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U.S. FOREIGN ASSISTANCE IN FY 2015: WHAT ARE THE PRIORITIES, HOW EFFECTIVE?

HEARING

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U.S. FOREIGN ASSISTANCE IN FY 2015: WHAT ARE THE PRIORITIES, HOW EFFECTIVE?

WEDNESDAY, APRIL 9, 2014

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The committee met, pursuant to notice, at 10:10 a.m. in room 2172, Rayburn House Office Building, Hon. Ed Royce (chairman of the committee) presiding.

Chairman ROYCE. This hearing of the Committee on Foreign Affairs will come to order. We will ask all members to take their seats at this time.

Today, we welcome Rajiv Shah, Administrator of the U.S. Agency for International Development, who is responsible for managing roughly 60 percent of the total $32 billion foreign operations budget. A common refrain is that foreign aid accounts for less than 1 percent of the Federal budget. As we will hear, aid programs that are effectively executed can help create more stable societies, speed economic growth, and advance U.S. national security interests. Still, the bar for justifying this spending must be high given our unacceptable deficit.

Of course, the principal goal of U.S. foreign assistance must be to get the United States eventually out of the business of foreign assistance because to succeed, developing nations must unlock their own growth potential. To that end, I am pleased that the administration is committed to the goals of the Electrify Africa Act, bipartisan legislation which recently passed this committee. Targeted investments in power generation can help Africans attract foreign investment and produce the goods to grow their economies. We look forward to continuing to work with USAID on this important initiative.

I am encouraged by the administration's commitment and by the Administrator's commitment to a new model of development that focuses on transparency. It focuses on science, and innovation, and engagement with the private sector. Dr. Shah has shown that he is not afraid of upsetting the status quo.

I am also pleased that this budget builds upon recent gains in the international food aid reform effort. Last year, I worked closely with the ranking member, Mr. Eliot Engel of New York, and Representatives Marino and Bass, and USAID, along with a broad coalition of advocacy groups, and ultimately we succeeded in freeing up an additional $100 million from inefficient purchase and shipping regulations so we can strengthen food markets, promote great-

er self-sufficiency, and save more lives, more quickly, and for less money. I have seen firsthand the need for a quick and efficient food aid program, having recently visited Tacloban in the Philippines, which of course was ravaged by the typhoon that struck that island.

Unfortunately, USAID will have no shortage of challenges ahead. Needs in Syria, and the region are growing; humanitarian space there is shrinking. U.S. investments in Afghanistan and Pakistan must contend with debilitating corruption and waste, and the withdrawal of U.S. forces from Afghanistan will only place aid at greater risk. I am disappointed that the administration's request for Egypt failed once again to prioritize true economic reforms, including a focus on the clear title to property and property title transfer, that would enable entrepreneurs to enter the formal economy, as explained to us in our committee hearing that we had on the importance of aid reform there. USAID programs in Haiti appear to be poorly planned and largely unsustainable; this committee passed good oversight legislation aimed at improving conditions and the value of our work on that troubled island. There are concerns about the administration's lack of focus on democracy assistance.

Needless to say, your challenges are great, your challenges are growing every day, your task is compounded by the fact that there are no quick fixes in your line of work. That would be the case even if you did not have to contend with a wave of extremism affecting many countries. With that in mind, we should be looking to maximize every resource at our disposal, and this includes better leveraging the support and investment of the many diaspora communities throughout the U.S. that are active in the same regions that you are.

I look forward to working with you, Administrator Shah, to address these pressing concerns, while advancing our strategic goals, promoting economic growth, and graduating more countries from foreign aid.

I will now turn to Ranking Member Eliot Engel from New York for his opening statement.

Mr. ENGEL. Thank you, Mr. Chairman, and also thank you for holding this important hearing.

Dr. Shah, thank you for your service, and for being here today to review the administration's foreign assistance budget request for Fiscal Year 2015.

I would like to begin by reminding my colleagues that the international affairs budget as a whole, is only about 1 percent of the entire Federal budget, and the foreign assistance funding that we will discuss today is only a fraction of that amount. I have constantly been saying that we should have more money in the budget for foreign aid. The American public thinks that we spend about 15 percent of our budget on foreign aid and in reality it is just under 1 percent.

Having said that though, it is important that every tax dollar is spent wisely and one of the key responsibilities of this committee is to conduct effective oversight of USAID, the State Department, and other foreign affairs agencies. But let's not fool ourselves into believing that we can solve our larger budget issues by slashing

foreign aid. That is certainly not the case. So what do we give to that tiny slice of the budget that we spend on foreign assistance? It is easy. We promote American leadership around the world, we support allies in need, we creates new markets for American goods, and generate jobs here at home. We help impoverished men, women, and children suffering from hunger and disease. We prevent wars before they happen. Through all of these activities we make a critical investment in our own security.

Dr. Shah, I would like to commend you personally for your leadership on so many important issues. You and I have worked very closely together, and I must say that I am very impressed with your intellect, your hard work, your dedication, and your good heart. The administration has made some very tough decisions on funding priorities, and I am impressed by USAID's ability to accomplish so much on such a limited budget.

As we have discussed, I am disappointed by the proposed cuts to the bilateral tuberculosis program and to the humanitarian accounts. The United States has helped the world make tremendous gains in childhood survival, maternal health, and the fight against tuberculosis and I fear that reductions in these areas will make it difficult to sustain the progress we have made.

Likewise, I am concerned that we will need more funding for humanitarian relief in the coming fiscal year, not less, to deal with famine and crisis in South Sudan, the Central African Republic and other countries. On food aid, I am pleased that the budget request builds on the modest gains we made in the foreign bill by seeking additional flexibility that will allow USAID to reach about 2 million more people each year. Dr. Shah, you and I have had extensive discussions about why there needs to be food aid reform. We can get more food aid to people faster and cheaper, and to me, that's the bottom line. Thank you for your leadership on that as well, because we have piggybacked on your proposals, the chairman and I have made great progress in letting people know that this has to be done.

I am concerned that the gains we have made on food security will be imperilled unless we mount an aggressive effort to combat the effects of climate change. This budget would help developing countries reduce their greenhouse gas emissions and help vulnerable populations deal with the impacts of global warming.

Dr. Shah, your signature initiatives emphasize public private partnerships and harnessing innovation. Your latest effort launched just weeks ago is the U.S. Global Development Lab; I have high hopes for this initiative and would like you to describe some of the lab's key products and innovations. I am particularly impressed by the invention of the Pratt pouch, which effectively prevents the transmission of HIV from mother to child. It costs only 9 cents per pouch, can be used anywhere, and will make a big difference in our fight to create an AIDS-free generation.

With regard to Haiti, this committee has expanded oversight of U.S. assistance provided to that country, since the devastating 2010 earthquake. I am pleased that U.S. reconstruction aide to Haiti has accelerated, and I hope that USAID will focus more intensely on ensuring that our assistance to Haiti encourages investment in the country.

On Cuba, I have closely followed the recent press reports about a democracy assistance program and hope you will use this opportunity to discuss the purpose and effectiveness of these programs.

In Africa, USAID is leading the Power Africa Initiative which will increase access to affordable electricity, for hundreds of millions of people in sub-Saharan Africa. This will help fuel greater economic growth and development across the continent. I hope that the Electrify Africa Act, legislation that Chairman Royce and I authored, will bolster your efforts and exchange the life of this promising program.

In Afghanistan and Pakistan, the U.S. has spent billions of dollars on roads, agriculture, rule of law, and capacity building. I hope you will focus on how USAID plans to monitor projects in Afghanistan after the withdrawal of all U.S. combat troops at the end of 2014, and the continuing value of our aid to Pakistan.

On Ukraine, the President recently signed into law a bipartisan legislation to provide additional assistance with a focus on strengthening civil society, combating corruption, promoting energy efficiency and diversification, and preparing the country for democratic elections. USAID will be a lead agency in implementing this assistance and I look forward to hearing your views and how best to manage these programs. I might add that the chairman and I are leading a trip to Ukraine in a very, very short time.

And finally, I regret that the budget request plans for a long road ahead in Syria. More than 3 years after the start of this horrendous conflict, the Assad regime continues to commit atrocities with impunity. The country has become a magnet for extremists, and the humanitarian crisis gets worse with each passing day. I believe we should do more to help bring this conflict to an end and relieve the immense suffering of the Syrian people.

So Dr. Shah, I would like to thank you again for being here and I look forward to your testimony.

Thank you, Mr. Chairman.

Chairman ROYCE. Thank you, Mr. Engel.

This morning, we are joined by Rajiv Shah, the Administrator of USAID. Dr. Shah is the 16th Administrator of USAID and previously, he served as Under Secretary of Research, Education and Economics at USAID, and as chief scientist at the U.S. Department of Agriculture. We welcome him back to the committee.

Without objection, the witness' full prepared statement will be made part of the record. Members will have 5 calendar days to submit any statements, questions, or extraneous material for the record. We will ask Administrator Shah if you would, please, summarize your remarks.

Administrator Shah.

STATEMENT OF THE HONORABLE RAJIV SHAH, ADMINISTRATOR, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Mr. SHAH. Thank you, Chairman Royce, and thank you Ranking Member Engel, and to all of the members of the committee.

I am pleased and honored to be here to present a justification for President Obama's Fiscal Year 2015 request for USAID and for development assistance around the world. As the President has said on numerous occasions, our investments in development, health,

humanitarian affairs, and in supporting civil society and democratic governance are a critical part of our own national security strategy.

I first want to start by just saying thank you to all of the members of the committee and in particular, the chair and the ranking member. Your support over the last years has helped us rebuild our staffing, rebuild our capacity to manage budgets, and rebuild our policy leadership at USAID. You have helped us expand our partner base to include local organizations around the world, private companies, civil society organizations and NGOs.

You have helped us to prioritize science and technology as a core driver of how America can help accelerate the fight to end extreme poverty, and supported the launch last week of the U.S. Global Development Lab designed to bring university scientists, businesses, and young people all together to literally invent new tools and technologies that can accelerate the fight against disease, hunger, and poverty. You have supported our efforts to aggressively transform the way we evaluate our programs, so that today all of our major programs are evaluated by third parties, and those evaluations are conducted at a high level of quality and made public in full form.

We have tried to pursue a new model of development that expands the partnership base and brings innovation and technology to the task of ending extreme poverty. I think we have seen in many instances the success of this effort. The President's Feed the Future Program, which operates in 19 countries, now reaches 7 million small-scale farmers each year, helping to move 12.5 million children out of a condition of chronic hunger and malnutrition. This takes place in partnership with the private sector, which has made nearly $4 billion of private investment commitments alongside U.S. investment, this is generating concrete specific results that are reducing extreme poverty in some of the most impoverished countries in the world.

In child survival, this budget calls for a $2.7 billion commitment to a topic where America has traditionally led. From 1990 to today, we effectively have helped save 5 million children's lives every year through our collective efforts with partners. We have now set for ourselves an ambitious goal of taking down from 6.6 million to near elimination the remaining number of children who die every year unnecessarily, and we know with your ongoing commitment and support we can achieve that objective.

Similar outcomes are being seen in education, in water, and in energy where we really value the leadership presented by the committee with respect to the Electrify Africa bill. In disaster assistance, unfortunately we have had an extraordinarily active year. The response in the Philippines to Typhoon Haiyan has been seen as a global best practice and I just gathered with Secretary Hagel and the ASEAN Defense Ministers to learn from that example.

One of the reasons that was so successful was the ability to use flexibly purchased food locally, to ensure that we could quickly and efficiently meet the needs of children who otherwise would have suffered from hunger, and quickly scale up a program to reach 3 million people in the context of a natural disaster. We look forward to further discussions and support on the President's proposal to

take food aid reform forward with a request for 25 percent flexibility in the program.

We know that we are currently facing three level three emergencies around the world: Syria and its neighbors, the Central African Republic, and South Sudan. Given the pressures that will take place, we appreciate opportunities to work with the committee to continue to optimize our response.

We also support democratic governance, civil society, and human rights throughout the world in our programs. One manifestation of that was our support for the Afghan elections this past weekend, which I believe defied expectations in terms of turnout, and in particular, the turnout of women in the context of that vote. We look forward to discussing our democratic governance programs in greater detail.

And I would like to conclude just by noting that people often tell me that foreign assistance is difficult to justify politically, and I know that each of you spend time with your constituents and in your communities doing that work. I want to thank you for that. I really believe that America stands at a unique time in our history when it comes to our efforts to address global poverty.

Really for the first time, we can credibly suggest that it is possible to end extreme poverty, $1-a-day poverty, within the next two decades and it will require continued support from this committee, from businesses, from scientists, from members of the faith community, from NGOs, from civil society, and from governments around the world to achieve that goal. And we appreciate your support to that end.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Shah follows:]

Testimony of
Dr. Rajiv Shah
Administrator
U.S. Agency for International Development
Before the
House Committee on Foreign Affairs
Fiscal Year 2015 Budget Request
April 9, 2014

Thank you Chairman Royce, Ranking Member Engel, and members of the Committee. I am pleased to join you to discuss the President's fiscal year 2015 budget request for the U.S. Agency for International Development (USAID).

Four years ago, President Obama set forth a new vision of a results-driven USAID that would lead the world in development. We have since risen to this challenge, pioneering a new model of development that brings a greater emphasis on partnerships, innovation, and results. We are guided in these efforts by a new mission statement: we partner to end extreme poverty and promote resilient democratic societies while advancing our security and prosperity.

Although these goals are not new, they reflect a unique moment in development today when exciting opportunities are emerging to change what is possible. In a time of fiscal restraint, we are applying the new model to seize this moment and reach more people, save more lives, and leverage more private investment than ever before—delivering results for the American people and those in greatest need around the world.

The President's fiscal year 2015 budget responds to unprecedented development challenges, including some of the most significant events unfolding on the world stage today.

When Typhoon Haiyan swept across the Philippines, we swung into action, leading and coordinating the U.S. Government civilian and military humanitarian response and distributing life-saving aid, including highly-nutritious food products to feed hungry children and adults. In Ukraine, we remain committed to helping citizens realize the democratic aspirations that many spent months on the Maidan demanding. For nearly 20 years, we have stood shoulder-to-shoulder with the people of Ukraine, putting 1.8 million land titles into the hands of farmers and helping civil society leaders develop recommendations, including on anti-corruption, in an comprehensive reform package for the government. Many of the recommendations are being implemented through new and revised legislation.

In South Sudan, as citizens face a looming humanitarian catastrophe that will leave half the country on the brink of famine, we are racing against the clock to save lives. And as we saw just a few days ago, citizens in Afghanistan voted for a new president to lead them towards a brighter, more stable future. In support of the Afghan-owned

election process, USAID provided extensive guidance on how to prevent electoral fraud, as well as capacity building support for independent domestic observers, civil society, media, and political parties to help ensure a transparent electoral process.

The budget enables us to respond effectively to these events and address the underlying causes of extreme poverty through President Obama's Feed the Future, Global Health, Global Climate Change, and Power Africa initiatives. It advances our national security by building linkages to emerging markets, strengthening democracy and human rights, and promoting broad-based economic growth. It helps vulnerable communities strengthen their resilience to crises and natural disasters. It facilitates strategic engagement in the Middle East and North Africa, as well as across the Asia-Pacific and Latin America. It also focuses our activities in Afghanistan, Pakistan, and Iraq, ensuring that we sustain the gains we have made.

Even though we work far from home, our work continues to realize benefits for our home: for opportunities we open for American businesses, the skills of our young people we help build, and the threats to our security that we help prevent. For less than one percent of the federal budget, we are delivering results that shape a more secure and prosperous future for the American people and the world.

A NEW MODEL FOR DEVELOPMENT

The FY 2015 budget request for USAID managed or partially managed accounts is $20.1 billion, one percent below the total enacted FY 2014 funding for these accounts. In this constrained budget environment, USAID is focused on maximizing the value of every dollar. Over the past five years, we have made difficult choices about where our work will have the greatest impact, shifting resources and personnel to better advance our mission of ending extreme poverty around the world.

Since 2010, regional bureaus have reduced program areas by 34 percent; USAID global health program areas have been phased out of 23 countries; and Feed the Future agriculture programs have been phased out of 26 countries. We are reducing programs in countries that have turned a corner, like Mongolia, and transitioning Missions to Offices. We are shifting resources to countries in critical need and where our work has the widest impact.

Over the past three years, the USAID Forward reform agenda has touched upon every part of our Agency. We've revamped our budget to include more rigorous performance monitoring and impact evaluation, expanded the use of science, technology, and public-private partnerships, and improved talent management. In each area of reform, we set aspirational targets that have established a common language for success, challenged our partners, and encouraged us to step out of our comfort zone.

Taken together, these reforms have formed the foundation of a new model of development that defines the way we work around the world. With this new model, we are backing cutting-edge innovation, taking advantage of fast-moving

technology, and harnessing the vast potential of the development community to achieve unprecedented results.

Today, all our major programs are independently evaluated, and those evaluations are available right now on an iPhone app—an unprecedented level of transparency. The quality of our evaluations has improved significantly, which is an important sign that we are increasingly grounding our work in evidence and data. Missions are reporting dozens of different ways that these evaluations are strengthening our programs in the field. Through an evaluation in Benin, we learned that community health programs naturally favored men in their hiring, which limited our ability to provide care to women. So we're redesigning our recruitment to help more women become community health workers.

Working closely with local leaders, governments, and organizations, we are strengthening the capacity of our partner countries to create stronger communities and brighter futures without our assistance. In 2013 alone, our emphasis on local solutions enabled us to support 1,150 local organizations in 74 countries. In the Democratic Republic of the Congo, for instance, we have worked with 12 local governments to improve their tax collection, so they can afford to pay the salaries of teachers and health workers. As a result, they have increased revenues by 95 percent since 2009.

We are also mobilizing a new generation of innovators and scientists to advance our mission. Launched last week, the U.S. Global Development Lab represents an historic investment in the power of science and technology to bend the curve of development. With $151 million in funding, it will generate and scale breakthrough solutions to complex development challenges, while attracting private sector investment to improve the sustainability of our solutions. Already, it has generated cutting-edge inventions—including the bubble CPAP, a device from Texas that can resuscitate newborns at a fraction of the price of existing machines.

To maximize the impact of the Lab, we seek new authorities from Congress. These include the ability to hire a diverse range of staff; to use development assistance funding programmed for science, technology, and innovation for all development purposes, including health; and to use a "pay-for-success" model to incentivize the best solutions from innovators around the world—all of which will help us catalyze a wave of innovation that solves the toughest development challenges on the planet.

We are increasingly focused on engaging a wide array of partners, from our long-standing partners in the development community, to faith organizations, to multi-national corporations. Through our Development Credit Authority (DCA), we unlocked a record $1.02 billion over the last two years alone in commercial capital to empower entrepreneurs around the world. Earlier this year, we partnered with GE and Kenya Commercial Bank to help health care providers buy life-saving healthcare equipment, including portable ultrasound devices and MRI machines. For the first time ever, our private sector partner is covering the cost of the loan guarantee—making this program virtually costless for the American taxpayer. To

build on this success, the request seeks to increase the annual cap on loans under DCA guarantees from $1.5 billion to $2 billion, a measure that will enable us to ramp up high-impact projects, particularly through Power Africa.

CORE PRIORITIES

Under the leadership of President Obama, we are applying the new model to deliver unprecedented results across our work, from expanding access to mobile money to empowering women and girls to strengthening land tenure rights to safeguarding the world's biodiversity.

FEED THE FUTURE

In this request, $1 billion is devoted to Feed the Future, President Obama's global food security initiative. After several years, Feed the Future has hit its stride—delivering results that are changing the face of poverty and hunger for some of the world's poorest families.

In 2012, we reached 12 million children with programs to strengthen their nutrition and helped more than 7 million farmers increase their yields through new technologies and management practices. Reported incremental sales of farmers working with Feed the Future programs worldwide increased their sales from $100 million in 2012 to over $130 million in 2013. These results are grounded in a robust management system for gathering timely, accurate data that measures everything from household income to the participation of women to the prevalence of stunting. Just as the Demographic and Health Surveys helped dramatically expand monitoring capabilities in global health, Feed the Future's new open data platform is transforming our knowledge and informing cutting-edge approaches.

This year's budget request builds on these results with an integrated nutrition approach to reduce stunting by 20 percent—a target that will prevent two million children from suffering from this devastating condition over the next five years.

In Kenya, the reported gross margin of livestock farmers receiving training on improved management practices and support to partner with cooperatives increased over 45% from 2012 to 2013, from $371 to $541 per cow. Feed the Future activities in Kenya support rural smallholders who account for over 80 percent of the country's raw milk production. Farmers in Bangladesh using new fertilizer technologies more than doubled the production of rice from 2011 to 2013. New technologies and management practices such as this also contributed to increases in the rice farmers' gross margin per hectare from $431 in 2012 to $587 in 2013. Across Central America, Feed the Future is helping trading unions to meet international standards and maintain access to agricultural markets in the United States.

Two years ago, President Obama led global food security efforts to the next stage, introducing the New Alliance for Food Security and Nutrition. Today, it is a $3.75 billion public-private partnership that is enabling reforms from ten African

governments and commitments from more than 140 global and local companies. For instance, Ghana Nuts—an agricultural business that was once an aid recipient—is now a multi-million dollar company employing 500 people. Under the New Alliance, it has committed to strengthening local supply chains, reaching 27,000 smallholder farmers with more than $4 million in investments.

At the same time, the governments we work with through the New Alliance have committed to significant market-oriented policy reforms. Recently, Burkina Faso launched an electronic platform that increases the transparency and speed of their customs processes. Last summer, Mozambique, Cote d'Ivoire, and other New Alliance nations committed to policy reforms that will foster private sector investment in smallholder farmers, particularly women.

