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ASSESSING U.S. FOREIGN ASSISTANCE PRIORITIES IN SOUTH ASIA

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BEFORE THE

SUBCOMMITTEE ON ASIA AND THE PACIFIC

OF THE

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ASSESSING U.S. FOREIGN ASSISTANCE PRIORITIES IN SOUTH ASIA

WEDNESDAY, APRIL 30, 2014

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ASIA AND THE PACIFIC,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:01 p.m., in room 2172, Rayburn House Office Building, Hon. Steve Chabot (chairman of the subcommittee) presiding.

Mr. CHABOT. Good afternoon. The Subcommittee on Asia and the Pacific welcomes everyone here this afternoon. I am Steve Chabot, chair of the subcommittee. I want to thank the gentleman from California, Mr. Ami Bera, for serving as today's ranking member and also thank the other distinguished people that are here this afternoon; especially our panel of experts here.

Mr. Bera and I will each make opening statements of approximately 5 minutes and then other members, as they come in will have an opportunity for a minute to also make an opening statement. Then we will hear from the panel members, and then we will go to questions. I will begin with my statement now.

Today's hearing was called with the intention of following up on Secretary Kerry's and Administrator Shah's testimonies at the full committee in March and early April, but with an exclusive focus on South Asia. This will give members the opportunity to ask more specific questions, both about the Fiscal Year 2015 proposed budget, as well as U.S. strategy throughout the region.

South Asia continues to be the source of many of the most critical challenges to U.S. national security and will likely continue to be in the future. Straddling the Red Sea, Arabian Sea, Bay of Bengal, and the Java and South China Seas, South Asia bridges a world fraught with political uprisings and civil strife to one that will help to drive global politics and the world's economy. The region encompasses the world's largest democracy; the second most populous nation; one of the poorest countries in the world, and a booming youth population making up nearly 70 percent of the region's entire population.

As the center of the Indian Ocean sphere that extends from the Middle East to India and south to Indonesia, South Asia is a subregion in need of strategic stability. The challenges there are multifaceted and incredibly complex. Nearly every country that we will discuss today—India, Bangladesh, Sri Lanka, Nepal, and the Maldives—is trying to lift its population out of extreme poverty,

trying to foster greater economic development, and fighting to eradicate transnational terrorist threats. As a result, the Fiscal Year 2015 budget must focus on enhancing economic openness, improving political freedoms, and promoting democratic governance.

I am troubled by the fact that 80 percent of the budget for South Asia is earmarked by solely three Presidential Initiatives; the Global Health Initiative, Feed the Future, and Global Climate Change programs. This leaves very little room for responding to the unexpected. We cannot ignore the broader national security threats this area of the world faces—especially its growing susceptibility to extremist groups.

While Afghanistan may not be within the jurisdiction of this particular subcommittee, the impact of the U.S. withdrawal from Afghanistan this year certainly remains one of the most immediate challenges facing the South Asia region. There are enduring fears that if the withdrawal is not handled well, the long-term victim will be regional stability. While one of the administration's priorities for assistance in the region is advancing economic integration with its New Silk Road programs, the U.S. also needs to find a way to navigate the ongoing economic and security transitions in Afghanistan with balancing Pakistan and Indian interests.

The U.S. has been encouraging India to take a greater role in Afghanistan, and India has listened by cultivating strong ties there; but, Pakistan is fearful of those ties, creating a precarious balancing act. How elections in Afghanistan and India will impact this relationship and future stability in the region remains to be seen.

South Asia is also in the midst of a potentially region-wide political shift. By midsummer, nearly every country in South Asia will have completed nationwide elections over the past year—Bhutan, Maldives, Nepal, Pakistan, India, Bangladesh, and Sri Lanka. That is a tremendous opportunity for change—good and bad.

As we saw in Bangladesh earlier this year, the rivalry between its major political parties left the country in complete turmoil. I happened to be there some months back and met with both of the leaders there. Rival factions held Bangladesh's democratic process hostage, initiated protests that killed hundreds of people, and wreaked havoc on the economy. This resulted in a sham election in which only 10 percent of Bangladesh's 154 million voters participated. One must be concerned, I believe, about the long-term impact of this ongoing political quagmire.

