Use of ESF funds in Cyprus complies fully with the 1993 restriction; non-ESF funds are expended in a manner fully consistent with the objectives of that restriction.

Question. There have been several instances recently of Eastern European governments allowing excavation of and construction on historic Jewish cemeteries. This has taken place in Grodno, Belarus; Vilna, Lithuania (Snipiskes Jewish cemetery); Pilsen, Czech Republic; and Thessalonika, Greece.

It has come to my attention that in some countries—particularly Lithuania—the U.S. embassy staff has assisted in the protection of Jewish cemeteries, while in other countries the U.S. mission has not gotten involved. Does the administration have a comprehensive plan to address the desecration of Jewish cemeteries abroad? What is being done to ensure that this issue is consistently on the agenda of U.S. Missions in Europe?

Is the U.S. Mission to the European Union involved in this issue, and if so, how?

Answer. The Department and our Embassies have been very much involved in the effort to protect historic Jewish cemeteries in Europe. Belarus, the Czech Republic, Greece, Ukraine and Lithuania have been particular areas of focus. Our Embassies have approached national, provincial and municipal governments, and have worked with the indigenous Jewish communities and with organizations that have cemetery protection as one of their goals.

In addition, the Commission for the Protection of America’s Heritage Abroad has also been helpful with threatened cemeteries. The Department and U.S. embassies have worked closely with the Commission to protect and preserve cemeteries by as-

sisting in the negotiation of bilateral agreements and through joint efforts to prevent intrusions into burial places.

The circumstances in each of these cases have differed, but our approach and commitment have been the same: the United States takes these issues seriously and works with interested parties to achieve a solution.

The issue is essentially local in nature. Municipal planning, zoning, cultural, and building authorities frequently have primary jurisdiction. Our role has been to bring municipal and national authorities together with religious organizations and NGOs to seek a settlement that respects the interests of all concerned. In several cases, our Ambassadors have been directly involved in these efforts.

Several years ago our Embassy in Prague brokered an agreement involving the construction of a building on a cemetery site in that city. More recently Embassies Prague and Minsk have been involved with similar situations in Pilzen and Grodno, respectively. Our Embassy in Vilnius has been particularly active in an effort to protect the Snipiskes cemetery. The cemetery issue in Greece goes back many years, although there have been no recent developments. There has been no occasion for the U.S. Mission to the European Union to be involved.

As demonstrated above, the Department takes the issue of cemetery desecration extremely seriously. The Department's annual International Religious Freedom Report covers cemetery desecration in considerable detail.

Question. On February 24, 2005 I joined all 99 of my Senate colleagues in signing an appeal to President Putin to return the sacred Schneerson Collection to its rightful owners, Agudas Chasidei Chabad of the United States. During the Helsinki Committee's hearings on the plight of these Jewish texts on April 6, 2005, I had the opportunity to meet with elderly survivors of Soviet and Nazi persecution who struggled and sacrificed to protect these holy writings and the ideals they represent.

As you may recall, the case of the Schneerson Collection was raised with you at your Senate confirmation hearings, and I certainly appreciate the efforts that you and President Bush have made to encourage Russia to finally restore Chabad's spiritual legacy. Could you please provide an update on the administration's recent efforts to free the Schneerson Collection?

Do you plan to raise the issue of the Schneerson Collection with appropriate Russian officials during your visit? Will the administration continue to press Moscow on this important issue?

Answer. Shortly after the April 2005 hearing, the administration made a high level effort to convince the Russian Federation to transfer the Schneerson collection to Brooklyn. The result was a carefully worded but firmly negative response.

During his visit to Russia last month, Special Envoy to Monitor and Combat Anti-Semitism Gregg Rickman requested that the Russian Government transfer the collection. The Russian authorities declined this request as well.

I, and other State Department officials, will continue to raise this subject with Russian officials as opportunities arise.

Question. It has come to my attention that Al-Hurra, the Congressionally-funded commercial-free Arabic language satellite television network for the Middle East, has broadcasted a number of problematic and inappropriate programs since its new director, Mr. Larry Register, assumed leadership of the station last November. Specifically, on December, 7, 2006, Al-Hurra broadcasted live a full speech given by Sheikh Hassan Nasrallah, the leader of the terrorist group Hezbollah. Also aired that month was coverage of the now infamous Holocaust denial conference in Iran, with follow-up remarks by the tiny, fiercely anti-Zionist Jewish group Neturei Karta, which sent representatives to the conference.

During a State Department press conference on May 9, 2007, spokesman Sean McCormack said that Secretary Rice and the administration believe that Mr. Register is, "actually doing a pretty good job, a very good job."

Does the administration still stand by this assessment of Mr. Register's leadership of Al-Hurra? What specific steps are being taken to prevent Al-Hurra in the future from serving as a platform for terrorists and Holocaust-deniers?

Answer. The Broadcasting Board of Governors and the management at Alhurra have repeatedly and clearly acknowledged that the incidents you have noted were mistakes and not in line with the Middle East Broadcasting Network's (MBN) own editorial policies.

To deal with this problem, MBN has re-issued its editorial policy, strengthened editorial controls, and provided more and better training to its journalists.

At the same time, MBN has substantially increased its coverage of events related to U.S. foreign policy, American society and values, and the network is broadcasting a number of innovative programs to serve as a platform for dialogue between and among Americans and Arab publics, a niche that is nowhere else to be found on Arab television. Alhurra has also taken on the task of promoting democracy with

its audiences; it did an outstanding job of covering recent elections in Mauritania and Egypt, and it recently added a second congressional correspondent to cover the policy debates occurring in our own national legislature. Increasingly we hear from contacts in the Arab world and elsewhere that this kind of coverage resonates with Alhurra's audiences and as a result it is gaining traction and broadening its reach.

QUESTION SUBMITTED BY SENATOR LAMAR ALEXANDER

Question. The Senate Committee report language from fiscal year 2006 State and Foreign Operations Appropriations bill stated, "The Committee directs USAID to provide \$10 million to support the programs and activities of the Financial Services Volunteer Corps (FSVC), a moderate increase over prior year funding levels." Yet, FSVC only received \$4.3 million in fiscal year 2006, down from \$7.2 million in fiscal year 2005 and \$8.1 million in fiscal year 2004. The mission of the FSVC is consistent with U.S. foreign policy objectives to strengthen market economies and promote democracy, and it relies on highly qualified volunteers from the U.S. financial sector to accomplish its objectives.

What is your opinion of the Financial Services Volunteer Corps? If it enhances our foreign policy objectives, is there a reason why its funding has been reduced by almost 50 percent since fiscal year 2004—and is less than half of what was called for in the fiscal year 2006 Committee report? Does USAID intend to increase FSVC funding in the future?

Answer. Current USAID records indicate that new obligations to FSVC were \$9,555,782 from fiscal year 2006 funds, \$2,427,222 from fiscal year 2005 and \$5,208,219 from fiscal year 2004.

FSVC was created specifically to deal with the transition of Eastern European and former Soviet Union countries from communism to market economies and has played an important part in this process. These programs are winding down, most rapidly in the economic area. Russia, for example, is slated to have no programs at all in the economic growth area by 2008.

In addition to the reduced demand for the kinds of sophisticated financial services offered by FSVC, there is an increased supply in the form of additional organizations like the International Executive Service Corps that have expanded to provide such services. This may result in more competition for funding.

CONCLUSION OF HEARINGS

Senator LEAHY. Thank you all very much for being here. That concludes our hearings.

[Whereupon, at 11:59 a.m., Thursday, May 10, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

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