GLOBAL HEALTH

With strong bipartisan support, we are providing critical health assistance more efficiently than ever before. We have narrowed our focus on maternal and child health to the 24 countries that represent more than 70 percent of maternal and child deaths in the developing world. Through the $2.7 billion request for USAID Global Health Programs—along with State Department Global Health Programs for $5.4 billion—we will work towards ending the tragedy of preventable child and maternal death, creating an AIDS-free generation, and protecting communities from infectious diseases.

Around the world, we are seeing real results of global partnerships to accelerate progress towards these goals. Since 2010, 15 of our 24 priority countries have rolled out the pneumonia vaccine with GAVI support; and since 2011, 8 have introduced rotavirus vaccines against diarrheal diseases. In 2013, the President's Malaria Initiative protected over 45 million people with a prevention measure. Since 2006, all the original 15 PMI focus countries have had reductions in childhood mortality rates, ranging from 16 to 50 percent.

In 2013, Saving Mothers Giving Life, a USAID-led public-private partnership, contributed to a 30 percent decline in the maternal mortality ratio in target districts of Uganda and a 35 percent reduction of maternal deaths in target facilities in Zambia.

Since 2006, our support for neglected tropical diseases has expanded to reach 25 countries. In the countries where we work, nearly 35.8 million people no longer require treatment for blinding trachoma, and 52.4 million people no longer require treatment for lymphatic filariasis.

Since USAID's 2012 Child Survival Call to Action, nearly a dozen countries, representing those with the highest global rates of child death, have launched their own local calls to action, set national targets, and are creating evidence-based business plans to focus resources in acutely vulnerable regions.

We will continue to make cost-effective interventions that save lives—from preventing the spread of disease, to providing nutrition to millions of hungry children around the world.

CLIMATE CHANGE

Of the President's $506.3 million request for the Global Climate Change Initiative implemented in partnership with the Department of State, USAID implements approximately $348.5 million and invests in developing countries best suited to accelerate transitions to climate-resilient, low-emission economic growth. In FY 2013, USAID helped over 600,000 stakeholders implement risk-reducing practices or use climate information in decision-making. These stakeholders are impact multipliers, including meteorologists, agricultural extension workers, and disaster planners who use this information to improve the climate resilience of millions of people in their countries and regions.

Across the world, we are harnessing innovation, evidence, and technology to help vulnerable communities anticipate and take action to reduce the impacts of climate change. Today, a joint venture between USAID and NASA—called SERVIR—provides communities in 29 countries with global satellite-based climate information, including sending frost alerts to tea growers in Kenya and fire alerts to forest officials in Nepal.

USAID is pioneering a new approach that puts people on a path from dependency to resilience, while expanding broad-based economic growth. From small farming collectives to multi-national corporations, our partners are pursuing climate-resilient, low-emission development. In support of the Tropical Forest Alliance 2020, we recently helped launch the Global Forest Watch, a forest alert system that utilizes real-time satellite data to help countries reduce tropical deforestation and enable companies to monitor their supply chains.

The Global Climate Change Initiative advances practical, on-the-ground solutions to help developing countries contribute to the global effort to reduce greenhouse gas emissions while achieving development goals. Since 2010, USAID and the State Department have established 25 bilateral agreements with partner countries to develop and implement for low emissions development strategies. This support is helping advance the transition to lower carbon energy systems by creating enabling environments for public and private investments in efficient, clean energy sources, and sustainably reduce emissions from land use such as deforestation and agriculture.

POWER AFRICA

The FY 2015 request advances our nation's commitments to Africa with initiatives like Trade Africa and Power Africa. With $77 million requested in this budget, Power Africa represents a bipartisan approach to use public-private partnerships to double access to power on the continent and connect American investors and entrepreneurs to business opportunities abroad. Less than a year since launching,

more than 5,500 mega-watts of power projects have been planned—putting us more than halfway towards our goal of expanding electricity to 20 million people and businesses. For every dollar that the U.S. Government has committed, the private sector has committed two—over $14 billion so far.

With an initial set of six partner countries, Power Africa focuses on completing projects quickly and efficiently, while encouraging countries to make energy sector reforms critical to their success. In Ethiopia, for example, Power Africa is supporting the first independent power producer geothermal plant in the country, a project that will pave the way for future private sector investment and provide enough power to reach tens of thousands of people. In Kenya, Power Africa is enabling the construction of the largest privately-owned wind farm in Sub-Saharan Africa—helping millions leapfrog dirtier, unhealthier phases of development and join a global low-carbon economy.

EDUCATION

Education remains a critical focus for the Agency. Our request for Basic Education is $534.3 million, an increase of 6.6 percent over our FY 2014 request.

Through the "Room to Learn" program, we are intensifying our efforts in six countries—including Nigeria and Afghanistan—where endemic poverty and conflict conspire to rob children of their futures. In the Katanga Province in Democratic Republic of the Congo, in the schools we support, we have seen a 40 percent decrease in students repeating a grade from 2010 to 2013. The drop-out rate was also 65 percent lower than in 2010.

From Kenya to Afghanistan, we're seeing reading skills develop and enrollment—especially for girls—jump. Our strategic shift to improving primary grade reading for tens of millions of kids brings with it a commitment to measuring results through student learning achievements. In Malawi, we used early grade reading assessments to evaluate students' foundation skills—giving their parents and teachers a way to measure their progress. Today, second graders who receive interventions like these have comprehension levels four times those in control groups.

By maintaining our focus on global education as a core development objective, we can brighten the future for millions of vulnerable children, including children in crisis environments. With widespread illiteracy estimated to cost the global economy more than one trillion dollars this year alone, these programs are not only advancing America's standing as the world's development leader in education, but are also energizing the global economy.

WATER

While the world has seen tremendous progress on expanding access to safe drinking water—halving the proportion of people without sustainable access since 1990—a lot of work remains. This budget request continues the implementation of our first-

ever Water and Development Strategy, which outlines a goal to save lives and advance development through improvements in water for health and water for food. The Strategy sets explicit targets of sustainably providing 10 million people with access to improved water supply and 6 million people with access to improved sanitation over the next five years.

Through our Development Innovation Ventures fund, we're partnering with the Gates Foundation to help bring safe drinking water to at least 4 million of the world's poor. Called WASH for Life, this initiative will source and rigorously test great ideas to improve access to water and sanitation service. Last year, in Kenya, we leveraged a Development Credit Authority guarantee to extend piped water supply in Kisumu for over 1,500 piped water connections to benefit over 8,500 individuals.

The request for WASH funding is $231 million in this budget. Budget requests for WASH programs have typically been about $230 million, and because of the number of program areas we engage in with water investments—from OFDA's emergency response work, to resilience programs in regions of chronic crisis like the Horn of Africa and the Sahel, to Feed the Future agricultural infrastructure support—our actual programming for all water activities has grown to over $500 million, and we expect similar levels in the year ahead.

SUPPORTING REGIONAL PRIORITIES AND STRENGTHENING NATIONAL SECURITY

This budget also maintains our nation's tremendous leadership in humanitarian response with $4.8 billion requested in State and USAID funding. In the last year, we have responded to unprecedented need around the world—saving lives from the Philippines to South Sudan.

In Syria, we currently provide life-saving aid for 4.2 million people in all 14 governorates across the country, as well as more than 2 million people who have fled the violence into neighboring countries. At the same time, we are supporting neighboring Jordan and Lebanon to manage the overwhelming influx of refugees from Syria. We have worked with local school systems to accommodate Syrian children, and in some areas, helped them adjust their schedules so that local children can learn in the morning and Syrian kids in the afternoon.

Thanks to strong bipartisan support, we have begun reforms that mainly address our development food aid programs, allowing us to reach an additional 800,000 hungry people every year with the same resources. The need for this flexibility grows more urgent every day, as crises deepen from Syria to the Central African Republic to South Sudan. That is why this budget calls for reforms to be extended to emergency food assistance. We are seeking the flexibility to use up to 25 percent of Title II resources for life-saving tools, like vouchers and local procurement—allowing us to reach two million more people in crises with our existing resources.

While we remain the world's leader in humanitarian response, we are increasingly focused on ensuring communities can better withstand and bounce back from shocks—like droughts, floods, and conflict—that push the most vulnerable people into crisis again and again. In the Horn of Africa, which suffered a devastating drought two years ago, we're deploying mapping technology to help farming communities find new sources of water. In the Sahel, we're partnering with U.S. Special Operations Command to conduct detailed analysis and geo-spatial mapping of the region. These efforts have given U.S. development and military professionals a deeper understanding of both the drivers of conflict and ways to build resilience.

We are working effectively to both protect and manage the environment that supports us. In addition, we are harnessing innovation, evidence, and technology to reduce consumer demand for endangered species and stop wildlife trafficking. For instance, no tigers or rhinos were poached in Nepal in 2013 due to our sustained investments in community-based conservation. This past January, USAID partners convened 28 African and Asian countries to participate in an enforcement operation that resulted in more than 400 arrests and the seizure of three metric tons of ivory, 10,000 turtles, and 1,000 skins of protected species.

We're pioneering a new approach that puts people on a path from dependency to resilience, while expanding broad-based economic growth.

USAID and State Department are requesting $2 billion globally in the Development Assistance and Economic Support Fund accounts to strengthen democracy, human rights, and governance. Thanks to USAID's rapid-response capability on civil society laws, we were able to take advantage of political openings in Libya, Tunisia and Burma to encourage early reformers to adopt consultative government-civil society processes that have led to much-improved civil society legislation, which in turn will pave the way for further political opening.

In FY 2015, the State Department and USAID have requested nearly $1.5 billion to support democratic transitions and respond to emerging crises in the Middle East and North Africa. For example, in Tunisia, we worked with civil society and the government to implement some of the most progressive NGO laws in the region. The new law passed as a result of a consultative government-civil society process and is now considered a model for the region; the new Libyan draft civil society organization law is based on peer consultations with Tunisians on their law.

Of the President's $2.8 billion assistance request for the Frontline States, USAID implements $1.8 billion for long-term development assistance, continuing to work closely with interagency partners—including the State and Defense departments—to move toward long-term stability, promote economic growth, and support governance reforms, including the rights of women.

This request is tailored to support our three-fold transition strategy in Afghanistan, including maintaining gains in health, education, and the empowerment of women; promoting economic growth; and improving stability by supporting more

accountable and effective Afghan governance, which is especially critical in the first year after the 2014 presidential election.

Our assistance in Afghanistan has helped deliver incredible gains. Today, 77,000 university students—a *nine-fold increase* from 2001—will form a new generation of leaders. The wait time for goods crossing the border with Pakistan has fallen from eight days to 3.5 hours—saving $38 million every year and opening access to new markets for farmers and entrepreneurs. The rapid expansion of mobile technology across the country is empowering Afghan women to demand an equal stake in their nation's future.

Building on our strong legacy of progress in Latin America and the Caribbean, we're focusing on spurring economic growth and strengthening democracy by tackling the biggest drivers of instability, from drug trafficking to climate change. Today, for example, we work with a range of partners, including Nike Foundation and PepsiCo, to train thousands of at-risk youth in 18 countries of the region. The program has had an extremely high success rate, with 65 percent of graduates getting jobs, returning to school, or starting their own business within one year of graduation.

In Colombia, we've partnered with Starbucks to improve yields for 25,000 coffee-farmers, giving them a shot at the global market and a reason to invest in their land after decades of conflict. In Peru, our partnership with the government of San Martin has helped reduced poverty by more than 67 percent and cut coca production from 22,000 hectares to around 1,200.

We're also investing in the future innovators, doctors, and entrepreneurs throughout Latin America. For instance, in Honduras, we partnered with a telecom company to connect our network of 40 youth outreach centers—providing internet access, online education and virtual job training to more than 17,000 people. On the whole, these investments produce immense gains in literacy, stability, and long-term economic growth.

From empowering small businesses in Burma to helping eradicate extreme poverty in Nepal, we are supporting the Administration's Asia-Pacific Rebalance, renewing U.S. leadership, deepening economic ties, and promoting democratic and universal values. Today, we are bolstering regional cooperation around shared solutions to complex challenges through deepened engagement in ASEAN and the Lower Mekong Initiative. In March, we signed an agreement with the US-ASEAN Business Council to help link small-and medium-sized enterprises across Asia to regional and global value chains.

USAID OPERATING EXPENSES

In recognition of development's centrality to U.S. national security, the President's National Security Strategy calls for investing in development capabilities and institutions. The FY 2015 USAID Operating Expenses account request for $1.4 billion will provide that investment—advancing U.S. interests, enhancing national security, and reaffirming our global development leadership. The request will enable USAID

to maintain core operations, and to continue USAID Forward reforms—as well as better collaborate with partner countries and local institutions—to maximize the value of each dollar.

Although an increase from FY 2014, the request represents the minimum level of resources necessary to preserve our agency's current services and operations and support the existing workforce to meet U.S. foreign policy objectives and global development needs. The requested funding will allow our agency to offset the projected decrease in other funding sources, such as recoveries, reimbursements, and trust funds that support operations. At the same time, it will restore the new obligation authority needed to maintain its current level of operations into FY 2015.

The request reflects our agency's focus on working through a more efficient, high-impact approach. We are continuing to reform operations to improve management processes and generate significant cost savings for FY 2015, like real property disposals and space optimization. In addition, our agency restructured its overseas presence to strengthen its ability to meet its foreign policy and national security mission.

CONCLUSION

Today, for the first time in history, we have new tools and approaches that enable us to envision a world without extreme poverty.

This is an unprecedented moment for our nation—one where we can again lead the world in achieving goals once deemed too ambitious, too dangerous, or too complex. In doing so, we can protect our national security and spur economic growth. But above all, we can express the generosity and goodwill that unite us as a people.

As President Obama said in the 2013 State of the Union address, "We also know that progress in the most impoverished parts of our world enriches us all—not only because it creates new markets, more stable order in certain regions of the world, but also because it's the right thing to do."

As we step forward to answer the President's call with renewed energy and focus, we remain committed to engaging the American people and serving their interests by leading the world to end extreme poverty.

Thank you.

Chairman ROYCE. Thank you very much, Administrator Shah.

I wanted to start with a few questions here. One on land grabbing, and the lack of enforceable property rights and title transfer in developing nations, which act as significant barriers to sustainable development and to long-term growth. We have seen this up close in terms of the results in Tunisia and in Egypt. We have seen the shock waves created. It is a source of tremendous political and social instability.

In December, there was an insightful article, "Lessons From the Past: Securing Land Rights in the Wake of Typhoon Haiyan." The article quoted a USAID official saying that unequal access to land is a central issue that cuts across both rural and urban sectors in the Philippines. Unequal access to land is a significant issue that occurs worldwide. We know of significant land grabbing that is occurring, and has occurred for some years now, in Cambodia and in China and in Peru.

Administrator Shah, what is USAID doing to urge the Government of the Philippines to address the issue of land grabbing and, most importantly, what about the rampant corruption at a local level that allows land grabbing to occur? I have heard over and over again, that the Philippines is making progress on fighting corruption. However, even Philippine anticorruption officials will admit that corruption in this area, in terms of land grabbing, is an ongoing tragedy. With all of the assistance that we are providing to Manila, isn't it true, and isn't it time, that USAID and the administration should be focused on this issue given what is at stake?

For 3 years now, I have tried to work to make this a priority with USAID. I have received emphatic support verbally. Three years later after returning, I see no progress. So will this be the year when we finally make a difference?

Mr. SHAH. Thank you, Mr. Chairman. It will. We believe this is a critical issue. As I have seen personally in efforts where I handed out land titles to Colombian farmers who were returning to their farms after a conflict that has lasted decades. The power of respecting property rights, providing titles, giving people the basis to seek financing to invest in their own future is an extraordinarily powerful strategy to reduce poverty and extreme poverty.

In the Philippines 46 percent of the 24.2 million parcels are titled, and even amongst those, a high degree of corruption and ineffective respect for those titles hamper the ability of many poor families to secure their future.

I am thrilled that we have been working together on this. I want to say thank you for your specific visits to the country, and work with our program. We can commit today to use Fiscal Year 2014 resources to engage in efforts that will help both work with the government on corruption issues, enforcement, community policing, and support for their land management office, as well as with local communities to help address this challenge.

Chairman ROYCE. Thank you. The other question I was going to ask you is, last week this committee held a hearing on women in education, followed by a markup on our legislation, the Malala Yousafzai Scholarship Act. Our debate, I think, drove home a very important point, and that is, education is a very powerful tool that can advance U.S. national security interests, while creating more

stable societies. For many years now, I have expressed concerns about the rise of these Deobandi schools. I have made three trips to Pakistan to urge the government there to close them. They really prey upon the disenfranchised, and they are breeding radicalism. I have visited schools that have later been destroyed by the Taliban up in the Northwest frontier.

I think that the Pakistani-American community here in the United States, based on my work with them, see how we can better coordinate efforts to promote education and private-sector growth in Pakistan. They have a very real interest in making certain that this radicalization is offset, and that the education of girls is advanced.

What can be done to better leverage and support investments by the Pakistani diaspora in education and private-sector development in Pakistan, and how are you safeguarding U.S. assistance against corruption inside Pakistan?

Mr. SHAH. Well, thank you, Mr. Chairman. You know, I appreciate the leadership the committee has shown especially in taking forward the legacy that Malala Yousafzai has created by using her voice and the power of her moral example to advocate for this issue. USAID has supported a large-scale program in Pakistan on education with specific focus on girls and early grade learning literacy outcomes.

We target reaching 3.2 million children. We have helped to reconstruct more than 1,400 schools. We have worked with Federal and provincial governments in a number of states to make sure that this issue is a priority, and we have engaged in teacher training, curricula, and standards and perhaps most importantly, the measuring of literacy outcomes through the Early Grade Reading Assessment which USAID has pioneered and tested.

We look forward to working with the Pakistani-American community on this. We have new mechanisms to allow us to do that and I think, you know, that ability to engage the diaspora community, which is something we have enhanced over the last several years, would be quite welcome to take this program to an even greater level of effectiveness.

Chairman ROYCE. Thank you, Administrator Shah.

We will turn now to Mr. Eliot Engel of New York.

Mr. ENGEL. Thank you, Mr. Chairman.

I have four questions. I am going to try to do it quickly.

First one is about something I mentioned in my opening statement. That is tuberculosis. It is usually treatable, as you know, with a course of inexpensive drugs. But it is still the leading curable infectious killer in the world, claiming 1.3 million lives per year. The emergence of multidrug resistant and extensively drug-resistant TB strains really pose a direct threat to the public health of the U.S.

This year's budget request for USAID's tuberculosis program, proposes a $45 million cut from Fiscal Year 2014's appropriated level of $236 million. So at a time of tight budgets for PEPFAR and the global fund, can you elaborate on how USAID's tuberculosis program could absorb a cut of this magnitude and still carry out its vital mission?

Mr. SHAH. Thank you. I appreciate your leadership on tuberculosis. I think it has been very, very important, and that is part of why we have seen a 50 percent reduction in TB mortality and TB is projected to achieve its millennium development goal target. We are very concerned about multidrug resistant tuberculosis which largely has emerged in places like India, South Africa, China, Brazil, and Russia.

I would note a few things: The first is, in a difficult budget environment we have had to make some tradeoffs, but what we have tried to do here is recognize we have three pots of funding for TB; the USAID Bilateral Program, the $180-plus million in PEPFAR that goes to TB, and the global fund commitment which has gone up over the last several years and where the United States recently encouraged and voted for global fund spending more of its resources from 14 to 18 percent on tuberculosis in particular. So in aggregate, I think the United States' commitment to tuberculosis remains at a consistent and strong level.

Second, we are engaging more in partnerships, especially in countries that can afford to pay for much of the response but require some technical partnership with us. I saw this specifically transpire in India, where they are very focused on MDR and what they call XDR TB. And third, we look forward to working with you to continue to make sure that we are optimizing our program. I think USAID has had a very strong history of supporting the World Health Organization, CDC, and local country governments around the world to take more of their own domestic responsibility for this issue.

Mr. ENGEL. Thank you. Let me ask you a couple of Middle East questions. The first one on Syria. The U.N. Security Council has unanimously approved a resolution which demands all parties, particularly the Syrian authorities, promptly allow rapid, safe, and unhindered humanitarian access to U.N. humanitarian agencies and their implementations. Assad, there is all kinds of questions about the leader of Syria, Assad, stealing the food, stealing the aid, not letting it go to rebel areas that need the aid.

Can you just give us a quick overview about Syrian humanitarian aid?

Mr. SHAH. Well, thank you, and as you know, and as members of the committee have really worked hard to highlight, this is an extraordinary crisis with 9.5 million people in need inside of Syria, and 2.5 million refugees now, especially more in Jordan and Lebanon that are really taxing those countries' ability to sustain social services for those mostly young Syrian refugees.

The United States is proud of the fact that our aid and assistance, more than $1.7 billion over the last few years has reached and continues to reach more than 4 million people inside of Syria. More so than any other country, we reach affected communities even in opposition areas. Surgeons and doctors that we support have provided more than 250,000 surgeries, everyone of them heroic in the context of being targeted, and in many cases having staff lose their lives.

We continue to provide support, but I want to say just a few things. One is, U.N. Security Council resolution was reviewed by Valerie Amos just a week ago or 2 weeks ago and she reported to

the Security Council that in fact, the Assad regime had not lived up to the terms of the Security Council resolution in terms of greatly expanding access.

Second, we know there are specific pockets and communities inside of Syria, roughly 220,000 people that are held in besieged areas, where literally, preventing food and water from reaching them is used as a tactic of war. And that is in violation of every basic humanitarian principle, including how war should be conducted. So in this context, this is an extraordinarily difficult problem.

The committee's work and your personal efforts to allow for more flexibility and food assistance have allowed us to reach so many more beneficiaries, women, and children, especially in Jordan, and Lebanon, that we simply couldn't truck American food to, but now they have got a card that has USAID logo on it. It says, "From the American people," and our humanitarian leader, Nancy Lindborg, just sat with a group of women in Amman who said, thank you so much for this card. It is what gives us dignity and keeps us going. That is only happening because you have fought for greater flexibility in food aid and food assistance, and I just want to say thank you for your leadership.