Bangladesh is a nation we have extolled as the region's moderate, tolerant, and democratic partner in our fight to end violent extremism. One can only wonder how the current state of political instability in the country will affect that role. I know Assistant Secretary Biswal has traveled to Bangladesh and has spent a great deal of time on the current state of affairs there, and I hope we can discuss the situation in some detail during this hearing.

In Sri Lanka, we continue to be frustrated by reports of human rights violations, religious intolerance, heavy-handed military presence in the northern region, and failure to integrate the minority Tamil population into government and police agencies. Most recently, we have heard of the government's intention to scrutinize funding received by NGOs. I hope our witnesses this afternoon can focus on how U.S. assistance to Sri Lanka is benefiting the current

situation and what, if any, plans the administration has to adjust our programs accordingly.

Finally, let me address what I think we can all agree on: The incredible display of democracy that we are witnessing in India. Over a 5-week period, nearly 800 million people will go to the polls to elect their leaders. One can argue that India's diversity and growing pains are united by the bedrock of its Constitution which allows for a liberal democratic order—surely a model for the region.

In India, we do continue to have concerns about protection of the human rights of women and minorities, and preservation of religious liberties, particularly concerning rights of Christians and others, and I hope we can all also address those concerns today.

While I haven't mentioned Nepal or the Maldives, which also face important challenges of their own, I hope that our witnesses today will also discuss U.S. priorities in those countries.

I would now like to recognize the acting ranking member, Mr. Bera, for his opening statement. The gentleman is recognized for 5 minutes.

Mr. BERA. Thank you, Chairman Chabot, for calling this important hearing about the administration's Fiscal Year 2015 priorities for South Asia.

Our policy in Asia, as you have already mentioned, is at a critical juncture, and we must reassure our allies and partners that we are committed to the region, particularly India. India remains a strategic partner and geopolitical partner for Washington. This month, as you have already mentioned, India launched its 6-week election campaign to democratically elect its next leaders.

Now, this is a country of over 1.2 billion individuals and more than 800 million eligible voters. This is democracy in action. It obviously is a massive undertaking, but it only underscores the importance of India as an ally as the world's largest responsible and thriving democracy. And regardless of who wins the election, I think it is an opportune time for the United States to broaden our ties with India and reestablish a trajectory of growth that was remarkable in the last decade. We also have an opportunity with a new U.S. Ambassador to India who can also help pave the way toward resettling ties and strengthening our economic relationship.

As I mentioned previously, in previous hearings, India is one of our top 20 trading partners. Trade between the United States and India now tops nearly $100 billion annually in goods and services. And as the Vice President has mentioned, there is no reason that we can't get that trajectory to quintuple over this next decade and take it from $100 billion to $500 billion, benefits both countries and benefits and strengthens our ties. And it is in our strategic interest, which go far beyond our own borders.

India also, working with USAID and others, has now gone from a traditional aid recipient to becoming a true peer-to-peer partner that is able to harness its own strengths and capabilities and partner with the United States. The administration and India are working on tackling various development challenges in other countries. For example, both India and the United States are working closely together to mitigate food insecurity in Africa. With USAID's assistance, India has enthusiastically jumped in to host and train around 180 African agriculturists. The farmers are taught agricul-

tural best practices that lead to sustainability and make their farms more productive.

India also, as the chairman has mentioned, has played a critical role and will continue to play a critical role in economic and infrastructure development in Afghanistan. The trilateral relationship between the United States, India, and Afghanistan is incredibly important to help maintain the stability of the region, particularly in 2014, as the United States goes through its transition.

In addition, India is incredibly important in the interconnectivity of the region and with its neighbor and partner countries. It can provide geopolitical stability by promoting trade, building infrastructure, and doing business with its partners.

In addition, our people-to-people contact is also extremely important. More than 50 percent of India's population is under the age of 30, and approximately 150 million people are eligible to vote for the first time this year.