Mr. ENGEL. Well, thank you. I am just wondering if quickly I can stay on the Middle East and ask you one quick question about the Israeli-Palestinian negotiations. The administration has requested over $400 million in Fiscal Year 2015 funds for the Palestinian Authority and last week Palestinian President Abbas announced the Palestinians would be joining 15 international conventions, seemingly a violation of the obligations under the agreement to negotiate. Now they are calling for several new preconditions to talks, making us doubt their good faith in the negotiations.

The only pathway to a Palestinian state and sustainable peace between Israel and the Palestinians is through a negotiated settlement, not a unilateral declaration by the Palestinian Authority. So let me just simply say: How will our assistance strategy change if the Palestinians pursue a unilateral path?

Mr. SHAH. Well, let me just say, Secretary Kerry has very ably articulated the administration's position, and the extraordinary leadership he has taken to support negotiations and continues to moving forward. We play a part at the Secretary's direction of providing supported in the West Bank as you have noted. None of the agreements that were signed last week endanger at this point that support right now. But we will be looking very carefully to see how this transpires, coordinating our efforts.

And I will just add, I was with Secretary Kerry in Bethlehem a few months ago when we launched a high-impact infrastructure initiative in the West Bank, and I think the American people should take some pride in the fact that our assistance in the region helps to maintain stability and create some opportunities for dialogue and negotiation, but the Secretary, of course, went into this in much more detail yesterday and I will defer to his comments on it.

Mr. ENGEL. Thank you.

Thank you, Mr. Chairman.

Chairman ROYCE. Thank you, Mr. Engel.

We now go to Ileana Ros-Lehtinen, the chairman emeritus of this committee, from Florida.

Ms. ROS-LEHTINEN. Thank you very much, Mr. Chairman.

Thank you, Dr. Shah. I would like to give you an opportunity to clarify some press reports about the Cuba Twitter program. First, was the program covert and top secret?

Mr. SHAH. No.

Ms. ROS-LEHTINEN. Second, does USAID implement similar programs aimed at increasing the free flow of information throughout the world in closed societies?

Mr. SHAH. We support civil society, yes.

Ms. ROS-LEHTINEN. Third, will USAID remain committed to reaching out to people suffering under closed societies and dictatorships?

Mr. SHAH. Yes.

Ms. ROS-LEHTINEN. Thank you, Dr. Shah. So contrary to what the media have reported, the democracy programs for Cuba are transparent, they are open. The Cuba democracy program with its $20 million price tag, in fact, is one of the most scrutinized programs in our foreign aid portfolio. The real question here is why does the press and some in our congressional family demonize these programs?

The Freedom House has a report called "Freedom on the Net." And this report lists Cuba as the world's second worst violator of Internet freedom. Only Iran is worse. Thus, Cuba is worse than countries like Syria, Bahrain, Burma, Belarus, where no one in Congress seems to have a problem promoting Internet freedom in those countries. So why not Cuba?

Some may have a little agenda geared toward supporting the Castro dictatorship instead of supporting the people of Cuba, and wish to put an end to these successful programs. Many of us on this committee have spent a lot of time and energy supporting human rights in Russia, in Vietnam, in Egypt, and Tunisia, Ukraine, Iran, Syria. So why not Cuba? Why does our foreign policy agenda discriminate against the freedom-seeking people in the western hemisphere?

As you know, Dr. Shah, and I congratulate you for being so sensitive to this, the Cuban people have been suffering under the Castro dictatorship for more than 50 years; not because of U.S. policy, but because the Castro brothers continue to harass, to imprison, to torture, to kill the opposition.

I am a political refugee because my family emigrated to the United States when I was 8 years old. We were seeking democracy. And I remember driving through Havana, and my father telling me, duck down, because gunshots were being fired all around us. And my dear friend Albio Sires, he was 11 years old when his family came here from Cuba, and he can also share some of these heartbreaking stories. But these tragedies continue today in the daily lives of the people of Cuba.

One pro-democracy leader is named as you know, Dr. Shah, Jorge Luis Garcia Perez, known by his nickname Antunez. He was in Castro's jail more than 17 years. Now that he is freed from one jail to a bigger jail, that is Cuba, he continues to fight for democracy, and for respect for human rights. In fact just 2 months ago,

Antunez risked his life and went on a hunger strike with no food or liquids. Why? All for the sake of freedom.

Berta Soler, another human rights advocate, she is a leader of an organization called Las Damas de Blanco, the Ladies in White. These brave women are comprised of the moms, the sisters, the friends, the relatives of political prisoners and they march every Sunday in peace to mass wearing all white, calling for freedom.

They march in peace, Mr. Chairman, as you know, with the gladiolus in their hands, you have spoken about them. And these women are met with violence, beatings, imprisonment. These pro-democracy advocates are the faces of the people that you, under your leadership, in USAID have been trying to help with these programs. Thank you for that, Dr. Shah.

And the U.S. citizen Alan Gross, as we know, is on his fifth year of being unjustly incarcerated in Cuba, and has begun a hunger strike. According to the Cuban Commission for Human Rights and National Reconciliation, there were over 1,000 arbitrary and politically-motivated arrests in Cuba just 2 months ago in February, in 1 month over 1,000 arrests. Does this sound like paradise?

If this was happening in any other country in the world, the U.S. would be engaged, so why should Cuba be an exception? There is no independent press in Cuba. There is complete control over the Cuban airwaves and programming on television and the press to promote the political propaganda spewed by this dictatorship. That is why our State Department, and that is why you, Dr. Shah, with USAID democracy programs in Cuba are so important to offer the other side of the story, the side that promotes American values, God-given values like freedom, justice and liberty.

And I recognize that some in Congress don't think that Cuba is of national significance, but they are wrong. And this issue goes well beyond Cuba. This issue that we are debating, Mr. Chairman, is whether or not USAID should be taking steps to promote human rights, the rule of law, and democratic governance throughout the world, and I say yes.

Thank you, Dr. Shah. Thank you, USAID. This is a cornerstone of our foreign policy to promote democratic ideals.

And I am sorry I am out of time. Thank you, Mr. Chairman.

Chairman ROYCE. Thank you, Ileana.

We now go to Gregory Meeks of New York.

Mr. MEEKS. Thank you, Mr. Chair.

Thank you, Dr. Shah, for your outstanding job in leading USAID.

I am going to try to do quickly, and I guess if you can just write them down, four questions and hopefully you will get a chance to answer them. If not, then we will talk later. But first, you know, USAID plays a significant role in providing trade-related assistance, and Congress has appropriated funds for this purpose specifically targeting certain countries with which we have trade agreements. I am a strong supporter of trade capacity building, so I would like to know more about what USAID is doing to enhance trade capacity abroad, and what else you think Congress can do to help. That is question number one.

Number two, as I indicated I also applaud what the agency has done and progress in dispersing aid funding in Haiti. However, recently the Congressional Black Caucus was at the U.N. and we

were told that there could be a serious outbreak of cholera, and that there is an cholera emergency in Haiti and so I want to know, do you think that is so, is it under control, and what we can do there?

Third, of course, I am also concerned, in regards to funding in Colombia, a great ally of ours, but particularly there seems to be a real situation in Buenaventura, which is Colombia's largest port, and it is the center of its African Colombian population where over ½ million inhabitants and over 90 percent of them are black, and they are mired in crime and poverty, and over 80 percent live below the poverty line; 30 percent are unemployed; and virtually none have access to reliable supplies of electricity, water, even basic road infrastructure.

And so that this violence that is going on, and I know as we phase out of Plan Colombia, et cetera, but we want to make sure that we are able to address underlying social problems so that if there is anything that is being—what we are doing there.

And finally, on the lines of what Ranking Member Eliot Engel had asked, and I know he talked especially about tuberculosis, but thanks in a huge part to U.S. investments in global health, the world has cut by 50 percent the number of children who die before age 5 from whether it is pneumonia, or malaria, or tuberculosis, the leading killers of children worldwide.

We are on the verge of some exciting breakthroughs and life-saving potential. For example, I know that USAID's has new tools to treat and prevent malaria. But these budget controls and constraints, et cetera, so I was wondering how you would prioritize these health, global health needs to assure that we are fulfilling the gaps on current global health needs especially as it relates to helping children.

Mr. SHAH. Thank you, Mr. Congressman.

And I just want to say thank you for your personal engagement and leadership on so many of these issues as they pertain to so many important parts of the world, and on behalf of really the world's most vulnerable.

With respect to trade assistance and capacity building, the Fiscal Year 2015 request includes $170 million for precisely that activity. In addition to that, we have our Feed the Future Program, which is operational in 19 countries, and really focuses on improving the capacity of local businesses to engage in, in particular regional agricultural trade.

And I would just note that we have done careful evaluations of programs like the East Africa Trade Hub, that have found that our efforts have helped to bring down customs blockages, and transshipments across borders, have accelerated the time and efficiency in regional trade in particular, and have generated $40 of economic value for every $1 we have invested in trade capacity building. So what Congress can do is support strongly the Development Assistance Account, which is part of the budget, and is under a lot of pressure.

Second, with respect to Haiti, we have a strong community-based public health program that is focused on all causes of child mortality and will include and does already include an integrated effort with the U.N. to address cholera. I would point out that right now

the fatality rate is under 1 percent, which meets the standards and goals the U.N. has set, but we are working all the time to make sure that cholera is managed.

And also as we make those investments that the clinics that are in rural communities are well stocked and suited to serve all children, whatever the cause of disease might be, and that building that supply chain and that health systems approach has been critical to our efforts to bring down child mortality in Haiti which have been successful over the last few years.

Third, with respect to Afro-Colombian populations in Colombia, I personally had a chance to meet with our partners and we are trying to work with about 100 businesses, train thousands of Afro-Colombian youth, and then get them placed in jobs, and that effort has been very successful. We expect to place 80 percent of the 4,500 trainees in 2014, and reaching 10,000 by 2016. And we have a lot of support from business leaders there, and it is part of our new approach to public-private partnerships.

And finally, with respect to global health I just want to say thank you. Your raising that issue is so critical. America has a chance right now to lead the charge to end child death, and it will take a two-decade commitment from this committee.

It will take resources, and we have produced a Fiscal Year 2015 request that has a small increase over the Fiscal Year 2014 request, and it requires a new concerted business-like approach in the 24 countries that account for just over 70 percent of the 6.6 million kids who die, and we are be unveiling an investment plan for those 24 countries with a group of other partners later in June. So we thank you for your support, and I think this is one area where America can accomplish something in partnership with others that is truly extraordinary.

Mr. MEEKS. Thank you.

Chairman ROYCE. We go now to Mr. Chris Smith, chairman of the Subcommittee on Africa and Global Health.

Mr. SMITH. Thank you very much, Mr. Chairman.

And Dr. Shah, welcome and thank you for your leadership.

Let me ask you a few questions and I do have some I would like to submit for the record. You know, the focus of child survival, is an extraordinarily important one.

The first amendment I offered as a member of this committee in 1982, more than 30 years ago, was to reauthorize, expand, and double the amount of money for child survival. It passed, became law, and we have as a country, been taking the lead through various administrations with oral rehydration therapy, nutrition, vaccines, and the like, but I am concerned.

I was part of a roundtable discussion with seven African first ladies back in 2010 and it focussed on The First 1,000 Day of Life From the Moment of Conception, their title, a very important title and a very important initiative.

As we all know, and you know it better than anyone, I think, UNICEF estimates that 1 in 4 children worldwide are stunted due to lack of adequate nutrition. Children who are chronically undernourished as unborn children, up to their second birthday, have impaired immune systems that are incapable of protecting them against life-threatening ailments such as pneumonia and malaria.

Mothers who are malnourished as girls are 40 percent more likely to die during childbirth, experience debilitating complications like obstetric fistula, and deliver children who perish before reaching the age of 5. We are still waiting for the nutrition initiative guidelines, and I know they are in the works. The sooner the better. How do we expand the first 1,000 days of life initiative?

I was in Guatemala on the day that they signed a compact with the U.S. We need to do more of those; not just for stunting purposes, but so mother and child will be healthy. So if you could talk about that briefly.

Last year neglected tropical diseases caused the loss of 534,000 lives. In 2014, $100 million was focused on those horrible diseases. I held a hearing on that last year, Dr. Peter Hotez testified, I have since read his book, Forgotten People Forgetten Diseases. It is exploding all over. Schistosomiasis is on a tear, as you know, as well as these other horrible diseases, worms make people, particularly women, more likely to contract HIV/AIDS. Yet, the 2015 budget cuts it to $86.5 million. Maybe there is other money coming in from a different spigot but that is a 14-percent cut for something that is extraordinarily important.

On Ebola, you might want to speak to that very quickly, and then maybe more for the record. I know five CDC people arrived in Guinea. But this is different. Doctors Without Borders says this is unprecedented because it is not small, it is not isolated, it seems to be expanding.

And finally, something that I think is an easy lift, I had a hearing on this whole emerging problem of infectious-based hydrocephalic disease. Dr. Ben Warf from Harvard sat where you sit and gave riveting testimony on the need for neurosurgeons in Africa and neurologists.

Cure International has cured over 5,000 kids in Uganda. I have introduced a bill but I don't know if it is going to pass or not. We have asked you repeatedly. I have asked you if you would look into it. We are talking about $3 million per year to get us involved with brain health in general, but this one is the situation of kids who are dying horrible deaths from water on the brain.

I have seen the kids. I have met the children. I had one of the neurosurgeons testify from Africa. They need more of them. And that is part of the vision to grow the capacity of neurosurgeons in Africa; 1 in 10 million of all of East Africa. That is appalling.

Mr. SHAH. Thank you, and I just wanted to thank you for your leadership on all of these global health issues, your chairmanship of that committee, as well as your work from the early 1980s that set a tone for American leadership that I think has borne tremendous results. So thank you very, very much.

First, on nutrition, we will be announcing on May 22nd, our nutrition policy—this is very important because this is one area where the science and the solutions have advanced dramatically in the last 5 years and working together with Tony Lake, who leads UNICEF, I am part of something called the Scaling Up Nutrition or SUN effort, which is designed to take the 1,000-days approach, targeting pregnant women and young children with supplemental foods that can improve their nutritional status so that they are not stunted through the rest of their lives, and move it forward in doz-

ens of countries that where the countries themselves make the first commitment, create the plan, make their own investments, and then we match that.

I think you will see in the policy that we are setting a quantitative target for the number of stunted kids. We will achieve reduction of child stunting country by country. It will be an integrated policy with our Feed the Future Program and our larger global health efforts, and it will be the operational plan that makes real last year's commitment that I made on behalf of the Obama administration at the G8 Summit in London to commit nearly $1 billion to nutrition-specific investments over the next 3 years.

With respect to NTDs, we will provide a more detailed answer for the record, but I just want to note that under the Obama administration, we have scaled up significantly the private-sector drug contributions from a number of key partners as well as scaled up their contributions to do the community training of health workers and deployment of health workers.

[The information referred to follows:]

Dr. Shah:

USAID is a global leader in large-scale implementation of integrated treatment programs for neglected tropical diseases (NTDs), focusing on the scale-up of mass drug administration to target the control or elimination of lymphatic filariasis, blinding trachoma, onchocerciasis, schistosomiasis, and intestinal worms. The program began in 2006 with the mandate to develop an integrated service delivery strategy to enhance program effectiveness and maximize the leverage of U.S. contributions with those of the drug donation programs. The program has expanded from supporting 5 countries in Africa to supporting 25 high-burden countries, primarily in Africa and Asia.

A core component of the NTD Program has been the ability to coordinate and leverage the donation programs provided through GlaxoSmithKline, Merck & Co., Inc., Johnson & Johnson, Pfizer and Merck Serono. USAID resources have focused primarily on identifying the populations requiring treatment, supporting the distribution of the donated drugs in an integrated manner, and evaluating progress toward the elimination goals. Since the start of the program, USAID has been able to expand support so that the annual drug donation contribution has increased every year (see the table below). To date, the USAID NTD Program contribution of $386 million has leveraged $6.7 billion in donated medicines.

The drug donation success and the program efficiencies from treating individuals for multiple diseases instead of supporting separate vertical programs in each country has allowed USAID to increasingly reach more people. This year, the USAID Program reached a hallmark point in the program of providing 1 billion treatments to approximately 467 million people.

Fiscal Year	2006	2007	2008	2009	2010	2011	2012	2013	Cumulative
USAID Annual NTD Budget (millions)	$15	$15	$15	$25	$65	$77	$89	$85	$386 million
Value of drugs donated (millions)	0	$403	$507	$577	$686	$949	$1,079	$2,500	$6.7 billion
No. of treatments delivered (millions)	0	36.8	58.0	130.6	160.7	208.1	221.0	222.4*	1.03 billion
No. of individuals treated (millions)	0	16.3	27.7	54.9	68.3	93.4	96.1	111.3*	467 million

*final data for 2013 still being collected

Mr. SHAH. Our approach is now integrated with our child survival effort because there is so much overlap in the countries of greatest need. And I am confident that while we had to make some tough tradeoffs on certain budget lines, investing in the systemic

approach to child survival, bringing these drug donations into an integrative supply chain will help us effectively achieve those goals. We could have more detailed discussion offline.

With respect to Ebola, we have been supporting the World Health Organization and the CDC in this effort. We are supporting them in the regional office in Brazzaville as well as in headquarters providing personal protective equipment to frontline workers so that they are protected from disease themselves, and providing emergency financial support as it is needed. I am glad that you raise it because it does have real and dire potential and we will continue to work on it.

And on hydrocephalus, I look forward to working with you a bit more on that. I understand why it has been difficult and part of the difficulty is that we have been so laser-like focused on community health and efforts to reduce diseases that cause large scale mortality and morbidity that we haven't had the resource flexibility given the extraordinarily tight budgets. But if there is something we can do to be helpful I would like to make that commitment to you, and I understand the data that you are citing and the commitment you have shown and I want to thank you for that.

Chairman ROYCE. We go to Mr. Albio Sires of New Jersey, the ranking member of the Subcommittee on the Western Hemisphere.

Mr. SIRES. Thank you, Mr. Chairman.

And I would first like to associate myself with the words by my colleague Ileana Ros-Lehtinen, and I won't bore you with some of my experiences as a young boy.

What I do want to talk a little bit about is this issue with the Tweeter, and I want to know if you still feel that USAID is still the appropriate vehicle to carry out these programs? And quite frankly, what are the potential negative effects on USAID's programs going forward in Cuba and elsewhere? Because we have the issue of Venezuela, so——

Mr. SHAH. Well, maybe I could suggest three things. The first is, it is clear that this program which is directed and mandated by Congress and implemented within pretty tight direction, is a part of our portfolio of activities and I do want to have a conversation with Congress about how we are managing this, about what the long-term approach ought to be.

I do take note that the GAO report that reviewed our management complimented us for making management improvements in how the program is executed, and I know that in countries all around the world standing up for democratic values, improved governance, anticorruption, open civil society, access to information, is critical to achieving a broad range of goals. That said, we are open to the dialogue you are suggesting and I would like to have that.

I would also like to note right now that, because Alan Gross was raised earlier and I just want to be clear about something. Alan should be released by the government. He shouldn't have been arrested in the first place. He should be freed and allowed to return to his family. He is a husband, a father. He is facing health issues. He has had a long career of providing support to vulnerable populations and the entire U.S. Government is working aggressively to secure his release.

As you know, it is important for us as an administration to speak with one voice on this. And I and USAID will continue to work with the State Department and under its leadership as they lead the effort to secure his release on a diplomatic basis.

Mr. SIRES. My last question is regarding Colombia. At a time when they are negotiating with the FARC, we seem to be cutting our assistance to Colombia. Do you feel that is a good message that we are sending?

Mr. SHAH. Well, we are doing everything we can to maintain levels of support throughout the region and throughout the world in an environment where the budget is very, very tight. We have had a top-line reduction in the 150 account over all. We have had a reallocation of resources to make significant security investments and implement the findings of the review that was conducted on security for State and USAID personnel and that is creating significant pressures. We have less overseas contingency operation resources in the Fiscal Year 2015 request. So that is all creating downward pressure.

In that context I think we are doing our best to prioritize Colombia. We recognize how important that is. I visited personally, met with the President, with leaders there in the private sector and civil society and we are embracing new partnerships. We launched a big new effort with Starbucks to reach 25,000 small scale coffee farmers and connect them to a high value market and these are specifically farmers in post-FARC affected communities to get the economy going in precisely those rural areas where we know that peace is tenuous and we want to make sure that it is sustained.

So we are going to do our best, but this is a difficult year budgetwise overall, and I always hope Congress can provide greater resources for America's foreign engagements around the world, because I believe these investments are the frontline of our own security, prosperity, and peace.

Mr. SIRES. I am just concerned that Colombia has been such a staunch ally of ours and we have had success working together, that at a time when they are negotiating, we are cutting, and I don't know that sends the right message.

But thank you, Mr. Chairman.

Chairman ROYCE. Thank you, Mr. Sires.

We will go now to Mr. Dana Rohrabacher, chairman of the Subcommittee on Europe, Eurasia, and Emerging Threats.

Mr. ROHRABACHER. Thank you very much, Mr. Chairman.

Mr. Administrator, you are asking for $20 billion in your budget this year; is that right?

Mr. SHAH. It is $20.1 billion.

Mr. ROHRABACHER. $20.1 billion. How much of that is disaster assistance and how much of that is, let's say, long-term country building aid?

Mr. SHAH. Well, sir, it depends a bit on how we count the accounts, and one of the things we have tried to do is use disaster assistance to support longer term systemic developments. In the Philippines, we got the energy system and water system back up and running within a few weeks and we did that using a combination of disaster funds and general assistance.

But in general our humanitarian accounts are called IDA, International Disaster Assistance, Food for Peace and a number of other accounts and they probably total maybe $4 billion, $3 billion to $4 billion in total, depending on which accounts you look at.

Mr. ROHRABACHER. 20 percent, 20 percent would be disaster assistance of what you are asking for in the budget?

Mr. SHAH. I wouldn't state it that way, but we could come back and be precise about the answers. But, yes, it is a portion of the $20 billion.

Mr. ROHRABACHER. Let me just say that I believe that the American people are not stingy people and we have a heart for people who are suffering anywhere in the world, and certainly when people go through the natural disasters or even disasters that are caused by human action, lending a helping hand to get over that emergency is certainly something that none of us—and I think the American people would oppose, the American people would support—even though we are $500 billion in the red every year our overall budget.

We are spending $500 billion more, so every cent that we are spending, much of that is borrowed money from somebody else in order to give it to somebody else. But for disaster assistance, that is understandable.

Long term country building aid, however, at a time when we are borrowing this money to have our own economy survive doesn't make as much sense to me or, I believe, to the American people and often it is done in a way that is just absolutely atrocious. And I would like to challenge one aspect of that today, and that is the money that we plan, and I see that the administration is planning to provide, at least you are requesting $882 million in aid for Pakistan, and let me just note that Pakistan arrested and is still holding and brutalizing Dr. Afridi, who helped us identify and locate Osama bin Ladin, who was responsibility for slaughtering 3,000 Americans.

I consider his arrest and his continued incarceration to be a hostile act by Pakistan against the United States, and I don't see how anybody else could see it as anything else. But worse than that, we have, apparently since 9/11 we have given Pakistan over $25 billion, and of that, $17 billion have gone to Pakistan's security services, which we know now have been in cahoots with terrorists who murder Americans, and even worse, perhaps, we have been providing these billions of dollars to Pakistan's security services and they are using billions of dollars of military equipment that we have been giving them in order to conduct a genocidal campaign against the people of Balochistan and the Sindhis of Pakistan as well.

How can we justify providing more aid for a country like Pakistan that is using our aid, our military aid to murder in great number the people of Balochistan and the repression of the Sindhi people?

Mr. SHAH. Sir, let me just come back to our budget. You know, we have about $3 billion for natural disasters. The majority of the remainder is spent in child survival, HIV/AIDS and treatment for AIDS patients, food and hunger, including the President's Feed the Future program, our education effort which specifically focuses on

girls and getting girls basic education in early years, and water, and getting water to people who otherwise suffer without.

And for each of those areas we have strategies, goals, metrics, we measure outcomes and I believe we can speak about the effectiveness both in terms of achieving those objectives and creating the basis of stability and opportunity so that we live in a more peaceful world because of this effort.

With respect to Pakistan in particular——

Mr. ROHRABACHER. My only comment on that would be that we are borrowing the money from other people in order to achieve very fine objectives like that and perhaps in the past, we could afford to be benevolent toward other souls that are not in an emergency situation, but at least helping some people out. We could be benevolent and think borrowing the money is okay. Perhaps we have reached a point now that it threatens our whole economy. Pardon me for interrupting.

Mr. SHAH. And with respect to Pakistan, the USAID program focuses in five sectors. In health, education, agriculture, a stabilization program in the Fatah that has built schools and community clinics and roads, infrastructure, and energy and electricity and in each of those areas, in energy we put 1300 megawatts on the grid. We believe that those efforts are helping to move communities toward a better perspective about how to engage in the world; are giving people who otherwise wouldn't have opportunity, basic opportunity.

And our goal, as is our goal for all of our efforts everywhere around the world is to succeed at having local capacity replace external assistance over time.

Mr. ROHRABACHER. While we are putting our money into those wonderful goals, they put their money into murdering their own people and helping terrorists kill American troops.

Thank you very much.

Chairman ROYCE. We go now to, Mr. Ted Deutch of Florida, ranking member on the Subcommittee on the Middle East.

Mr. DEUTCH. Thank you, Mr. Chairman.

And thank Dr. Shah for being here today. Let me join my colleagues in commending you for the work that you have done to make USAID more efficient and more transparent over the years and the tremendous work that has been done promoting American interests around the world.

United States gives foreign aid not because we like one country or another; we do it to ensure stability, equality, rule of law, food security, global health, all of the things that have a direct impact on our own security and I commend you for your efforts.

I would like to follow up on the exchange that I had last year with Assistant Administrator Lindborg, who is doing fantastic work in an incredibly challenging region on the branding of USAID in Syria. At the time we were seeing a stream of press reports that the Syrian people have no idea that the United States is the largest provider of aid. There are reports that in U.N. refugee camps there were flags of other countries on the tents, on the blankets, but hardly any U.S. flags at all.

I understand the risk that branding inside Syria places on aid workers and I am sensitive to that. But I do believe it is appro-

priate in refugee camps. Ms. Lindborg gave us a number of instances of U.S. branding, including plastic sheeting, nutritional biscuits, and also discussed efforts to broadcast on Arab media into Syria. I wonder if you could give us an update on efforts to let the Syrian people know that we are there and that we are helping.

Mr. SHAH. Well, thank you, sir and I think we tried to do our best to make sure that the work that we are doing, and the partners who are conducting this work, are appreciated for America's generosity and for the results they are achieving. We have tried to balance that with some of the very specific risks that some of our partners, in particular, Syrian American doctors and medical facilities, face because we know that they have been targeted by the regime.

So with that, a few examples would be as we are moving to providing these voucher and debit cards to refugee families who are registered in Jordan and Lebanon and Turkey, those are branded. I noted earlier for the chairman that Nancy Lindborg just sat with a group of women in Amman who said this represents our dignity in an environment where we have lost our homes, we have lost our husbands, we have lost our assets, our kids are not in school, and thank you to the American people. In other context——

Mr. DEUTCH. I am sorry; how are they branded?

Mr. SHAH. They have a USAID brand on them, and "From the American People," which is part of our branding efforts, which has been actually studied and is quite effective and sometimes is represented in both the local language and our own.

Anytime we provide any sort of cash assistance or food items or nonfood items, like the plastic sheeting, those things are branded and identified. We have expanded over the last few years efforts to use broadcasting and other tools to help people see what we are doing, and also to learn what the needs are so that we are both projecting an American image that is more effective from a public diplomacy perspective and, frankly, gathering information that helps us improve our response, identify communities in need or changes in that context.

And in general, I think it is now recognized that America provides a lot of critically needed and life saving humanitarian assistance in Syria and certainly in the communities I have been with in Amman, in Lebanon, in Turkey.

Mr. DEUTCH. Great, I appreciate that. And I hope the issue that we heard about last time, that there are tents that clearly display flags of the other countries who are helping to a much less extent than the United States, that those will now include American flags as well.

Let me move to one other issue in my remaining time. I want to commend the good work of the American Schools and Hospitals Abroad program which has helped American organizations start and maintain programs around the world. In the past few years the administration has usually recommended a level of around $15 million in their budget. Congress is appropriated $23 million. The Fiscal Year 2015 budget request for this program has been reduced again and it would be helpful if you could just walk us through the reasoning for this continued reduction in what is a successful program, at least to my understanding.

Mr. SHAH. Thank you. And, again, we really respect the American Schools and Hospitals Abroad effort. ASHA has since 1961 provided almost $1 billion in health and education assistance to more than 300 organizations, continues to be a critical vehicle for us, and we hosted their international conference just a week or two ago here in Washington, DC. We know we reach more than 10,000 students and health professionals every year with this effort.

We have to make tough budget determinations, especially because of the dire humanitarian consequences of what is happening around the world right now and the downward pressure on the overall account that comes from both the budget agreement, the control levels, and the efforts to make the security investments to implement the PRB report.

So this is one of those tough trade-offs. We recognize how important this effort is and I think these are important efforts. We just have had to make very, very difficult decisions. This is a program that I respect and value and I think over time we will absolutely sustain.

Mr. DEUTCH. I thank you.

Mr. Chairman, I would just point out that, Doctor, I appreciate the trade-offs that have to be made, but I would just ask if when you consider the merits of this program relative to the relatively small investment that is being made in it, that that analysis ultimately be a determining factor as you go forward.

And I yield back. Mr. Chairman.

Chairman ROYCE. Thank you. We are going to Mr. Steve Chabot of Ohio, chairman of the Subcommittee on Asia and the Pacific.

Mr. CHABOT. Thank you, Mr. Chairman.

And as we continue to see government spending grow across the board, it is critical that we ensure that taxpayers are not being wasted on ineffective assistance programs or end up in the hands of corrupt governments or any other organization like that.

So Administrator Shah, I have a few questions. In February I had the opportunity to visit the Philippines with Chairman Royce and a number of other members of this committee in order to assess the devastation which was caused by Typhoon Haiyan. While there we learned that USAID was using geo locators to track precisely where assistance is being delivered and by whom. It was indicated that these locators were being used in order to help reduce the overlap of aid.

How effective has this method been in the typhoon-hit areas and at the same time, has this technology been used in other countries and if so where? What are the cost benefits of implementing this type of tracking method?

Mr. SHAH. Thank you, sir. I don't have the data to speak to the cost-benefit of that specific strategy at this point. But one of the efforts we've——

Mr. CHABOT. Could you provide that when it is available?

Mr. SHAH. Absolutely. One of the things we have done over the last few years is really work hard to improve our coordination and our lead role in coordination with the U.N. and with a range of other partners. That is actually why I went out to co-chair with Secretary Hagel the ASEAN defense ministers' ministerial and humanitarian assistance, because often coordination is about coordi-

nating with civilian and military actors, as we saw during Typhoon Haiyan. And this is one technology; we have used others as well to help make sure that we are kind of coordinated and swift and aggressive in how we respond to things, and that we have data back so that we know who is receiving aid and where there are pockets of need in the midst of a crisis where data is often difficult to come by.

Mr. CHABOT. Thank you, sir. If you could provide that cost-benefit information, I would appreciate that.

[The information referred to follows:]

Dr. Shah:

USAID and its partners are exploring and utilizing innovations in information and communication technology (ICT) to improve the quality and coverage of disaster preparedness, mitigation, and response activities. The use of this technology in this context is relatively new and thus the data are, in turn, not complete.

During the Typhoon Haiyan response, USAID did utilize geographic data reported by partners through the United Nations "cluster" system regarding their points of distribution of relief commodities and, in the case of the U.N. World Food Programme (WFP), emergency food packages and rice. Partners used the geographic data information to reduce duplication of effort in delivery of emergency commodities and food items. USAID also used the information to validate reports of unmet needs and to determine the coverage and effectiveness of the disaster response. In addition to the information collected in the U.N. cluster system, USAID worked with the Department of Defense (DOD) to tag their delivery of relief commodities and goods. The geographic data created by the DOD was turned over to the Government of the Philippines to assist them in coordinating donor efforts.

In addition to the above, USAID is working with our partners to determine the effectiveness of several new technologies. One prominent example of our innovative work in the application of technology to improve disaster response and preparedness is the U.N. Office for the Coordinator of Humanitarian Affairs Digital Humanitarian Network (DHN)—a group of volunteers on standby to support disaster responders through data analysis, real-time media and social media monitoring, the rapid creation of crisis maps, and other technical services. The DHN was activated in the aftermath of Typhoon Haiyan to rapidly produce maps of the affected areas using software called "OpenStreetMap" (OSM).

In the aftermath of Typhoon Haiyan, USAID funded the American Red Cross and the Agency for Technical Cooperation and Development to determine the effectiveness of the DHN data. USAID's partners inspected a selection of damaged buildings remotely sensed by DHN volunteers and used those inspections to determine if the DHN assessments accurately portrayed the condition of the building.

USAID has funded similar projects elsewhere, including an award to support Catholic Relief Services' response to Cyclone Phailin in Odisha, India, which used tablet computers and mobile phones to collect quantitative data in the field, specifically aimed at tracking progress and quality of transitional shelter construction and the project's end-line evaluation.

Mr. CHABOT. My next question, the Asia-Pacific Subcommittee, which I have the honor to chair, did quite a bit of work regarding Cambodia last year in the run-up to elections which not surprisingly we believe were both rigged and overall unfair elections.

At the time, I introduced legislation calling for more accountable foreign assistance for Cambodia. That legislation stated that if the elections were not deemed free or fair, Cambodia should be ineligible for direct U.S. assistance to support its military and police, and that the State Department and USAID should jointly reassess and reduce, if appropriate, assistance for Cambodia.

The Consolidated Appropriations Act of 2014 contained restrictions on aid to Cambodia dealing with human rights situation which has not improved.

Has USAID begun the process of reassessing assistance to Cambodia? And also would you please describe what U.S. assistance in Cambodia has actually achieved, in which areas aid has been least effective, and how have the actions of Hun Sen's regime impacted the effectiveness of USAID and the foreign assistance from other countries as well?; if you know.

Mr. SHAH. Thank you, sir. On the Asia-Pacific in general, this has been as part of the President's direction to pivot to the region. We have, despite all the difficult trade-offs we have made, we have had modest increases in budgets through that region and in aggregate for Asia and the Pacific.

With respect to Cambodia in particular, the strategic direction we have taken and we appreciate the guidance that you have provided, has been to increase support for democracy programs, for civil society, for efforts to improve governance. The Fiscal Year 2015 request includes more than $12 million for democracy, governance, civil society, and transparency efforts inside of Cambodia.

Mr. CHABOT. How much resistance from Hun Sen's regime do you get on that sort of assistance?

Mr. SHAH. Well, you know, we support civil society based on a set of principles that we believe, as part of partnering with America, we should be engaging with all parts of society and not exclusively just the government. These are open programs. They are notified as we have discussed and we get from time to time some degree of comment. But nevertheless we have support for civil society as one of our core values in our programs around the world.

I will say with respect to effectiveness, these efforts have in the past directly engaged over 22,000 young Cambodians and indirectly reached tens of thousands more, and they do provide support for them to document what happened during elections, to mobilize young people, and stand up for a set of values about open society and we will continue to provide that support, should Congress provide the resources.

Mr. CHABOT. Thank you.

My time is expired.

Chairman ROYCE. Thank you.

We go to Mr. David Cicilline of Rhode Island.

Mr. CICILLINE. Thank you, Mr. Chairman.

Thank you, Dr. Shah, for joining us today. And I want to begin by complimenting you on your powerful and very moving words at the national prayer breakfast. You obviously were not instructed to

upstage your boss, but you did, and I thank you for that and thank you to you and your excellent team at USAID for the work that you are doing in particularly challenging times and often in the face of diminishing resources.

We were also very proud to welcome you to Rhode Island and I want to thank you for your visit last year to Edesia, the producer of Plumpy'Nut and related nutritional products. And I am very pleased that you were able to see firsthand how Edesia is using innovations to treat and prevent malnutrition for the world's most vulnerable children and creating good jobs in my home state to do it.

And they are currently drawing up plans for a larger facility in Rhode Island that they hope can help them reach over 2 million children each year worldwide. And I know that they would welcome your return to Rhode Island to help them cut the ribbon in that facility next year.

I want to acknowledge also USAID's efforts to ensure inclusive development, especially for the protection of human rights of LGBT individuals, and I know that the recently appointed senior LBGT coordinator for USAID started 2 weeks ago and I look forward to hearing about the great things that you will do and I look forward to working with him.

As you know, this is an especially important issue right now as Uganda and Nigeria have both recently passed severely discriminatory anti-LGBT laws which could significantly hamper our public health efforts. Just this past week there were press reports of a police raid on a U.S.-funded HIV project and reaching key communities is a critical component, obviously, to reducing the transmission of HIV and creating an AIDS-free generation worldwide.

So I have three questions. Which I would like to go through quickly and then give you an opportunity to answer them. First is would you talk a little bit about what USAID is doing to ensure that LGBT individuals continue to have access to PEPFAR's lifesaving interventions and medications, as well as other global health programs.

Second, in 2010, USAID launched a procurement reform initiative that promised to increase the number of contract awards to small businesses NGOs, to streamline procurement processes, to provide more funds directly to host countries, and to ensure that the products being purchased are of the highest quality. Could you talk about the progress that has been made on these initiatives.

And, finally, how does USAID work with intergovernmental organizations and NGOs worldwide to combat the horrific, very serious problem of gender-based violence, particularly against very young children and girls?

Mr. SHAH. Well, thank you, Congressman for your unwavering and incredible support. I love remembering what those employees at Edesia told me, which was upon learning that their work and their products were reaching families throughout Syria and helping women and children, they were just so proud to be part of America's engagement in the world. And those are great new jobs in that community. So thank you for having me out there.

With respect to Uganda, I very much appreciate your comments. These retrogressive laws that have been passed have a chilling ef-

fect on the LGBT community access to care and quite simply put, we are not able to achieve our goals of an AIDS-free generation if they are allowed to hamper the effort for our program beneficiaries to receive services in an environment that is safe, that is open, that respects their dignity, and that understands that this is a critical point of access to critically needed and lifesaving health care.

So we are currently undergoing a review of all of our Uganda assistance programs and how to best engage. We have made some adaptations already to programs based on particular organizations and their behavior with respect to all of this. I have talked to my counterparts in the UK and other European capitals so we have a coordinated response that carries more effort, force as we talk through how we are going to deal with the consequences of this.

But our commitment is to make sure that we are able to reach the LGBT community in Uganda with basic services for health and HIV/AIDS and that we are you know, working to, as Secretary Kerry has noted, you know, work to highlight how regressive and repressive this law is.

With respect to small businesses and NGOs, you know I am proud to report that over 4 years we have nearly doubled our commitment to new partners, and NGOs in particular. The percentage of funds used to be 9 percent going to those partners and is now 18 percent.

With respect to small businesses, we get a score every year, a grade, and when I started it was an F, and then it went to an A, and came down to a B, and we are hopeful for another A. But I will knock on wood and not commit to that until the scoring comes out this year. The reason we pursue this effort is we believe that we should have a diversified base of partners, that all of our partners should have access to the opportunity to take this mission forward, and that small businesses, NGOs, civil society, often can add a lot of value at a very efficient price point and so we want to engage that community effectively.

And finally on NGOs and gender-based violence, yeah, I was in eastern Congo a few months ago and the use of rape as a commonplace practice of conflict and war in that environment is just devastating. To interact with and to meet young girls and young boys who have been a part of this is just extraordinarily difficult.

I am very proud of our teams that have not just had targeted gender-based violence programs to reach survivors and to protect them, to make sure they get fistula repair operations and other critically needed and specialized services and this is happening in difficult contexts.

But also to look at the broad range of what we do on humanitarian efforts, on agriculture programs, on health programs, and ensure that we are focusing on reaching girls protecting girls, giving girls an opportunity. Because we know that in many parts of the world doing that will change the character and sufficiency and prosperity of society over time, and every bit of effort we can make, which while by definition is not enough, I think is an important manifestation of America's values.

Mr. CICILLINE. Thank you.

I yield back, Mr. Chairman.

Chairman ROYCE. We go now to Judge Ted Poe, chairman of the Subcommittee on Terrorism, Nonproliferation, and Trade.

Mr. POE. Thank you, Mr. Chairman.

Dr. Shah, it is good to see you again. Thank you for what you do.

I want to talk about money, taxpayer money that is spent through the State Department specifically, then through USAID. When Americans think of foreign aid they think of all the money that the State Department spends, but there is a State Department budget and then there is that foreign assistance money that goes to foreign countries. But let's start with the State Department and why so many, including me, people are frustrated about American money.

The State Department, I understand, has an arts division that buys the art for its Embassies. This is a $1 million stack of bricks in my opinion, I know nothing about art, that is at the London Embassy that taxpayers spent. The State Department paid for it and we spent on ourselves at the London Embassy. It is $1 million, to me that is quite a bit of money.

Recently the State Department has decided to purchase this camel and send it to Islamabad and put it in the American Embassy in Islamabad. This is about $400,000 and the State Department said, well, it could have been more, but we got a discount. We got the camel, the stack of bricks, I understand that is not foreign assistance but that is money that goes to the State Department and I am a little concerned that we would spend American money that way.

If we want art in our Embassies, why don't we get school kids to paint pictures that we could put it in all our Embassies throughout the world? I think school kids could do that, it would be better. Anyway.

So, let's narrow it down to foreign assistance. Recently the Associated Press has reported that the State Department cannot account for about $6 billion over a period of years. Some of that money is foreign assistance; some of it is not foreign assistance. It would be security assistance. But for the record I would like to put the Associated Press article into the record, Mr. Chairman.

Chairman ROYCE. Without objection.

Mr. POE. I am not sure where all the money came from, or what accounts, but it is $6 billion that the State Department says we just can't find it, which is a little concerning as well. That is according to the report that the Office of Inspector General did in the State Department and that frustrates me as a Member of Congress. It frustrates the citizens too. Six billion dollars, we are talking about real money even for the Federal Government. Which leads me to the comment I would like to get from you.

Accountability is to me very important. How we spend taxpayer money. Representative Connolly and myself have introduced legislation, the Foreign Aid Transparency and Accountability Act, which basically says when we give foreign assistance we need to be able to measure if it is working or not working. Programs that work, let's maybe keep them. Programs that are not working, let's get rid of them. And, as you know, many nongovernment organizations support the legislation. Even organizations that would sort of be

audited by the State Department or by USAID support a review, an audit is what I call it, of foreign assistance overseas.

I personally think that would bring some credibility to how we spend our money. Maybe we shouldn't be buying art. I know that is not foreign assistance. You commented in the past on this specific piece of legislation. So from your point of view as the Administrator of USAID talking about specific foreign assistance, not talking about other State Department money, do you think if we eliminate the security portion of it and just evaluate at this time foreign assistance, security, that is a different issue, weigh in on that for me if you would and then I have one other question.