Since India has one of the world's youngest populations, we should also focus on helping India build its system of higher education, both its universities, but also its trade and technical capacity. This is a dividend that not only benefits both India, but also the benefit to the United States would be priceless. One possibility arising from investing in Indian higher education would be to provide our students more opportunities to study in India as well, thereby strengthening both our cultural and economic ties, while also building India's workforce.

As a proud Indian-American, I look forward to intensifying our alliance with India by fostering innovation, education, security, and economic engagement.

I want to thank Assistant Secretary Biswal and Acting Administrator Rollins for joining us today, and I look forward to your testimony.

And with that, I yield back, Chairman.

Mr. CHABOT. Thank you very much.

If any members would like to make an opening statement for 1 minute; I will recognize first of all the gentleman from California, Mr. Rohrabacher, who is the chairman of the Europe, Eurasia, and Emerging Threats Subcommittee.

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

We have these hearings, and we are actually supposed to talk about the big picture, but they also are supposed to understand the details, and that is what these hearings are all about. The big picture has dramatically changed in this part of the world in the last 20 years. The big picture used to be that the United States was in a Cold War, and Pakistan was our ally and India was allied with our enemy, the Soviet Union. Now there is no more Soviet Union, and what you have is Pakistan, our former ally, now allied with perhaps the greatest threat that we face today, now that the Soviet Union has disappeared, and that is an expanding totalitarian China.

Mr. Chairman, I don't find it at all a balancing act that we have to conduct. Pakistan is on the side of our enemy. India is now on our side. We should reestablish our priorities and make sure that India becomes our best friend the same way Pakistan was during the Cold War. That was a different era. I look forward to expand-

ing on that thought and hearing from our witnesses and how that truism, which I think is a truism, or observation, will impact our policies in the rest of that region. Thank you very much.

Mr. CHABOT. Thank you very much.

Now the gentleman from California, Mr. Sherman, is recognized for making an opening statement. He is the ranking member of the Terrorism, Nonproliferation, and Trade Subcommittee.

Mr. SHERMAN. Assistant Secretary Biswal, welcome back to 2172.

This committee and this House passed a bill to provide for a special envoy on religious minorities in the Middle East and South Asia, expressing the will of the entire House that that be a real focus of the State Department. Now, the Senate hasn't exactly established that office, so, as is typical of Congress, we would like you to accomplish the goals without providing you with any additional money or staffing. But I think Congress has shown what you already know, and that is how important it is to focus on these religious minorities, and I hope that your bureau would focus on the Hindu minorities of Pakistan and Bangladesh.

Ms. Rollins, thank you for your focus on the far region of Sindh and providing 250 million metric tons to deal with the drought. Thank you, and please do more.

In addition, we have a chance to focus on Sri Lanka at the conclusion of a civil war there. There are some 90,000 war widows. And I hope that your program would focus on that, would focus on the hundreds of thousands of internally displaced persons, particularly from the north and the east. And this is a chance to be creative with programs target on intercommunal harmony and ethnic reconciliation.

So I wish I could appropriate more funds so that you could do all these things, but knowing the skill of both of you, I am counting on you to get them done.

Mr. CHABOT. Thank you very much. Gentleman's time has expired.

I will now introduce our distinguished panel here this afternoon. I will begin with Nisha Biswal, who was sworn in as Assistant Secretary of State for South and Central Asian Affairs last October. Previously, Ms. Biswal served as Assistant Administrator for Asia at USAID. During Ms. Biswal's tenure, USAID reopened its mission in Burma and transitioned its programs in various countries to global partnerships in development cooperation. Ms. Biswal also worked in the Office of U.S. Foreign Disaster Assistance and the Office of Transition Initiatives, and served as chief of staff in the Management Bureau while at USAID. Before USAID, Ms. Biswal served as the majority clerk for the House Appropriations Foreign Operations Subcommittee and as professional staff for the House Foreign Affairs Committee, where she was responsible for South Asia. Ms. Biswal has also worked at InterAction and at the American Red Cross, where she served as an international delegate in Armenia, Georgia, and Azerbaijan.

We welcome you here this afternoon. You have spoken many times before this committee and you are always a welcomed guest.

I will also introduce our second witness, Denise Rollins, who has been a member of the U.S. Senior Foreign Service and has more than 25 years of international experience. She has served as

USAID's Acting Assistant Administrator for the Bureau for Asia since September of last year. Prior to that, Ms. Rollins was Senior Deputy Assistant Administrator, where she was responsible for overseeing USAID's Asia portfolio. Prior to her appointment to the Asia Bureau, she was USAID's Mission Director in Bangladesh. She has additionally served as USAID's Deputy Mission Director in South Africa, where she oversaw development programs addressing health, education, local government, and private sector development. Before joining USAID, Ms. Rollins served as the senior program officer at the Africa-American Institute and a legislative assistant for two Members of Congress. And she is a native of Detroit, Michigan.

We welcome you both here. I am sure you are familiar with the rules. You will have 5 minutes. There is a lighting system and the yellow light will remind you that you have 1 minute to wrap up. We would ask you to stay within the 5 minutes, if at all possible. We will keep ourselves within the 5 minutes as well.

Ms. Biswal, you are recognized for 5 minutes.

STATEMENT OF THE HONORABLE NISHA BISWAL, ASSISTANT SECRETARY, BUREAU OF SOUTH AND CENTRAL ASIAN AFFAIRS, U.S. DEPARTMENT OF STATE

Ms. BISWAL. Thank you, Mr. Chairman. And I almost feel like I could dispense with an opening statement because both of you were so comprehensive in your own statements about the region, and there is very little difference or distinction in what I have to add. Nonetheless, I ask that my full statement be entered into the record, and I will summarize a few key points.

Mr. CHABOT. Without objection, so ordered.

Ms. BISWAL. Mr. Chairman, Ranking Member Bera, members of the subcommittee, thank you for inviting me to testify today. It is an honor for me always to appear before this committee, in particular, and a pleasure to be here alongside my good friend and colleague, Denise Rollins.

Mr. Chairman, the President's Fiscal Year 2015 budget request for South Asia comes in at just shy of $350 million, not including the countries of Afghanistan and Pakistan, and it recognizes the important role that the United States continues to play in supporting democratic development and promoting economic opportunity in the region.

This hearing is particularly timely given the historic transitions that are now underway in South Asia. You both have commented on the incredible display of democracy going on in India, with 800 million eligible voters. And India's democratic development, its rise as a confident and capable power that advances regional stability, security, and prosperity, is something that the United States welcomes and supports.

And the U.S.-India relationship has continued to mature, deepen, and grow over successive administrations in both countries. We continue to facilitate growth in our trade relationship and ensure new opportunities for businesses in each other's markets. Our collaboration on energy, science and technology, environment, space, education, and counterterrorism continues to deepen. And our security cooperation, Mr. Chairman, with India is a central element of

the broad U.S.-India strategic partnership. We look forward to working closely with the next Indian Government to build on these efforts.

In Bangladesh, the tragic collapse of the Rana Plaza factory 1 year ago has galvanized an international movement to strengthen worker safety and labor rights in Bangladesh. And while much remains to be done, the United States and other international partners have helped make significant progress in Bangladesh over the past year.

Nepal has also made significant strides, building democratic institutions after years of conflict. Both Bangladesh and Nepal, due in large part to our assistance programs, are both on track to achieve their Millennium Development Goals related to child and maternal mortality and have both significantly improved food security for their people.

In Sri Lanka, while we saw the end of a brutal conflict in 2009, the country is still undergoing a fragile transition. And while we are disappointed that the government has failed over the past 4 years to take adequate and meaningful steps to support accountability and reconciliation, the United States is committed to working with the people and the Government of Sri Lanka to strengthen its democracy and to help the country move toward a more durable pace.

Mr. Chairman, given the elections and transitions underway in this region, now is a time of enormous opportunity to help shape a more promising future for the people across South Asia. And under President Obama and Secretary Kerry's leadership, we are doubling down, so to speak, in Asia. Despite many challenges, including weak regional architecture, high poverty rates, and limited regional infrastructure, we can envision a future where Asian economies are connected through trade and transit, from Central Asia to South Asia to Southeast Asia and beyond.