Mr. SHAH. Well, sir, as we have discussed before, and I very much appreciate your comments on evaluation and monitoring, we have taken the precepts that underlie the legislation and actually implemented them. So over the last 4 years we have put out a new evaluation policy, we have trained 460 of our staff, we have increased the number of evaluations that we do and publish every year from about 73 to, in this last year, 234 and the quality of those evaluations which we now track and measure has also gone up significantly to be consistent with our new policy.

Mr. POE. I am running out of time, Dr. Shah. Excuse me. And I have some questions that I will submit for the record and I know that you always respond, and I appreciate that.

And one last question, if I may, Mr. Chairman. I understand that we give foreign assistance to Armenia and Belarus. Those two countries specifically voted against the United States in the U.N. They agreed with the basically invasion—in my opinion—of the Russians in the Crimea. Maybe we should reevaluate giving money to countries that support Russian invasion. Just a thought.

And I will submit the questions, Mr. Chairman, for the record for Dr. Shah.

Chairman ROYCE. We go now to Dr. Ami Bera of California.

Mr. BERA. Thank you, Mr. Chairman.

And thank you Dr. Shah for your testimony. Good to see you here again.

Also thank you for your leadership in transitioning USAID from just being a donor organization to one that is actually a capacity building organization. India is a good example of a country that we built capacity and now they can actually donate and help develop countries in Africa and other places.

As has been mentioned before, you know when we look at our overall budget, we are spending less than 1 percent of the Federal budget on foreign aid so we should keep that in perspective. We also know that these are remarkably important investments that not only extend the goodwill of the American people globally, but also have dramatic impact on health and relief of human suffering and is a reflection of our values as Americans.

I specifically want to focus in on the $8.1 billion USAID and State Department allocate for the global health program. In particular the $538 million in family planning and reproductive health.

As you already mentioned, USAID has a major focus on maternal and child health in 24 countries where more than 70 percent of the maternal-child deaths occur. You know quoting another Senator,

former Senate Bill Frist, he talked about family planning as being a key, often hidden engine for additional global health achievements. He also noted that when women space their pregnancies out by more than 3 years through the use of voluntary family planning, they are more likely to survive pregnancy and childbirth. Their children are more than twice as likely to survive infancy and as doctors, we also know that pregnancy spacing is incredibly important.

Research has shown that addressing the current unmet need for modern contraception, if we were able to meet that need that we prevent 79,000 maternal deaths and over 1.1 million infant deaths.

Now, from your perspective, how is USAID ensuring that we better support effective family planning tools to advance our shared goals of ending preventative child and maternal deaths.

Mr. SHAH. Well, thank you, Congressman. Thank you for your leadership on these issues and global health in particular.

We do have a significant proposed investment in family planning and voluntary family planning. This has been a part of America's global health and foreign assistance legacy for now more than four decades and it has been extraordinarily successful in taking up the contraceptive prevalence rate and bringing down the total fertility rate in country after country. One of the biggest successes of the program is most of the programs transition to country ownership, management, funding, and implementation after that capacity is built, as you point out, over years.

President Obama has been very committed to this issue, increasing budgets relative to the prior administration significantly and we have a very careful process to make sure that everything we do follows the very strict letters of the law.

I think there are three things I would highlight as you point out. One is, this is one of the most effective ways to save women's lives during child birth, and the most cost-effective way to do that.

The second is we don't achieve the end of preventable child death unless we make these investments.

And the third is the demographic shift that comes with bringing down child death and bringing up voluntary family planning together, is what gives countries the capacity to be more stabilized from a population perspective and to then grow their economy. All of these things have been proven, which is why we have engaged in this administration with the private sector, with Australia, the UK, with the Bill and Melinda Gates Foundation, to get others to do more with us in genuine partnership.

Mr. BERA. Great, you know playing off of the hearing that we had last week about empowering girls and women and particularly on the education fronts, we know, as we are prone to say in our own country domestically, when women succeed, society succeeds. And in the remaining few seconds I would like you to comment on some of the strategies that USAID is engaging in.

Mr. SHAH. Well, thank you, and I think we put out a new women and gender policy a few years ago. We now really take a pretty aggressive approach. We have a new gender coordinator coming on board and we have really restructured the way we do this work, so that we support the National Action Plan on Women, Peace, and Security and critically important in all of our major programs we

try to measure whether the benefits of our efforts are reaching women.

So in the Feed the Future program, which works to reach 7 million farm households, we actually measure whether the income improvements that come from better agricultural production on the farm are going to women? And the reason that is important is they do most of the work and you know that $1 of additional income with a woman in that context is far more effective at getting kids into school, reducing child death rates, and improving community development outcomes than if that same dollar goes to a male.

So, by measuring and reporting on those trends we have actually helped to lead on this issue, not just for own foreign assistance but in the community of our partner country agencies.

Mr. CHABOT [presiding]. The gentleman's time has expired.

The gentleman from Illinois, Mr. Kinzinger, is recognized for 5 minutes.

Mr. KINZINGER. Thank you, Mr. Chair.

Mr. Administrator, thank you for being here and thank you for serving your country in a difficult capacity and a difficult time in world history, I believe. So I appreciate having you here.

I want to touch on two different areas: Iraq and Afghanistan. When America withdrew its forces from Iraq after 2011, I think USAID and the State Department was kind of left scrambling. I will say I have been critical of the administration. I thought the withdraw from Iraq was probably one of the biggest blunders in a decade, in foreign policy. But that said, you were left with kind of a presence in which you had to figure out okay, with no U.S. troops here how are we going to go forward?

It seems like since that kind of opening day, opening salvo of a no U.S. military presence, USAID and the State have been kind of scaling back its presence and figuring out the right size there. What lessons have we learned in Iraq that can be applied to Afghanistan as we are going ahead and looking at the post 2014, and what is the number one lesson that you plan to apply to that?

Mr. SHAH. Well, thank you. I think there are three. One is we have to review our programs continuously to ensure that they are sustainable, given the political context and the security situation and the underlying economics. A second is we have to protect our people. So we have to make sure we can get eyes on projects, that we are using third party monitors, that we are using in some cases satellite data to look at crop yields and other ways to track outcomes. But our people need to be able to evaluate programs and also be safe. And the third is the cost of operations goes up.

So I would just say with respect to Iraq one of the things we very much focused on as we take down our presence and our investment, which we have done, is that we transition the responsibility of paying for programs to the Iraqis and there has been an extraordinarily successful set of transitions there where our major programs have been picked up and continued with Iraqi local resources.

I think in Afghanistan, we are implementing those lessons and we recognize that for the 2 to 3 percent of the cost of the overall war that was USAID's component of the investment, we have 8 million kids in school, 3 million girls; we have the fastest reduction

in child mortality, maternal death; the longest increase in human longevity anywhere in the world over the last decade; and the improvements in customs revenue collection at the border posts. All of those—sustaining those gains is critical to capturing the promise of peaceful and more secure Afghanistan for the future. So that is what our focus is right now.

Mr. KINZINGER. I would like to say too that I recently visited South Waziristan and Pakistan and was able to see some of the USAID's projects in terms of completion of dams, road building, and although there are huge problems in Pakistan and we all know this, and significant problems that the Pakistani Government needs to confront, we have seen some success. Whereas when you bring economic prosperity to the people and give them an opportunity to sell their fruits and goods, they turn away from terrorism and turn away from extremism and turn toward peace, and I think that is ultimately the key here.

What is the current USAID footprint in Iraq and are your personnel presently able to go outside the wire and visit projects? And what do they do in terms of security and stuff like that and how would that apply to Afghanistan?

Mr. SHAH. In Iraq, it is diminishing, and that is by design. The goal to transition the programs to local investment and ownership and we are on the path to do that successfully. In Afghanistan it is different because in Afghanistan we have large scale programs and investments. The Fiscal Year 2015 budget calls for sustaining at a slightly reduced level over historic terms those investments.

And we are really working with the community of international partners according to something called the Tokyo Mutual Accountability Framework so if the Afghan Government is making the right choices; free and fair elections, efforts to fight corruption, efforts to replace foreign assistance with revenues that are collected and transparently provided, we will continue to work with the international community to make sure they have the resources to sustain these important gains.

And that is important for women and girls in Afghanistan. That is important for rural communities that have been part of the National Solidarity Program that has been evaluated by Harvard and MIT and proven to be successful, and it is important for continuing to build civil society and civilian capacity in the Afghan Government.

So, we are encouraged by these efforts. We know it is going to be very, very tough and our people in that context as you know, sir, take tremendous risks every day to carry out that mission.

Mr. KINZINGER. Yeah, and again, in my travel I have seen a lot of what your organization does in terms of helping to rescue women and girls who are in a situations that none of us could ever ponder. Stuff that you thought existed 100 years ago or 200 years ago, still exists in parts of the world today.

So, again, thank you for your hard work. I know you know, we are going to look at the budget. We always do that in a very big way. But I think your organization is a force multiplier and helps us prevent going to war in many cases.

Thank you, Mr. Chairman.

Mr. CHABOT. Thank you. The gentleman's time has expired.

The gentleman from the Commonwealth of Virginia Mr. Connolly is recognized for 5 minutes.

Mr. CONNOLLY. Thank you, Mr. Chairman.

And welcome, Mr. Shah. Can you bring us up to date? We asked questions the last time you were here about the relationship of USAID to sort of the proliferation of other USAID-like entities in the United States Government.

The Millennium Challenge, the African AIDS Initiative, and so forth, all of which seem to have the effect of diluting the centrality of USAID as our lead development agency. That is of concern to a number of us on this committee.

A concern I shared with you last time you were here, can you bring us up to date on how that is being coordinated and perhaps reassure us that that doesn't in fact dilute USAID's role as the lead development agency in the United States Government.

Mr. SHAH. Well, thank you, sir. And thank you for your leadership on development and foreign assistance and how we project our values around the world.

Mr. CONNOLLY. Does that mean you are endorsing my aid reform bill?

Mr. SHAH. We have talked about this and I value the underlying concepts of that bill.

I will say that over the past, President Obama started his administration by issuing a policy directive and said that we were going to commit ourselves to rebuilding USAID to be the world's premier development institution. Time will test whether we have done that, but I believe we are strongly on that path.

We have rebuilt our policy, reclaimed and designed our budget. We take accountability for our decisions. We have shut down 34 percent of all of our programs around the world to create the space to invest in food security and child survival and education and water in a more results oriented way, and did all of that during a period of relative budget neutrality.

We measure and monitor our programs and we lead in many international fora including next week's big global development conference in Mexico. Our ideas on a new model of development that bring private sector, civil society, public sector together to tackle really big challenges, are leading the sector in spades.

So I feel confident that we have rebuilt USAID's capabilities, including with your support the hiring of nearly 1,100 new staff that has given us all kinds of new technical capacity that is deployed around the world.

With respect to MCC and PEPFAR, yes, we work in close partnership, and I feel that partnership is a lot better now than it was when I started and that is it true whether we are working in Liberia with MCC to figure out who does what and to get our timing and sequencing right. It is true whether we are assessing each other's programs and sharing information and it is true with PEPFAR where we have a joint goal to create an AIDS-free generation and to bring science and technology to the front lines of that fight given that USAID implements about 60 percent of PEPFAR.

So we are doing our best within the institutional constraints that are already defined and exist to ensure that that we operate as one team, we deliver one set of extraordinary results. We are clear

about our leadership around the world and we project that. This is an important way for America and the Obama administration, as it was for the Bush administration before, to project leadership, to protect the world's most vulnerable in extreme poverty.

Mr. CONNOLLY. I appreciate that and it sounds like everything is sunny in the neighborhood. But when you ask yourself what could go wrong, Mr. Shah, when you don't have clear organizational lines of responsibility in the org chart, you know, maybe you and your colleagues get along just fine but maybe the next team won't.

And frankly, from the United States Government's point of view it seems to me it ought not to be up to only the relational capacity of those who hold these jobs. There ought to be clear lines of responsibility and authority and who reports to whom. Now in some cases maybe a dotted-line responsibility is what we are going to have to settle for.

I asked you a year ago whether you would meet with us and work with us on the reform bill that our former chairman, Howard Berman, and I had worked on. I haven't heard anything from your agency. Not a word in a year and the intent of the legislation is to be helpful and to try to streamline and to remove the encrusted barnacles that have built up in 50 years and it seems to me not an unreasonable proposition that we actually need a new and a streamlined legislative framework for moving forward that takes cognizance of what you are doing and the changes in the world in the last half century.

So I re-invite you to please come and sit down with us and go over that legislation so that we can move forward together.

Mr. CHABOT. The gentleman's time has expired.

Mr. CONNOLLY. Would the chairman allow Mr. Shah to respond?

Mr. CHABOT. Yes.

Mr. SHAH. Let me just say I endorse the concept. We do need a new framework and I think enough has changed in how we all operate, especially embracing science and technology, private partnership, innovation, the world out there has changed dramatically. It used to be that our agencies were the bulk of investment going into poor countries. Now we are the minority of investment.

So if we are not structured to partner well with the private sector with other sources of local revenue and resources, we won't succeed in the mission to end extreme poverty to keep our country safe and secure and to that end, I will personally sit with you, I will be eager to do that.

I know that my colleagues at MCC and PEPFAR would be eager to have that conversation and we are also realistic about the timelines it takes to produce long term outcomes on that basis. But we value your leadership and I and my colleagues will come and speak with you about it.

Mr. CONNOLLY. I very much appreciate that.

Thank you, Mr. Chairman.

Mr. CHABOT. Thank you, the gentleman's time has expired.

The gentleman from North Carolina, Mr. Holding, Number 2, is recognized for 5 minutes.

Mr. HOLDING. Dr. Shah, your request for the Office of Transition Initiatives OTI, has around a 17-percent increase. I looked at OTI's

Web site and it states that their mission is to: "Help local partners advance peace and democracy in priority conflict prone countries. Seizing critical windows of opportunity, OTI works on the ground to provide fast, flexible, short-term assistance targeted at key transition needs."

Now, if you go to the State Department's relatively new Bureau of Conflict and Stabilization Operations, CSO, it states that they: "Offer rapid locally grounded conflict analysis in countries where massive violence or instability looms" and, "CSO helps develop prioritizes strategies to address high risk periods such as election or political transitions." And CSO also: "Moves swiftly to mobilize resources and civil response mechanisms for conflicts revision and response."

The State Department's Inspector General just last month issued from what I understand to be one of their most critical reports ever issued citing problems of mission management, staffing, accountability, and more, and most importantly in this report, it states that USAID's Office of Transition Initiative has a mission statement almost identical to that of CSO and from a comparison of the Web sites of OTI and CSO, it appears that both organizations are currently working in Burma, Syria, Kenya, and Honduras.

So, it would seem that there is a lot of overlap between these two offices, and even when we consider the fact that they both work in very difficult and unstable situations. So I am wondering if you could lay out the differences between OTI and CSO and help us determine whether there is a duplication of efforts going on here and if there is a duplication, what warrants that?

Mr. SHAH. Well, thank you, sir, and I would be happy to have my team also follow-up in more detail across the range of programs.

If you just look at Syria, for example, OTI is helping to support the governance needs of some of the local coordinating councils under the SOC, the Sunni Opposition Council, and they provide support on an as-needed basis that is civilian support, efforts to help them stand up local governance.

I saw this firsthand in Haiti where after the earthquake when the government was in a really difficult situation years ago, OTI helped the office of the President set up——

Mr. HOLDING. Sure. I appreciate the work that they do.

Mr. SHAH. And those types of efforts are not very large and are time bound and play a unique role.

In Syria, CSO does things in a coordinated manner but a different set of things, and I think they have worked hard to make sure that they are not duplicating but are coordinating. And in fact the USAID guy——

Mr. HOLDING. Are you in the process of doing, you know, any study, or interagency review to look for overlaps between the two organizations? Is that something going on, on an official basis?

Mr. SHAH. Well, we will be launching soon, the QDDR, and that would be a vehicle for doing that. So I will look, and I know we did that last time, and during the QDDR, so——

Mr. HOLDING. Well, that is something that you commit to do, look for overlaps.

Mr. SHAH. Yes.

Mr. HOLDING. And one last question before I run out of time. Is USAID, do they have any programs currently going on in Russia?

Mr. SHAH. Well, USAID left Russia and so, no, we don't currently run programs in Russia. But our partners in the State Department continue to partner with, and engage with, a broad range of civil society in that context. But I can't speak to the details of that. But I know USAID is not currently present there.

Mr. HOLDING. All right, thank you. Mr. Chairman, I yield back.

Mr. CHABOT. The gentleman yields back.

The gentleman from California, Mr. Sherman, who is the ranking member of the Subcommittee on Terrorism, Nonproliferation, and Trade is recognized for 5 minutes.

Mr. SHERMAN. I focus a lot on national security, and there is no greater concern than Pakistan, and within Pakistan, I tend to focus on the Province of Sindh. In Sindh, especially rural areas, you have historically marginalized area of Pakistan. USAID has done a number of projects in the Sindh Province including building schools. I want to thank you for that effort.

I want to push for more. I hope that—well, please provide for the record, a comprehensive list of your current projects in Sindh, either ongoing, or completed over the last year or two, and please include in that, a discussion of whether we can find women teachers to teach girls, whether there are enough qualified women teachers and whether they are being hired.

The far area of Sindh, especially if you could comment about how we have dealt with the recent famine and drought there, and if Sindh is marginalized by Pakistan, the Hindus who live in Thar, are even more marginalized.

According to human rights activists, the Hindus there, and then elsewhere in Sindh, live in fear of forced conversion or are being pushed off their land if they don't convert.

Is USAID and Pakistan cognizant of and sensitive to the ethnic and religious minorities of Pakistan and the vulnerable populations and do we focus our effort on those vulnerable populations?

Mr. SHAH. Well, thank you, Congressman, and thank you for your support for our efforts in Pakistan and all around the world.

I think the Sindh Pakistan program is a good example of what we can get done when we take a results-orient approach, and a few years ago we restructured our work there to focus on health, education, and power and in education as you noted. We are rehabilitating and building out 120 schools. Our target is to ensure that 750,000 kids, mostly girls, are learning to read at grade level in early grades. We will conduct a performance testing of those kids to ensure that that is, in fact, the case.

We have rehabilitated power plants such as the Jamshoro Power Plant and others and my team can followup with details, but that has helped produce 270 megawatts of energy at a time when that is the core constraint to growth and we have supported more than 200 healthcare workers to provide basic healthcare services to 25,000 women across 14 districts in Sindh. And that has been one of our most effective ways to help reduce child death and promote maternal survival during childbirth. So these programs when well run are effective.

[The information referred to follows:]

Dr. Shah:

Since 2009, the U.S. and Pakistan have engaged intensively on energy policy and energy has been the top priority of U.S. assistance, including energy sector management improvements and visible investments in energy generation improvements. The Jamshoro Thermal Power Plant rehabilitation is one of many large-scale energy projects that USAID is implementing in Pakistan. We are renovating and completing the construction of thermal and hydro power plants, and rehabilitating dams throughout Pakistan.

USAID is working with several Government of Pakistan agencies, including the Ministry of Water and Power, the Ministry of Petroleum and Natural Resources, the National Transmission and Dispatch Company, Water and Power Development Authority, power distribution companies and other agencies to enhance their governance, support reforms to improve the energy sector, increase revenues, improve efficiencies, and improve overall performance. Many of USAID's efforts in the energy sector are coordinated with and complementary to the current IMF program. These programs as a whole benefit Sindh by helping Pakistan develop a commercially viable energy sector.

Thus far, USAID efforts have resulted in over 1300 megawatts (MW) of additional electricity to the Pakistani power system, benefitting almost 14 million people. These efforts are being realized through adding over 930 MW of increased generation capacity, 240 MW of improved efficiencies in the transmission system, and over 130 MW of reduced losses and demand reduction in the distribution systems. Our efforts have also increased the distribution companies' annual revenues by $133 million through our Power Distribution Program (PDP). Additionally, PDP's Load Data Improvement Project has nearly eliminated unscheduled load shedding in Pakistan.

By the end of 2014, we are currently projecting that USAID programs will have resulted since 2009 in adding a total of 1400 MW, enough to supply electricity to about 16 million more people.

Mr. SHAH. I am not as aware of our specific efforts in Thar, and with minority communities, so I appreciate your raising that. I will look into that specifically and ask our team to come back to you.

[The information referred to follows:]

Dr. Shah:

Pakistan is one of the largest recipients of U.S. civilian assistance in the world, which reflects our enduring partnership and the U.S. commitment to supporting Pakistan's economic and social development. Thank you for allowing me the opportunity to answer your questions about USAID programming in Sindh province, the ability of women teachers to be able to teach Pakistani girls, the response to famine/drought in Sindh, and the marginalization and forced conversions of Hindus in Thar, each of which I will address in turn.

In Sindh, the United States administers numerous programs and projects to increase energy production, build infrastructure, improve education, and increase access to quality medical care, along with more traditional exchange and people-to-people programs, which increase the understanding between our two countries. Some of the largest on-going projects that USAID administers in Sindh include the following.

The Sindh Basic Education Program is a $155 million program started in 2011 in partnership with the Government of Sindh that includes the following activities:

- School Construction: Building approximately 120 new schools in flood-affected and other areas throughout Sindh. Construction is currently underway;
- Sindh Reading Program: This is a five-year program to improve reading skills of 750,000 children;
- Sindh Community Mobilization Program: This a five-year program to engage up to 400 communities in the construction, operation, and maintenance of schools for their children. It engages strong public/private partnerships for the management of these schools and is projected to enroll 100,000 new girls in school. This program also includes a nutrition component to conduct research and address malnutrition through screening and other school activities in the target areas.
- Sindh Capacity Development Project: This activity is helping the Sindh Department of Education to improve its skills in the areas of financial management, procurement, administration, and monitoring and evaluation;
- Architecture and Engineering Support Program: This activity is supporting Sindh government efforts to accelerate and streamline construction of schools, including assessment, design, procurement, contracting, and construction supervision.

The United States of America is committed to working with Pakistan's federal and provincial governments to address the energy crisis. As part of a national program that has added over

1,300 megawatts of electricity to Pakistan's power grid, benefitting 13.8 million Pakistanis, USAID has administered several energy programs in Sindh:

- USAID invested $38 million to repair and rehabilitate the Guddu Thermal Power Station and the Jamshoro Thermal Power Station, resulting in 270 megawatts of enhanced power generation, with an additional 75 megawatts planned by December 2014.
- USAID's Power Distribution Program, in cooperation with government-owned power distribution companies such as HESCO in Hyderabad, has improved power distribution, reduced energy losses, and increased customer services throughout Sindh.

Much more progress is needed to address Pakistan's energy problems, but this is an important component of the effort in partnership with the Government of Pakistan to address these problems.

In health care, USAID launched the $387 million Maternal Child Health Program nationwide in 2012, but focused it primarily in Sindh. The program seeks to increase the ability of Pakistan's public, private, and civil society sectors to deliver healthcare services. The program will also help address the high rates of maternal and child mortality in Pakistan by expanding pre-natal and neo-natal care, in addition to expanding the use of family planning and healthy birth spacing. This program is based on the previous USAID health projects which had decreased maternal and newborn deaths by 23 percent in 26 districts and expanded the use of family planning methods by 8.5 percent in 15 districts through community engagement, training for medical specialists, and outreach services.

The United States has also supported the Jinnah Postgraduate Medical Center (JPMC) in Karachi – one of the leading hospitals in the country, especially for women's health care since the 1950s. In 2012, with USAID funding, the JPMC completed the construction of a new, $3.44 million Ob/Gyn ward, which allows JPMC to provide improved care to some 140,000 women per year. In February 2014, the JPMC broke ground on a new $6.0 million project to demolish JPMC's 80-year-old maternity ward and construct a new, modern 120-bed maternity ward. Construction of the new maternity ward should be completed in 2015.

In 2010, the U.S. government committed to finance the construction of a new hospital complex in the city of Jacobabad that would serve 1.5 million people in northern Sindh, eastern Balochistan, and southern Punjab. U.S. Ambassador Richard Olson broke ground on the new $18 million hospital complex in February 2013. The 133-bed facility will include a maternal and child health wing, operating theatres, emergency room, cardiac care/intensive care unit, and a fully equipped outpatient clinic. An Independent Board of Governors, established by the Sindh Assembly in 2013 and headed by the Sindh Minister of Health, will administer the hospital to ensure professional management and oversight. USAID's Maternal-Child Health Program is assisting the Board of Governors to develop a human resource strategy, business plan, and standard operating procedures for the hospital.

To improve public infrastructure and municipal services in Northern Sindh, in 2011 USAID began the Sindh Municipal Services Project (MSP), a multi-year program. MSP's centerpiece is the Jacobabad Municipal Project, a $36 million project to make major improvements to the aging and dysfunctional water supply, sanitation, and solid waste infrastructure in this small city in

northern Sindh. Ambassador Richard Olson broke ground on the project in February 2014. The Jacobabad Municipal Project will deliver clean drinking water to more than 250,000 people, improve health and hygiene conditions, and create sustainable sewage and garbage management systems. The Government of Sindh has also approved $5 million to complete associated aspects of this project.

With regard to your question about the ability of women to teach girls in Sindh, the World Bank reports no shortage of female teacher applicants for primary grades and has worked with the Government of Sindh to institute a policy to incentivize the hiring of female applicants. Still, female applications in rural areas remain low, especially for subject specialists in science and math in upper grades above class 5. As per 2012-13 Sindh School Census data, out of a total of 142,639 teachers across all grades, 68% are male and 32% are female, which is proportional to the number of educational institutions. The World Bank's Sindh Education Sector Reform Program will help the government to recruit 20,000 new teachers, with an emphasis on hiring women. To compliment this work, USAID's Sindh Basic Education Program plans to train 25,000 teachers in focused methods of early grade learning/reading. The program is also working with the Government of Sindh's support to leverage recruitment of female teachers to fill vacancies in schools supported in target areas.

With prior U.S. support, the Government of Sindh instituted a policy that by 2017, all teachers appointed in Sindh must hold an Associate's Degree in Education (ADE) or a Bachelor's Degree in Education (B.Ed) to be eligible for a teaching position. In December 2014, 172 graduates are expected to complete the ADE and B.Ed degrees; of these graduates, 94 are women, and 87 of them received USAID-funded scholarships. In December 2015, 335 graduates are expected to complete the ADE and B.Ed degrees; of these graduates, 210 are women, of whom 105 received USAID-funded scholarships

The Government of Pakistan did not request USAID assistance to respond to the drought in Sindh; however, USAID's Food for Peace was contacted by the United Nation's World Food Programme (WFP) to authorize 200 metric tons of Title II-donated Wheat Soya Blend (WSB) for this crisis. The Title II WSB, which had just arrived in Pakistan, was already planned to be targeted to malnourished women and children in Tharparkar. The food was subsequently distributed by WFP as blanket supplementary feeding for the drought victims.

USAID is cognizant of and aware of the ethnic and religious minorities in Pakistan, who often face a range of discrimination. The Department of State leads US Government programs to help minority communities. USAID, consistent with our policy of non-discrimination, ensures that our partners work across religious and ethnic groups, and our humanitarian assistance is based on need. We take seriously any indication that assistance is not being provided fairly and we have no indication that that is the case in Tharparkar.

Mr. SHERMAN. And I want to thank you for your responsiveness. I have been focused on Sindh for several years and to have an Administrator that up-to-date with everything—first of all, doing all of the good things, and then to have an Administrator that knowledgeable, is a good result.

As to aid to Nagorno-Karabakh, I hope you provide for the record the aid that is being spent in Armenia, but also in Nagorno-Karabakh, for Fiscal Year 2014, and particularly, focus on what has been done to reduce land mine explosions, and provide clean water to villages.

We have seen the tragedies in Syria. I know that Eliot Engel, our ranking member, has already focused on you trying to reach those very vulnerable populations. Obviously, Jordan and Lebanonhave absorbed the bulk of the international displaced persons, but a lot have gone to Armenia, and I wonder whether you were providing

aid through the Government of Armenia to handle the refugees that have gone there?

And since my time is about to expire, I will ask you to respond to that for the record.

[The information referred to follows:]

Dr. Shah:

U.S. assistance to Armenia supports democratic, economic, and social reforms designed to promote regional stability and complement U.S diplomatic efforts to peacefully resolve the long-running conflict with Azerbaijan over Nagorno-Karabakh, and reopen the closed borders with Azerbaijan and Turkey. For FY 2014, the United States anticipates providing $20.7 million to Armenia, $15.7 million of which will be administered through USAID.

The Administration shares Congress' view on the importance of aiding those who have been affected by the conflict over Nagorno-Karabakh. The United States has funded the HALO Trust to conduct humanitarian demining within the Soviet-era boundaries of Nagorno-Karabakh since 2001. This program is focused on clearing mines and returning lands to rural population for agricultural use. To date, the U.S. has provided $10.7 million to HALO Trust for this effort. The United States anticipates providing $2.0 million in support of this program in FY 2014 funds.

Mr. SHERMAN. I finally want to focus on the Javakheti region of Georgia. Over the last 20 years, we have provided over $1.5 billion of assistance to Georgia. One of the poorest regions of Georgia is Javakheti, and some 28 of us have signed a letter urging that with U.S. assistance to Georgia, at least a good percentage of that go to the Javakheti region, and I will add, since my time is expired. I will ask you to respond to that for the record, unless the chairman wants to indulge me.

Mr. CHABOT. The gentleman's time is expired, but you can respond to the record.

Mr. SHAH. Sure. Well, on Javakheti we will continue funding with Fiscal Year 2015 funds for activities in those regions, and we can provide a more detailed response about the 10 specific programs that will be supported in that context.

[The information referred to follows:]

Dr. Shah:

The United States has focused and continues to focus significant assistance resources toward programs that benefit the Samstkhe-Javakheti region of Georgia. USAID currently has ten programs active in Samtskhe-Javakheti including: programming to improve agricultural productivity, given that agriculture is the region's primary source of income; social development programs to improve maternal and child health; and democracy-related programming to improve social inclusion, local governance, civic engagement, and media development.

Mr. CHABOT. On Nagorno-Karabakh, I just note that in the Fiscal Year 2015 budget the resources to support that effort are labeled in the Eurasia regional account. So our team will followup to make sure that it is clear how we are going to deploy those resources and the specific results. We have already achieved and ex-

pect to achieve on demining and on potable water in particular, which have been areas of focus for that implementation.

And we will just continue to work with your office, but thank you for raising those, and I think we have hopefully been responsive in the context of the prior dialogue.

Mr. SHERMAN. Thank you.

Mr. CHABOT. The gentleman's time is expired.

And the gentleman from Florida, Mr. Yoho is recognized for 5 minutes.

Mr. YOHO. Thank you, Mr. Chairman.

Dr. Shah, I appreciate you for being here. You have got impressive credentials and I look forward to talking to you.

You started with USAID at the end of 2009, is that correct?

Mr. SHAH. Yes.

Mr. YOHO. And so you have been there for quite a while. You have seen a lot of things and I am sure you know a lot of different things that we can do, and I commend you for streamlining the agency. When we can go back home, like you have heard a lot of members talk about giving foreign aid to other countries when we are kind of suffering here a little bit.

The beginning of January 2013, there was the fiscal cliff. The world was going to end in America, then we had the sequestration, and then we had furloughs, and then, you know, people were being laid off in my district and then toward the end of September, beginning of October our Government shut down. And it was over money and certainly wasn't from an excess of money, and we are in a tight budget constraint and what I see is, you know, the way we are spending this money—and I understand the concept, and create goodwill, bring economic development to some of these countries so hopefully they become our allies, but I see so many times that we do that, and it is like the movie Groundhog Day. It is the same story over, and over, and over. And we are not getting the results that we intended to.

And I am just reading here an article that is in the New York Times about the $1 billion that was given to Afghanistan and the Special Inspector General said there is hundreds of millions of dollars that are unaccountable, or unaccounted for.

Can you explain what happened to that? Because we talk about transparency, and accountability, but this is a recent thing that just happened. We don't have that. How can we—I want to hear your thoughts on that, what happened to that and how we can prevent it.

Mr. SHAH. Sure. Sir, I can't speak to that specifically because I am not sure which pot of money that is referring to.

[Additional information follows:]

Dr. Shah:

The SIGAR audit referenced in the New York Times story dated January 30, 2014 looks closely at a series of risk assessments and internal risk reviews funded and conducted by USAID to examine the internal processes of specific Afghan Ministries in advance of any direct government-to-government assistance. This was done to ensure appropriate risk mitigation measures are in place and that USG funds are safeguarded, consistent with USAID procedures and congressional requirements. To date, USAID has disbursed approximately $283 million in direct, bilateral government-to-government assistance to the Afghan government through rigorous, accountable mechanisms that maintain strict U.S. Government oversight of funds throughout the process.

SIGAR's audit did not identify waste, fraud or abuse in USAID's direct assistance program. While the audit report examines and calls attention to the risks USAID identified in the Ministries that could potentially impact direct assistance programming in Afghanistan, it fails to acknowledge the full range of risk mitigation measures USAID subsequently employed. On the first page of the draft report, SIGAR explicitly states, "We did not examine the implementation of USAID-funded direct assistance programs, assess the effectiveness of USAID's methods for safeguarding U.S. direct assistance funds, or determine whether fraud and misuse of funds existed with these programs."

We therefore do not believe the report has any basis to conclude that USAID has failed to fully implement measures designed to mitigate the risks that we ourselves identified. We have been working closely with SIGAR on its follow-on examination of the actual implementation of these programs.

Specifically, the audit referenced in the New York Times article did not examine the mitigating measures USAID implements in response to these identified risks, such as

- Establishing a non-commingled, separate bank account for each project;
- Monthly review and reconciliation of the bank accounts;
- Disbursement of funds only after the ministry has achieved a performance milestone or USAID has verified incurred costs;
- Concurrent and annual audits by a USAID OIG-approved firm;
- Substantial involvement and oversight by USAID staff in procurement processes;
- Independent management, monitoring and evaluation of services; and
- Technical assistance to increase the capacity of ministries while addressing priority vulnerabilities or weaknesses identified in the assessments.

USAID requires that all direct assistance with the Government of Afghanistan be in compliance with USAID accountability and oversight procedures, including site visits to ministries by USAID staff or independent contractors, as well as regular reporting. If Afghan ministries fail to adhere to these measures, the agreements are subject to immediate suspension or termination.

Mr. SHAH. But let me just say about Afghanistan in general. The USAID component of the investment has been about 2 to 3 percent of the total cost of our global engagement in Afghanistan and for that 2 to 3 percent, we have helped to ensure that more than 8 million kids go to school, including more than 3 million girls compared to almost no girls before.

We have helped to make sure that 65 percent or so of the population has basic access to health services, not comprehensive high-order healthcare, but vaccines, clean water, pills and things like that, and that has led to the fastest and most sustained reduction

in child death, maternal death, and a huge increase in longevity of women's lives based on those programs.

We have helped build out 2,200 kilometers of road with our military partners and with our international partners, and we have seen trade relationships blossom across the Pakistan-Afghan border. We have also improved, and this is very important, the Afghan collection of customs revenue transparently, and so that it goes back to the Kabul government so the government can pay for more of their country's own needs themselves.

You know, when I started we launched an effort called A3, the Accountability Assistance for Afghanistan. We tripled the number of people out reviewing projects and programs. We conducted reviews at the subgrant level. We implemented a system that allowed us to assess who is doing what, where resources are going, and we insisted on tighter monitoring.

We conducted a sustainability review and stopped and took off the books projects that we didn't think could sustain into a future where American presence was going to be significantly diminished. What we are left with, I believe, is a program that will hopefully be able to sustain some of the gains that have been experienced on behalf of the Afghan people.

And frankly, when I look at what happened this past weekend, 60 percent voter turnout, a higher percentage of women voting, Afghan institutions that we have been working with and supporting for years in the lead in terms of electoral complaints and conduct of the election and there is a lot to do before we can label this a success.

Mr. YOHO. You know, time will tell on that.

Mr. SHAH. Just 2 to 3 percent helps our country greatly, and I appreciate your efforts to advocate for it and support it and hold us to account.

Mr. YOHO. Well, time will tell how well that turns out. But again, you know, in my own community, we have got over 500 underperforming septic tanks and we can't get them fixed because of money. I just met with somebody with disabilities, and they can't get the service they need because of the lack of money. And I just, I guess what I am going to ask is that you let us know what we can do to help you be more effective, more efficient, to hold everything more accountable, so that when we do give money out we get the results we want, so that we are not here in a year talking about another $100 million being lost and we don't know where it went to.

I would love to see people in charge of that that we can come back to and say, Dr. Shah, you had this money last year, where did it go? Why is it not spent the way it was supposed to be so that we can bring an end to that kind of lost funds.

And I appreciate you being here. Thank you.

Mr. SHAH. Thank you.

Mr. CHABOT. Thank you. The gentleman's time is expired.

The gentleman from North Carolina, Mr. Meadows, is recognized for 5 minutes.

Mr. MEADOWS. Thank you, Mr. Chairman.

Thank you, Dr. Shah. I think I am your last hurrah here. But I want to say thank you for your leadership and many of your staff-

ers who have taken notes, patiently been behind you supporting, thank you for all of your work as well.

There are a number of people across the world that will never be able to tell you thank you, and so on behalf of them, I want to say thank you. As we start to look at priorities and that is really the subject of this hearing, there are a couple of areas that are troubling to me, and so I don't want anything taken that is not being appreciative of your work.

Global Fund, we have had Mark, the executive director here with Global Fund. I am a huge fan to see some of the work that he has done, the impact that it has done, and truly, some of the reforms that have been made to make sure that every dollar goes further.

It appears that there is a little over $500 million requested for global climate change initiatives within your agency. Would you say that your agency is the best one to be implementing that, because it is not just your agency. It is a number of agencies throughout the Federal Government that have requested money for global climate change initiatives and yet, when you look at the core principle of what you do, that doesn't seem to align with your core mission. Can you address that?

Mr. SHAH. Sure. Well, thank you, and you know, first, I would ask that my team followup on the specific number, because that is a little high.

Mr. MEADOWS. I think it is $506.3 million.

Mr. SHAH. It might be lower, but we will follow up on that.

[The information referred to follows:]

Dr. Shah:

The U.S. Agency for International Development portion of the Global Climate Change Initiative request for FY 2015 is $348.5 million of the State-USAID request of $506.3 million.

Mr. SHAH. But I do want to note, in this portfolio, are some efforts that are actually quite critical to our ability to be successful at ending extreme poverty. One is a component to support illegal deforestation and we work with companies, big consumer goods companies like Procter & Gamble, Unilever, to make sure that the supply chains they are supporting are not causing down at the farmer level in Indonesia and Colombia, large-scale deforestation.

Mr. MEADOWS. So how do you coordinate that with the other agencies?

Mr. SHAH. Well, that is an effort called the Tropical Forest Alliance where we lead the coordination. The White House is critical to bringing other agencies together, and we present one consistent interface to the major companies that are part of a group called the Consumer——

Mr. MEADOWS. So how much do you need for that particular program?

Mr. SHAH. I am not——

Mr. MEADOWS. I guess my question is, whenever you get a pot of money——

Mr. SHAH. Yes.

Mr. MEADOWS [continuing]. And there is more than one person managing that pot of money, it becomes very difficult to manage it.

Mr. SHAH. Yeah.

[Additional information follows:]

Dr. Shah:

USAID will invest more than ten percent of its annual $100 million of Sustainable Landscapes funding in Tropical Forest Alliance 2020 programming in both FY 2014 and FY 2015. This is likely to include public-private partnerships in Colombia and Indonesia as well as global endeavors co-funded by other donors, such as the Global Forest Watch, whose massive computing power and crowd-sourcing approach is combining satellite imagery, maps and real-time data to track tropical deforestation and enable companies to monitor their supply chains.

Mr. MEADOWS. It is like giving your wife the same checkbook and never reconciling. You know, you spend out of the same checkbook and you never reconcile. So how are we reconciling that?

Mr. SHAH. Well, so I think that there are different components of this that different people have responsibility for. So USAID takes responsibility for the Tropical Forest Alliance. For our resilience efforts we measure and monitor the risk of disasters coming from droughts, for example, and we can then track what the climate impacts are on our humanitarian portfolio, respond quicker and more coherently.

We have a clean energy program that supports, you know, we have talked about some hydro projects in Pakistan and programs in Africa, that helped to provide off-grid renewable energy, so that I and other agencies do——

Mr. MEADOWS. And all of those are worthwhile. I don't want to go on record to say that they are not. But we have people dying and people who, quite frankly, just don't have food and yet, we are doing something that is way out in the future instead of meeting those individual needs right now and is that a top priority, or should that be even in the top 10 of your priorities in terms of the Nation?

Mr. SHAH. Let me give you one example. You know, we work to create improved seeds in sub-Saharan Africa, in East Africa that can perform better in environments that are hotter——

Mr. MEADOWS. So that comes under global climate change initiatives? Because I thought that was in a different pot of money.

Mr. SHAH. We do a lot of attribution here. So I think we have counted some of that work in the context of this, but we can go through a full portfolio.

[Additional information follows:]

Dr. Shah:

Many countries are dealing with another threat to their economic and environmental resilience – global climate change. For example, powerful storms in the Caribbean can wipe out local food supplies and key infrastructure, and unseasonal temperature and rainfall patterns in Ethiopia damage small-scale and commercial agriculture. These events threaten the livelihoods of the poor most profoundly, as well as put pressure on already stretched national budgets. USAID needs to be involved in climate change because livelihoods and economic development of countries around the globe is impaired by climate change.

As a result of such changes, countries need to adjust their development programs now as well as plan for future changes. There are stand-alone actions such as building up countries' meteorological agencies' ability to do better weather and climate forecasting, or creating a policy environment in which private industry has an incentive to tackle climate and air pollution as well as broader actions needed to integrate climate into other development and humanitarian assistance programming.

USAID is focusing increasingly on integrating climate approaches into its Resilience and Feed the Future programs. For instance, in the Sahel, a resilience program in targeted zones of Niger and Burkina Faso will reach 1.9 million people, helping families and communities get ahead of the next shock and stay firmly on the path to development. This has the added benefits of reducing the need for costly humanitarian assistance and preserving development gains in times of shock. This program includes:

- promoting the use of climate-smart agricultural practices to deal with drought conditions;
- increasing access to savings and credit to preserve, increase, and diversify income;
- and, increased planning for disaster risk reduction and natural resource management to reinforce the resilience of human and natural systems to deal with current conditions and prepare for a future of warmer temperatures, more variable rainfall, and increased droughts and floods.

Mr. MEADOWS. I have a real concern——

Mr. SHAH. Yeah.

Mr. MEADOWS [continuing]. That your core mission has creeped over into one that might be better suited for a different agency. The other thing I would ask you, and I am running out of time, but I am very troubled with the amount of money that we give to the Palestinian Authority and yet, what that fungible money, you know, they are paying $46 million additional to terrorists and applauding their efforts as heroes.

The minister of prisons said that these terrorists are heroes. I have, you know, it is hard to justify when we go back home that we are giving money, and yet they are taking part of their money to support terrorists and I need you, because part of the omnibus said that Secretary of State needs to certify that incitement and those things are not happening, and I need you all to address that.

And I am out of time. I appreciate the patience of the chair.

Mr. SHAH. Sir, can I just respond?

Mr. CHABOT. The gentleman's time is expired, but you can respond, yes.

Mr. SHAH. I just want to point out that the mechanisms we use for support in that area are very, very precise. We have a vetting system that ensures we know who is receiving the resources at the endpoint of use, and the cash transfer to the Palestinian Authority

is actually done through—it enables the repayment of payments that are owed through an Israeli bank and it is structured very, very carefully.

So I will have our team followup, but I can assure you on those that they have been carefully scrutinized, and they require the Secretary's clearance as is appropriate, and we can show you exactly how the money moves that will offer you a lot of confidence.

[The information referred to follows:]

Dr. Shah:

We go to great lengths to ensure that no U.S. funding can be used to support terrorism. All U.S. assistance to the West Bank and Gaza, including budget support to the Palestinian Authority (PA), is subject to stringent controls and is audited annually. The PA is authorized to use the budget support we provide solely for purposes pre-approved by USAID. In the past, budget support has been used to pay down debt to commercial suppliers, including Israeli energy or utility companies, and commercial banks providing credit for purchases from suppliers. USAID vets potential payees in advance of any transfer, checking them against various public and U.S. Government databases. USAID closely tracks the movement of budget support funds. A USAID employee physically sits with PA Ministry of Finance officials throughout the process to oversee the transfer of funds into the PA's single treasury account and ultimately, to the final payees. Typically, within 48 hours of the funds being transferred into this account, the funds are transferred to the payees. USAID then confirms receipt of these payments with each payee.

Mr. CHABOT. Thank you. The gentleman's time is expired.

We thank the Administrator for his time here this morning, and we look forward to following up on these critical issues.

And if there is no further business to come before the committee, we are adjourned. Thank you.

[Whereupon, at 12:18 p.m., the committee was adjourned.]

APPENDIX

Material Submitted for the Record

FULL COMMITTEE HEARING NOTICE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-6128

Edward R. Royce (R-CA), Chairman

April 9, 2014

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs, to be held in Room 2172 of the Rayburn House Office Building (and available live on the Committee website at http://www.ForeignAffairs.house.gov):

DATE:	Wednesday, April 9, 2014
TIME:	10:00 a.m.
SUBJECT:	U.S. Foreign Assistance in FY 2015: What Are the Priorities, How Effective?
WITNESS:	The Honorable Rajiv Shah Administrator U.S. Agency for International Development

By Direction of the Chairman

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.

COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF FULL COMMITTEE HEARING

Day *Wednesday* Date *04/09/14* Room *2172*

Starting Time *10:10 a.m.* Ending Time *12:18 p.m.*

Recesses *0* (____to ____) (____to ____) (____to ____) (____to ____) (____to ____) (____to ____)

Presiding Member(s)

Edward R. Royce, Chairman
Rep. Steve Chabot

Check all of the following that apply:

Open Session [✓]
Executive (closed) Session [ ]
Televised [✓]
Electronically Recorded (taped) [✓]
Stenographic Record [✓]

TITLE OF HEARING:

U.S. Foreign Assistance in FY 2015: What Are the Priorities, How Effective?

COMMITTEE MEMBERS PRESENT:

See Attendance Sheet.

NON-COMMITTEE MEMBERS PRESENT:

None.

HEARING WITNESSES: Same as meeting notice attached? Yes [✓] No [ ]
(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: *(List any statements submitted for the record.)*

None.

TIME SCHEDULED TO RECONVENE _____
or
TIME ADJOURNED *12:18 p.m.*

Edward Burrier, Deputy Staff Director

HOUSE COMMITTEE ON FOREIGN AFFAIRS

FULL COMMITTEE HEARING

PRESENT	*MEMBER*
X	Edward R. Royce, CA
X	Christopher H. Smith, NJ
X	Ileana Ros-Lehtinen, FL
X	Dana Rohrabacher, CA
X	Steve Chabot, OH
	Joe Wilson, SC
	Michael T. McCaul, TX
X	Ted Poe, TX
X	Matt Salmon, AZ
	Tom Marino, PA
	Jeff Duncan, SC
X	Adam Kinzinger, IL
X	Mo Brooks, AL
X	Tom Cotton, AR
	Paul Cook, CA
X	George Holding, NC
X	Randy K. Weber, Sr., TX
	Scott Perry, PA
X	Steve Stockman, TX
X	Ron DeSantis, FL
X	Doug Collins, GA
X	Mark Meadows, NC
X	Ted S. Yoho, FL
X	Luke Messer, IN

PRESENT	*MEMBER*
X	Eliot L. Engel, NY
	Eni F.H. Faleomavaega, AS
X	Brad Sherman, CA
X	Gregory W. Meeks, NY
X	Albio Sires, NJ
X	Gerald E. Connolly, VA
X	Theodore E. Deutch, FL
X	Brian Higgins, NY
	Karen Bass, CA
	William Keating, MA
X	David Cicilline, RI
	Alan Grayson, FL
	Juan Vargas, CA
	Bradley S. Schneider, IL
	Joseph P. Kennedy III, MA
X	Ami Bera, CA
	Alan S. Lowenthal, CA
	Grace Meng, NY
	Lois Frankel, FL
X	Tulsi Gabbard, HI
X	Joaquin Castro, TX

Insert for the Record
Submitted by the Honorable Ted Poe

The Washington Post

National Security

State Department Inspector General Issues Alert Over $6 Billion in Contracting Money
By Karen DeYoung April 3, 2014

The State Department's inspector general has warned the department that $6 billion in contracting money over the past six years cannot be properly accounted for and cited "significant financial risk and . . . a lack of internal control."

The warning was the second "management alert" in State Department history, both issued by new Inspector General Steve Linick. Linick took over the job in late September, after it had been vacant for nearly six years. Both the alert, dated March 20, and the department's response a week later, were made public Thursday. The department said it concurred in all recommendations and outlined steps it will take to address what it agreed is a "vulnerability."

Linick initiated the alert format to report on problems that remain unaddressed despite repeatedly being identified in IG audits and investigations. The first alert, released in January in partly classified form, cited "significant and recurring weaknesses in the Department of State Information System Security Program." Issued three years after the public release of hundreds of thousands of department cables, which then-Army Pvt. Bradley Manning had turned over to WikiLeaks, the first alert found that efforts to find and fix the problems had been insufficient.

The new alert addressed a similarly sensitive issue: the government's inability to keep track of the growing number of outside contractors who have taken the place of government workers. A series of special government and congressional investigations has identified widespread contracting fraud in both the State and Defense departments, especially in overseas expenditures.

A succession of IG audits, investigations and inspections, the report said, found "repeated examples of poor contract file administration." Among the examples it cited was a recent audit of the "closeout process for contracts supporting the U.S. mission in Iraq." When auditors asked for a sample of 115 contract files, officials were unable to provide 33 of them, totaling $2.1 billion. Of the remaining 82, the report said, 48 contained insufficient documents required by federal law.

During an ongoing audit of State's Bureau of African Affairs, the report said, officials did not provide complete files for any of the eight contracts reviewed, with a value of $34.8 million.

Two task orders valued at more than $1 billion, part of an Afghanistan contract under the Bureau of International Narcotics and Law Enforcement Affairs, were incomplete, as were task orders for protective services in Afghanistan worth an additional $1 billion.

In one IG investigation, a contract file lacked documentation reflecting that the $52 million contract had been modified and awarded to "a company owned by the spouse of a contractor employee." In another, a file for a contract valued at $100 million "was not properly maintained and for a period of time was hidden" by the contracting officer.

Such failure, the IG said, "exposes the Department to significant financial risk and makes . . . oversight more difficult. It creates conditions conducive to fraud . . . [and] impairs the ability" of the government to protect its interests and "to punish and deter criminal behavior."

When President Obama nominated Linick last summer, the inspector general's office had been vacant since January 2008, longer than that of any other federal department in history.

Linick had served for three years in the same position at the Federal Housing Finance Agency. A former federal prosecutor, he also served in senior positions at the Justice Department, where he supervised and participated in fraud cases involving white-collar criminals, including corruption and contract fraud in Iraq and Afghanistan.

Questions for the Record

Submitted by the Honorable Christopher H. Smith

To the Honorable Rajiv Shah, Administrator, U.S. Agency of International Development

Question 1:

Congress provided robust funding for the humanitarian accounts in the FY 2014 appropriations bill. However, the FY 2015 request cuts International Disaster Assistance by 28% and Migration and Refugee Assistance Account by 33% from the FY 2014 enacted levels. Even with some carry over from FY 2014 into FY 2015, we are still facing a protracted crisis in Syria, simmering conflict in South Sudan, a humanitarian crisis in the Central African Republic and huge uncertainty in Afghanistan. How confident are you that there are sufficient funds to respond to a natural disaster or new emergency in FY 2015? Do you support greater use of private funds for monitored humanitarian assistance in cases where providers must operate in situations involving banned groups?

Answer:

The Administration remains dedicated to providing robust support for humanitarian programs worldwide. The President's FY 2015 request includes $2.097 billion for the Migration Refugee Assistance and the Emergency Refugee and Migration Assistance accounts and $1.3 billion for the International Disaster Assistance (IDA) account. The United States Agency for International Development and the Department of State plan to carry over IDA and MRA FY 2014 funding into FY 2015 to support humanitarian assistance needs. The President's request also includes $1.4 billion in Title II to respond to emergency food needs. Taken together, we anticipate having the funds needed to support our humanitarian assistance goals in Syria, Africa, and elsewhere. However, this is contingent upon no deterioration in any of the current major emergencies, and no new large-scale emergencies before the end of the fiscal year.

The President's FY 2015 request reflects the Administration's ongoing commitment to humanitarian programs, while taking into account the current constrained budget environment.

The Administration supports the provision of humanitarian assistance on the basis of assessed need. When humanitarian assistance must be delivered in areas where sanctioned groups are present, the Administration strongly supports robust efforts to monitor delivery. This may include the use of third-party monitors, geo-spatial data, and other innovative tools.

Question 2:

Neglected tropical diseases cause the loss of 534,000 lives each year, 57 million disability-adjusted life years and an economic burden of billions of dollars through the loss of productivity and the high cost of health care. The FY2014 estimate of spending on NTDs is about $100 million, but the proposed FY2015 budget proposal cuts that line item by nearly 14% to $86.5 million. Since the global NTD threat has not lessened, why is USAID cutting spending in this area?

Answer:

The Administration's FY 2015 budget request for USAID's NTD program reflects difficult choices made in a constrained budget environment. USAID is a global leader in large-scale implementation of integrated treatment programs for neglected tropical diseases (NTDs), focusing on the scale-up of mass drug administration to target the control or elimination of lymphatic filariasis, blinding trachoma, onchocerciasis, schistosomiasis, and intestinal worms. The program currently supports 25 countries and regional programs in Africa and the Americas to reach treatment targets and monitor and evaluate the programs to document achievement of control and elimination goals. As a result of the support provided by USAID, 59 million people now live in areas where they are no longer at risk of acquiring lymphatic filariasis and treatment can be stopped, and 35 million

people live in areas where active trachoma is no longer a public health problem. Over the past seven years, the U.S. Government has leveraged $6.7 billion in donated medicines, resulting in the delivery of more than 1 billion treatments to approximately 467.9 million people. USAID's NTD program is the largest public-private partnership collaboration in USAID's 50-year history.

USAID's NTD program contributes to the:

elimination of onchocerciasis in the Americas by 2016;

elimination of lymphatic filariasis globally by 2020; and

elimination of blinding trachoma globally by 2020.

Question 3:

The U.S. response to the humanitarian, political and security crisis in the Central African Republic has increased dramatically in recent months, particularly as the crisis in CAR has become more desperate. While the response to the immediate crisis has been critical, the protracted nature of the situation in CAR will require sustained U.S. and international support. How is the U.S. government planning to sustain necessary humanitarian interventions as well as diplomatic and development engagement, including activities around peace building and social cohesion, in order to support the Central African Republic through its transition and prevent the country from falling back into crisis?

Answer:

We continue to closely follow the developments in the Central African Republic and have taken several actions aimed at mitigating the crisis and supporting the people of CAR. The U.S. government (USG) supported the United Nations (UN) Security Council Resolution to introduce a UN peacekeeping operation (PKO) in CAR and we continue to support the African Union and French forces in the transition to a UN PKO. The USG also supported the World Bank emergency funding to allow essential services to be maintained. The Department of State is reviewing the security and infrastructure requirements to reopen its Embassy in Bangui. Reestablishing the USG presence will aid both our diplomatic and humanitarian efforts. We continue to support multi-sector, humanitarian interventions; the USG presently provides the majority of the funding to the World Food Program for their food assistance programs in CAR. We are exploring potential synergies for our peacebuilding and conflict mitigation activities to strengthen local capacity for the longer term. The USG is also actively engaged in providing security assistance--security must be re-established as a precursor to any follow-on assistance.

Questions for the Record
Submitted by the Honorable William R. Keating
To the Honorable Rajiv Shah, Administrator, U.S. Agency of International Development

Question 1:

On December 19, 2011, the President issued an Executive Order calling for the implementation of a National Action Plan on Women, Peace, and Security that, among other things, seeks to "institutionalize a gender responsive approach" in its diplomatic, development, and defense-related work in conflict affected areas. What steps has USAID taken to implement the Executive Order and to institutionalize a gender responsive approach throughout its operations?

Answer:

USAID has been actively working to achieve the goals of the National Action Plan on Women, Peace and Security (WPS) to protect women and girls in crisis and conflict situations and to empower them as equal partners in peacebuilding and preventing conflicts and crises. More information on the range of USAID's programming and activities of the NAP implementation is available through the report, "Making Progress: USAID Implementation of the U.S. National Action Plan on Women Peace and Security" released in December 2013, which is submitted as an addendum/annex. The summary below focuses on USAID's efforts to institutionalize a gender-responsive approach to peace and security.

Substantial progress has been made to institutionalize a gender-responsive approach to USAID's work in crisis and conflict environments. To date, USAID has trained over 4,000 staff to integrate gender equality and women's empowerment in strategies and projects, including specific information on NAP goals and objectives. Specialized training opportunities that focus on integrating gender perspectives in crisis prevention, response, recovery, and transition also have been launched and offered as part of USAID's regular training. New requirements for gender analysis in project design, the appointment of gender or protection advisors for operating units, and investments in evidence-based approaches to WPS programming are supporting integration across USAID's work. Additionally, our humanitarian assistance programs are required to analyze and address gender dynamics and to ensure that women, men, boys, and girls can equitably and safely access life-saving assistance. The implementation of a new standard operating procedure to hold U.S. personnel, contractors, sub-contractors and grantees to the highest ethical standards with regard to trafficking in persons is another important tool for promoting the safety of women and girls in all our work, including crisis and conflict situations.

USAID has established funds and initiatives to support activities that advance the NAP's objectives. To catalyze NAP implementation in fragile, crisis- and conflict-affected countries and promote learning that can be applied to future programming, USAID's Women, Peace and Security Incentive Fund has invested $6 million in programming activities that advance the NAP's objectives in Kenya, Libya, Papua New Guinea, Sierra Leone, and the MENA region. USAID's $2.6 million Global Women's Leadership Fund (GWLF) was launched in 2012 to support the participation of women in critical decision-making processes such as peace negotiations, political transition dialogues, and donor conferences. Implemented by the National Democratic Institute (NDI), International Republican Institute (IRI), and International Foundation for Electoral Systems (IFES), the GWLF provided support for women's participation in high-level international proceedings and conducted activities in Côte d'Ivoire, Burma, Libya, and Yemen, as well as provided opportunities for Syrian women to gather and strategize about increasing women's influence and input in planning for a peaceful, democratic future for Syria. Additionally, USAID and the State Department's Bureau of Population, Refugees, and Migration (State/PRM) have jointly launched the Safe from the Start initiative to advance prevention of and response to gender-based violence from the very onset of emergencies.

USAID has also adopted new tools for budget formulation, operational planning, and performance reporting that allow for more systematic tracking of the use of funds across all programs that support the goals of the NAP. Utilizing these new tools, our analysis of funding for Fiscal Year (FY) 2012 concluded that the Agency's planned spending included over $100 million of programming aligned with the core objectives of the NAP in more than 30 countries. Analysis of FY 2013 programs has not concluded, but we anticipate comparable spending. Improved tracking of WPS-related funding will increase our ability to make informed decisions about strategy and project design, and communicate more comprehensive information to our stakeholders.

USAID also supports research and evaluation efforts that promote our role as thought leaders in advancing the NAP's goals. For example, USAID supports evaluations of efficacy of using technologies such as solar lights and fuel-efficient stoves to reduce the risks of violence and exploitation for women and girls in emergency situations. A research effort has also been initiated to better understand the impact of programming to advance women's political empowerment and how to better measure women's political leadership and influence. The knowledge and tools produced from these efforts increase USAID's ability to use best practices and evidence-based approaches to protect women and girls as well as empower them to participate in peacebuilding and decision-making processes.

Along with a set of complementary agency-wide policies and strategies such as the Gender Equality and Female Empowerment Policy and the U.S. Strategy to Prevent and Respond to Gender-Based Violence Globally, USAID has adapted a new business model that has strengthened capacity to integrate gender perspectives in our work in crisis- and conflict-affected areas. The institutional structure and support within USAID for gender integration and targeted investment in activities that advance the NAP's goals globally are means by which we build and sustain such capacity in our work.

Question 2:

On April 3, the Foreign Affairs Committee held a hearing on women's empowerment as a tool in countering violent extremism, specifically through access to education. It is indisputable that women's access to and control over economic and financial resources is critical to achieving gender equality and promoting stability in areas of conflict. Can you describe various initiatives through which USAID is working to empower women? How does the Administration intend to keep a core focus on women and girls without dedicated funding?

Answer:

USAID has a long history of support for women's empowerment and gender equality issues, and is focused on mainstreaming gender programming to leverage and work within existing resource areas across the Agency to achieve the greatest impact. Since 2012, the Agency has: 1) released its Gender Equality and Female Empowerment Policy (Policy) as well as related gender equality policies, strategies, and trainings; 2) reformed budgeting and reporting requirements to better capture gender equality investments and results; and 3) funded programs to promote women's leadership, reduce gender-based violence, and accelerate investments in women peace-builders.

The Policy includes detailed descriptions of organizational roles and responsibilities to strengthen this focus area in USAID missions, bureaus, and offices in Washington and the field. Together, these staff members facilitate implementation of gender policies across sectors, provide training and technical support to USAID staff and partners, coordinate working groups on gender integration, and advance technical leadership through pilot programs, development of tools and resources, and research.

A robust training program on basic gender integration has already reached approximately one-third of USAID staff. A total of 3,353 staff members throughout the Agency have completed the Gender 101 online training and 796 people have been trained in person. The online course is now being offered to external stakeholders as

well. Complementary courses on policy implementation, gender analysis and useful tools to assist officers to integrate gender into their programs are under development. Together, these efforts institutionalize a prioritization of gender equality and women's empowerment, including dedicated gender advisors throughout the Agency.

USAID supports innovative activities in missions to foster women's leadership in a range of technical areas, including peace and security. USAID supports transformative approaches that leverage women's expertise and leadership skills, and increase women's capacity to influence decisions with the aim to see a catalytic and positive effect on gender equality and improvements in development outcomes. A few examples of areas of engagement include:

- USAID's Feed the Future Initiative's monitoring and evaluation system now comprehensively tracks the impact of its programs on women and girls in 19 countries using the Women's Empowerment in Agriculture Index created in collaboration with the International Food Policy and Research Institute and Oxford's Poverty and Human Development Initiative. A project in Bangladesh tested a range of interventions to reduce childhood stunting, including improvements in maternal and child health and nutrition, agricultural production, sanitation and women's empowerment. Women's empowerment interventions had the greatest impact, reducing stunting by over 20 percent - and when combined with other interventions, increased results for every other activity undertaken by the project.

- Programming in the Democratic Republic of Congo (DRC) has expanded efforts to support gender-based violence survivors, granting them increased access to medical and psycho-social care, legal assistance, and income generating activities.

- Through a landmark partnership with Visa, Groupe Spéciale Mobile Association, and the Australian Government's Department of Foreign Affairs and Trade, USAID is seeking to close the mobile phone gender gap and accelerate women's empowerment in the Middle East and Asia. As a result, mobile operators in Iraq and Indonesia released new mobile products and services targeted to women. In a few short months, over one million women signed up for mobile phone services in each country.

- USAID/Jordan is focused on helping change discriminatory attitudes and practices on issues such as gender-based violence, improving enforcement and advocacy for laws and policies that support women's empowerment, and expanding services for women and girls in health, education, and access to justice.

USAID remains steadfast in its commitment to promoting gender equality and female empowerment, recognizing that they are fundamental to ending extreme poverty and promoting prosperity, peace and stability.

Question 3:

I have the privilege of representing a coastal district in Southeastern Massachusetts that is intrinsically linked to the oceans, wetlands, marshes, and fragile marine and freshwater ecosystems. Communities like my own will be disproportionately impacted by climate change. Rising sea levels threaten coastal residents abroad – just like my own district – while warming water temperatures and changing acidity levels are causing marine life to change migration and spawning patterns.

In 2009, under the auspices of the United Nations Framework Convention on Climate Change, the United States and other developed countries jointly committed to provide $30 billion in assistance between 2010 and 2012 and to mobilize $100 billion in public and private funds by 2020 to address the causes and impacts of climate change. How does the Administration's request for FY2015 reflect plans to fulfill U.S.

pledges as we move towards a possible agreement next year in Paris? How does USAID prioritize specific countries and activities as part of its climate strategy?

Answer:

The United States and other developed countries committed in Copenhagen to provide collective resources approaching $30 billion in the period 2010-2012 to support developing countries in their efforts to adapt to and mitigate climate change. The U.S. Government fulfilled its part of this joint "Fast Start Finance" commitment by providing $7.5 billion during FY 2010 through FY 2012, consisting of more than $4.7 billion of appropriated assistance and more than $2.7 billion from U.S. development finance and export credit agencies. More details of this assistance are available in the State Department's report *Meeting the Fast Start Commitment*.

The FY 2015 request for the Global Climate Change Initiative (GCCI) targets areas where public finance is most needed: mitigation in less developed countries and adaptation. Building on prior investments, the FY 2015 request is $839.0 million for the GCCI, which includes $348.5 million for USAID, with the remainder requested for the Departments of State and Treasury. The GCCI directly supports efforts with partners around the world to reduce emissions and help the world's most vulnerable communities adapt to climate change. The GCCI also provides important leverage and facilitation toward an ambitious global agreement.

USAID's GCCI investment is targeted toward developing countries best suited to accelerate transitions to climate-resilient, low-emission economic growth. The GCCI advances practical, on-the-ground solutions to help developing countries contribute to the global effort to reduce greenhouse gas emissions while achieving development goals. USAID's Climate Change and Development Strategy focuses efforts on mitigation work, which involves accelerating the transition to low emissions development by supporting country-developed low emission development strategies (LEDS) and other direct investments in clean energy and sustainable landscapes, and on adaptation work.

USAID climate mitigation programs (clean energy and sustainable landscapes funding) support a targeted number of countries, selected based on their emissions reduction or renewable energy potential. USAID climate change mitigation programs focus either on field-level interventions that demonstrate actual greenhouse gas (GHG) emission reductions or longer-term planning and enabling environment support that push future emissions curves downward. USAID prioritizes clean energy work in countries implementing key reforms necessary for private sector investment in clean energy systems or demonstrating regional leadership on clean energy issues. USAID focuses sustainable landscapes work primarily in countries with high priority forest landscapes, such as the Amazon and Congo Basin.

Additionally, USAID's bilateral mitigation programs focus on countries that are participating in LEDS work with the United States. USAID and the State Department have established partnerships with 25 developing countries to develop and implement LEDS. Moving forward, USAID clean energy funding will also support implementation of the Power Africa Initiative, opening the doors to significant public and private investment to support the President's goal of adding 10,000 MW of generation capacity in Africa.

For adaptation programs, USAID prioritizes work with countries most exposed to the physical impacts of climate change and countries that for economic or other reasons are less able to cope with the physical impacts of climate change. USAID adaptation assistance is focused on small-island developing states such as Jamaica; least developed countries, especially in sub-Saharan Africa; and glacier-dependent countries like Nepal.

USAID is also working with private sector partners, such as through the dynamic Tropical Forest Alliance 2020 partnership, to leverage significant resources for climate change, so that the overall impact is far greater than what we could achieve with U.S. government funding alone.

Question 4:

U.S. assistance to Europe and Eurasia has dropped precipitously since 1999, despite halting progress and even backsliding on democratic and economic reforms. This is an indication that more – not less – U.S. engagement is needed in the region. Could you please describe USAID's long-term plans for promoting democratic and economic reform in the region, specifically in countries like Ukraine, Georgia, and Moldova that face increased pressure from Russia? How effectively is USAID cooperating with the European Union in these areas? How does USAID plan to engage Ukrainian citizens in Crimea?

Answer:

USAID's objectives for Europe and Eurasia have not changed—we remain committed to ensuring stable, prosperous, free-market, and pluralistic democracies in the region. Unfolding events in Ukraine clearly demonstrate the national security importance of this region, and highlight the difficult development challenges that remain. Serious threats throughout the region, including democratic backsliding, economic challenges, high unemployment, stalled reforms, narcotics trafficking, infectious diseases, ethnic violence, and frozen conflicts, require our continued engagement. The FY 2015 request for Europe and Eurasia of $492.3 million, reflects the constrained budget environment and difficult choices made among global priorities. USAID is prioritizing assistance resources for Ukraine, Georgia, and Moldova, with an emphasis on supporting reforms and the development of institutions necessary for longer-term political resilience and European integration while withstanding political pressure from Russia. In the Western Balkans, U.S. assistance will continue to focus on the reforms necessary for Euro-Atlantic integration, implementation of the normalization agreement between Serbia and Kosovo, and critical constitutional reforms in Bosnia and Herzegovina.

The current political upheaval and economic instability in Ukraine will likely require adjustments to planned uses of FY 2015 funding. Ukraine faces daunting challenges, but at the same time has an opportunity to fulfill the aspirations of its people by returning to a path of European integration. Doing so will require carrying out a number of economic, democratic, justice-sector, and other reforms needed to meet European Union (EU) standards, as well as overcoming pervasive corruption. Ukraine must also reduce its economic vulnerability to external shocks, including by diversifying trade and enhancing energy security. U.S. assistance will continue to promote financial stability, economic growth, and other conditions for investment, support energy efficiency and independence, strengthen democratic institutions and processes, and the rule of law. Requested funding also supports global health and climate change programs. USAID has a longstanding in-country presence in Ukraine, with a full Mission, established partnerships with local organizations, and continued collaboration with other donors. The USAID Mission recently completed a strategic review of the assistance portfolio, which defined urgent, critical needs – including support for the May 2014 elections –
and revalidated programming priorities in the near and medium-term. To ensure that available and anticipated resources align with development needs in post-Maidan Ukraine, FY 2015 U.S. assistance will be used to respond both to rapidly evolving political and economic developments and to support needed reforms over the medium and long term. The Department of State and USAID will consult with Congress if significant changes to the use of FY 2015 U.S. assistance are needed.

U.S. strategic goals in Georgia include the consolidation of Georgia's democracy; integration into Euro-Atlantic institutions; progress toward a peacefully unified nation, secure in its borders; and inclusive, sustainable economic development. Following Georgia's 2008 conflict with Russia, the United States provided a $1 billion assistance package to the people of Georgia, which by the end of 2014, will be fully implemented. This assistance has been a key factor in Georgia's ability to enter into an Association Agreement with the European Union, expected in the summer of 2014. The focus of U.S. assistance is shifting toward maintaining the U.S. partnership with the Government of Georgia (GOG), and encouraging the GOG to take on more responsibility in areas in which the United States plans to phase out assistance. The U.S.-Georgia Strategic Partnership Commission provides a framework for current and future goals. U.S. programs will maintain robust support for civil society and private sector development. The United States will continue to support assistance projects that

bolster democratic and participatory governance; develop institutions that uphold and enforce the rule of law; improve the quality of primary education; promote integration with the North Atlantic Treaty Organization and increased regional cooperation; lay the groundwork for a sustainable resolution of conflicts with the occupied territories that is based on Georgia's territorial integrity; and achieve broad-based economic growth.

U.S. assistance is focused on helping Moldova become a fully democratic, economically prosperous state, firmly anchored to Europe, secure within its internationally recognized borders, and with an effective and accountable government. Moldova has taken bold steps toward European integration by preparing to sign an Association Agreement with the EU. But while the coalition governments that have been formed since 2009 have increased democratic freedoms and the pace of adoption of EU norms, the breakdown of the last coalition and its replacement in 2013 underscore the fact that governance in Moldova remains fragile. The United States' top assistance objective in Moldova is strengthening democratic institutions, especially the justice sector. U.S. assistance will promote a decentralized, participatory, and democratic political environment with a capable civil society and empowered citizens. U.S. programs will also aim to improve the business regulatory climate, enhance private sector competitiveness, develop export-oriented, high-value agriculture, and support Moldova's EU integration and reform agenda. Progress in these areas, coupled with supporting reconciliation with Transnistria, will contribute to an increasingly stable, economically sound, and secure Moldova.

The U.S. and the EU cooperate closely on development issues in this region, and especially in countries on track for future EU accession. This coordination is managed by USAID Missions or Offices in host countries through donor coordination measures adapted to the specific situation and needs of each country. These coordination efforts are viewed as successful processes that avoid duplication and waste while creating and benefiting from available synergies between our different approaches to assistance.

In Crimea, USAID will continue its engagement in line with U.S. Government policy to support Ukrainian citizens outside of Crimean governmental organizations. Assistance efforts will be focused on non-governmental organizations, including activities providing support to Tatar communities in elections and political processes; election activity logistics; providing support to free and independent media outlets and organizations; and exchange programs for non-governmental, community, or media leaders, to improve their professional skills.

Question 5:

The issue of European energy independence has come to the fore in the wake of Russia's invasion of Ukraine. What is USAID doing to promote energy efficiency and energy diversification in Eastern Europe? Is there scope to do more?

Answer:

Improving energy security though increased energy efficiency and supply diversification has been a focal point of USAID assistance in the Europe and Eurasia Region. For example, in the realm of energy efficiency, USAID provides technical and financial assistance – which leverages other donor and private sector funding – for improving the energy efficiency of: public facilities in Bosnia and Herzegovina, Serbia, and Ukraine; industrial facilities in Macedonia; and low income residences in Armenia, Bosnia and Herzegovina, and Macedonia. USAID also assists in developing new energy sources in the region, such as working with the Government of Georgia to identify potential sites and leverage financing for hydropower development.

In addition to direct support of energy efficiency and diversification projects, USAID is working to build lasting institutions – both national and regional – that are essential to sustainable energy development in the region. Fundamentally, USAID's institutional support aims at improving the market frameworks that attract the private investment necessary for more diverse and reliable energy supplies. For example, USAID leadership resulted in the creation of independent energy regulatory bodies throughout the region as a first step in the transition from

centrally-planned to market-based energy sectors, and engagement with regulatory bodies continues today in the form of assistance in developing practices such as tariff formulation and market dispatch procedures to encourage outside investment.

Another illustration of USAID's contributions to market development and supply diversification is its support of regional transmission system operator working groups that identify key transmission constraints to bringing new electricity generation to market. These working groups have leveraged approximately $1.2 billion in financing for transmission improvements, and completed an analysis that showed how regional transmission investments can reduce the fossil fuel reserve requirements for projected wind power integration by 50%, thus making more resources available for other crucial energy investments.

Much of USAID's institutional support aligns with the framework provided by the Energy Community Treaty, which binds signatories to adopt European Union energy and environmental directives – including energy efficiency improvements – as precursors to joining the European energy market, which would increase the resource and customer base for new energy investment, thereby providing greater efficiency and security. In addition to helping individual countries meet the requirements of the treaty, USAID is also supporting the Energy Community in the implementation of market monitoring tools to increase market transparency and encourage participation in cross-border electricity trade, encouraging the necessary private investment to diversify energy supply.

USAID has consistently achieved results and built up credibility with counterparts throughout the energy sector and can therefore leverage its previous successes to strengthen energy security in the region. For example, in Ukraine, USAID assistance has been responsible for establishing and building the capacity of independent regulatory bodies; providing the necessary planning tools for the Government of Ukraine to develop energy sector strategies; and improving the efficiency, quality of service, and profitability of electric distribution and municipal heating companies. The recently completed USAID Municipal Heating Reform Project enhanced the capacity of nearly 40 municipalities to plan, manage, and fund the development of their municipal heating systems, leading to approximately 400 million cubic meters of natural gas savings. A new follow-on activity is working with 17 municipalities.

Despite much progress in Ukraine, the need – and opportunity – to reduce dependence on Russian energy imports pose further challenges, such as: restructuring and improving the management of Naftogaz; enhancing regulatory frameworks and pricing models to incentivize efficient energy use and manage the exploitation of alternative resources in an environmentally responsible manner; and addressing the technical and regulatory obstacles to improving transmission linkages between Ukraine, Moldova, and ENTSO-E (the European electrical grid).

Throughout the region, in spite of significant assistance from the U.S. Government and other donors, energy sector reform remains unfinished. Years of underinvestment and stalled sector reforms impact the development prospects for economic growth, sound governance and regional stability. The 2012 Energy Community regional strategy notes that over $60 billion in additional capital investment must take place by 2020 to ensure reliable supply. USAID can extend its support of regulatory bodies and market operators to accelerate reforms and the continued development of harmonized principles of cross-border energy trade, including laying a framework for natural gas markets in expectation of supply from Central Asia. USAID is also prepared to continue its collaboration with international financial institutions to identify and encourage critical energy efficiency and infrastructure upgrades. Finally, USAID will further engage regulators throughout the region on the development of approaches for encouraging energy efficiency, while continuing to support the removal of untargeted energy subsidies that act as an impediment to efficiency.

Through its history of engagement in the region and its credibility with a range of energy sector stakeholders, USAID is well-positioned to be flexible and react to changing conditions on the ground in support of US Government priorities in the region.

Questions for the Record
Submitted by the Honorable Michael McCaul
To the Honorable Rajiv Shah, Administrator, U.S. Agency of International Development

In 2012, the U.S. alongside UNICEF, the Governments of Ethiopia, and India, pledged with over 170 countries to end preventable child deaths. While innovation and targeted health interventions have improved global child survival rates, of the nearly seven million children still dying annually, the vast majority are in poor countries; half are in sub-Saharan Africa alone. Most of these deaths are caused by conditions that are simple to treat and prevent such as pneumonia, prematurity, malnutrition, diarrhea, malaria, or from complications during labor and delivery. UNICEF reported that without increased attention, the world will not meet its child survival goal (Millennium Development Goal 4) until 2028 — 13 years after the deadline — and 35 million children will die between 2015 and 2028 who would otherwise have lived had we met the goal on time.

Question:

With the Administration's budget proposed cuts to the Maternal and Child health account – a key account to reach the goal of ending preventable child deaths – how does the administration intend to achieve its goals of ending preventable child deaths when the trajectory for funding is decreasing?

Answer:

The Administration's FY 2015 budget request for USAID's Maternal Child Health (MCH) account reflects difficult choices made in a constrained budget environment. Over the last 18 months, USAID has undertaken an ambitious review of every dollar USAID spends in order to identify inefficiencies and accelerate reductions in child and maternal mortality. USAID has also focused on 24 countries, primarily in sub-Saharan Africa and South Asia, which account for 70 percent of child and maternal deaths and half of the unmet need for family planning. Furthermore, it is important to recognize that ending preventable child and maternal deaths is not an outcome of U.S. government assistance alone, nor is it solely the outcome of narrowly defined programs in MCH. Rather, improvements in mortality outcomes are the result of increasingly effective efforts to link diverse health programs – in MCH, malaria, family planning's contribution to the healthy timing and spacing of pregnancy, nutrition, HIV/AIDS, and sanitation and hygiene improvement. All of these efforts contribute to ending preventable child and maternal deaths.

USAID is a global leader in the worldwide effort of ending preventable child deaths. Together with many other maternal and child health (MCH) partners, USAID has helped drive down newborn deaths by more than a third, from 49 per 1,000 in 1990 to 31 per 1,000 in 2012, in our 24 priority countries. Additionally, the *Helping Babies Breathe* partnership trained and equipped 130,000 health workers in 60 countries to provide life-saving resuscitation for newborns with asphyxia, with early results (i.e., Tanzania) showing a 47 percent reduction in newborn mortality. The *Saving Lives at Birth Grand Challenge for Development* supports 59 potentially groundbreaking innovations, including Chlorhexidine, a low-cost topical antiseptic used for newborn cord care that prevents blood infections – which alone could help save 422,000 newborns over the next five years.

With USAID's work focusing on both prevention and treatment of pneumonia and diarrhea, both of which are leading causes of under-5 death, there has been a 72 percent reduction in the risk of a child dying from one of these preventable diseases, from 50 per 1,000 in 1990 to 14 per 1,000 in 2012. In FY 2013, USAID's health programs ensured the safety of drinking water through treatment of 3.2 billion liters, which is enough to provide safe water to over four million people. Additionally, USAID supported the introduction of vaccines against

rotavirus and pneumococcus, two of the leading disease agents for diarrhea and pneumonia, respectively; and provided low-cost treatment in more than 1.8 million cases in children under five.

Since 2010, USAID has reached more than 46 million children under five, including 12.5 million in FY 2013 through our nutrition programs, and an additional five million children through leveraging global health resources and partnerships with other donors. USAID also contributed to the *Global Nutrition for Growth Compact*, which aims to reach at least 500 million pregnant women and children under-2 with effective nutrition interventions, and trained 1.3 million people on child health and nutrition to assist with early diagnosis and treatment of undernutrition.

Questions for the Record
Submitted by the Honorable Ted Poe
To the Honorable Rajiv Shah, Administrator, U.S. Agency of International Development

Question 1:

As you know, I've been trying to get through Congress a bill that would bring more evaluation and transparency to our foreign aid. I want to thank you for your past support of the bill. I am hopeful we can mark it up in this Committee soon. Not including security assistance, which I understand is a more complicated topic, is there any assistance that USAID provides that you think should not be rigorously evaluated? Humanitarian assistance? Bilateral and multilateral development assistance? Disaster assistance? Food assistance? Economic Support Fund assistance?

Answer:

There is no assistance area that should not be evaluated, as long as the evaluation will be used to inform decision-making. Rather, the methods used to evaluate projects in certain contexts or conditions should be adjusted to account for complexity or difficult environments, such as those related to disaster assistance or conflict mitigation. USAID seeks to apply innovative and flexible evaluation methods in these cases and we continue to look for other practical ways to ensure learning and transparency in a variety of contexts.

USAID's Evaluation Policy ensures that the majority of resources under management will be subject to evaluation by requiring each USAID Mission and operating unit to evaluate their large projects (equals or exceeds in dollar value the average project size for the operating unit) and all activities within a project demonstrating new approaches that are anticipated to be scaled up if proven effective. Evaluations should use methods that generate the highest quality and most credible evidence relative to the questions being asked, while balancing practical constraints such as time, cost, and context. A combination of both qualitative and quantitative methods is often optimal, though no single method is privileged over others.

Question 2:

You spent $39 million on evaluations in fiscal year 2013, but spent around $16 billion overall on foreign aid programs. Even if you include multi-year evaluations, money spent on evaluations makes up only about 0.3% program funds. That is 10 times less than what your 2011 policy states should be spent on evaluations. What are you doing to make sure more of already appropriated money goes to rigorous evaluations?

Answer:

Consistent with the USAID Evaluation Policy, USAID is committed to devoting sufficient financial resources to ensure evaluations are timely and of high quality. We estimate that this would be approximately three percent of program costs, on average. Some evaluations may require a higher percentage, some lower. The great majority of evaluations are commissioned by USAID missions and operating units based on their management needs and budgets. USAID missions report each fiscal year on the budget devoted to completed evaluations, and the agency has seen that amount increase each year since the Evaluation Policy was put into place.

The funding reported by missions and operating units for completed evaluations is still less than one percent of USAID's total program budget. USAID is seeking to understand the factors that contributed to this aggregated amount, which we believe may include underreporting of evaluation costs by USAID missions. In addition,

with new approaches constantly evolving, the program evaluation community is still debating the appropriate balance of funding that should go to program monitoring and evaluation versus program implementation. USAID, as a leader in this area, continues to contribute to and track this discussion, as well as evaluate data from our programs to understand whether the three percent goal in our Evaluation Policy for program evaluation is the most effective, practical and cost-effective.

Question 3:

Your 2011 Evaluation Policy states that at least 3% of program budget should be dedicated to external evaluation in budget estimates for the following fiscal year. So, in your latest FY15 budget estimate, is at least 3% dedicated to external evaluation?

Answer:

There is growing interest among donors and foundations in determining appropriate evaluation spending targets for organizations. Since USAID's Evaluation Policy was issued we have made significant progress. With respect to the 3% target, USAID is currently assessing whether the target is at the right level. Indeed, a 2014 William and Flora Hewlett Foundation study found there is a basic threshold cost for evaluation that does not rise proportionally with program expenditures and therefore organizations with larger budgets will show a smaller proportion of funds going to evaluation.

The FY 2015 budget request includes $326.5 million for evaluation, out of the $20.1 billion in USAID managed or partially managed accounts. This is approximately 1.6 percent of the total request. USAID will continue to monitor Agency planned spending on evaluation to determine whether the current target is cost-effective relative to the size of USAID's program budget.

Question 4:

Your 2011 Evaluation Policy says that most evaluations should not be done by those who have a conflict of interest, like NGOs or contractors that implement the aid. I understand USAID did 243 evaluations in Fiscal Year 2013. Of those 243, how many were done by third-party, independent evaluators? What are you doing to make sure that next year, 4 years after your policy was issued, you will be in compliance with your own policy to have most evaluations done by third parties?

Answer:

All required evaluations at USAID, per the Evaluation Policy, must be led by an independent expert with no fiduciary relationship to the implementing partner. Since evaluations are required for large projects and pilots/proofs-of-concept, this seeks to ensure that a majority of program funds are subject to external evaluation. Non-required evaluations, which Missions/Offices can undertake for management and/or organizational learning purposes, may be external or internal. In future fiscal years, the Evaluation Registry of the Performance Plan and Report will request that missions and offices indicate whether evaluations are "internal" or "external." Of the 243 evaluations completed in FY2013, we estimate that only a small number were completed by internal teams and that approximately 80 to 90 percent of the 243 evaluations were completed by teams with an external team leader. We will have more precise numbers when reporting on FY2014.

While using an external team leader is one approach to mitigate potential conflicts of interest, the USAID Evaluation Policy has institutionalized several additional safeguards to ensure a commitment to unbiased measurement and reporting, as well as to promote transparency. Per the Evaluation Policy, for both internal and external evaluations, statements of work/terms of reference and draft evaluation reports must undergo a peer

review, which is aimed at both increasing quality and transparency. In addition, evaluation team members must submit disclosure of conflict of interest forms, which are part of the final evaluation report. Similarly, findings from external and internal evaluations – whether conducted by an implementing partner or USAID staff – are all publicly shared via the Development Experience Clearinghouse. USAID only grants rare exceptions to this public disclosure requirement. In FY2013, 11 evaluations were not released to the public, all on the basis of ensuring the safety of local partners.

Question 5:

When are you going to make a public version of the evaluation registry so everyone can see how our money is being spent?

Answer:

The Evaluation Registry is a repository for reporting on what evaluations are planned, on-going and completed. The data in the Evaluation Registry cannot currently be released publicly as it contains pre-decisional and procurement sensitive data. However, Registry data are reviewed, validated, and aggregated for publicly available reports in the CBJ and other reports and documents. USAID is also exploring options for releasing components of the completed evaluation data on an annual basis.