The administration has placed a strategic bet on regional economic connectivity through our New Silk Road and Indo-Pacific Economic Corridor initiatives. We know that peace and stability are much more likely to be sustained when the countries of the region are tied together in trade and when their economies and their people are invested in each other.

Earlier in this month, Afghans turned out in record numbers to vote, defying threats, intimidation, and violence. Their courage and determination to protect their democracy shows that they are committed to a better future for themselves and their children, a future where a more stable and secure and prosperous Afghanistan is connected to a stable, secure, and prosperous region.

On the eastern front of South Asia, we see real opportunity to connect South and Southeast Asia in light of the historic transition undergoing in Burma. The improvement of relations between India and Bangladesh and the growing ties between India and its ASEAN counterparts allow for more efficient, integrated, and open markets across the region.

But clearly one of the biggest obstacles to regional connectivity is India and Pakistan. Trade normalization between these two historic rivals could be a game changer. And we have been encouraged by positive signs from Islamabad and New Delhi that things may

be moving in the right direction. We are hopeful that we will see strong leadership from both governments following India's election.

Mr. Chairman, let me just conclude by saying that as I look out over the horizon and assess the challenges and opportunities for the United States in South Asia, I am struck by the enormous potential of a region that will be increasingly consequential to our interests in the years ahead. Much of the story of the 21st century will be written in this part of Asia, this part of the world where a little goes a long way and where our assistance have tremendous positive impact on the ground.

Thank you, Mr. Chairman. And I would be happy to take questions.

Mr. CHABOT. Thank you very much.

[The prepared statement of Ms. Biswal follows:]

TESTIMONY BEFORE THE HOUSE FOREIGN AFFAIRS COMMITTEE
SUBCOMMITTEE ON ASIA AND THE PACIFIC
NISHA D. BISWAL
ASSISTANT SECRETARY OF STATE FOR SOUTH AND CENTRAL ASIAN AFFAIRS
April 30, 2014

"Assessing U.S. Foreign Assistance Priorities in South Asia"

Mr. Chairman, Mr. Ranking Member, and Members of the Subcommittee, thank you for inviting me to testify today. It's a particular honor for me to appear before this Committee, given my previous experience on the HFAC. And it's always my pleasure to speak alongside Acting USAID Assistant Administrator Denise Rollins.

Mr. Chairman, this hearing is particularly timely given the historic transitions now underway in South Asia. Over the next few weeks, over 800 million eligible voters, including 150 million Indians between the ages of 18 to 23, will finish going to the polls in national elections to elect a new government. And millions of Afghans showed courage and resolve by turning out in record numbers to vote, despite threats and intimidation. And while the process has not yet concluded, Afghans have shown they are committed to a successful transition that strengthens their democracy and consolidates the gains made during a decade of investment in Afghanistan's economy and government.

In Bangladesh, the tragic collapse of Rana Plaza, which took place just one year ago, has galvanized an international movement to strengthen worker safety and labor rights in Bangladesh, much like the Triangle Shirtwaist Company fire did a hundred years ago here in the United States. While much remains to be done in improving labor and safety standards, focused efforts by the United States and other international partners have helped the Bangladeshi government make significant progress.

Last month, with U.S. leadership, the UN Human Rights Council passed a third consecutive resolution on Sri Lanka, calling for credible steps toward reconciliation and accountability following the end of the civil war.

So in short, we are at an important crossroads in South Asia, and U.S. leadership and engagement could not be more important. To put this into a larger context, consider that South Asia, with 1.6 billion people, is home to one-fifth of the world's population, almost half of them under the age of 24. The President's Fiscal Year 2015 budget request for South Asia, at just under $350 million, recognizes the incredibly important role the United States continues to play in promoting economic and democratic opportunity; investing in people and institutions; strengthening physical and human security, and protecting the environment. And when we invest in South Asia, we directly further our own national security interests by ensuring regional stability and helping lift millions out of poverty.

Mr. Chairman, given the elections and transitions underway in this region, now is a time of enormous opportunity to help shape a more promising future for people across South Asia. Under President Obama and Secretary Kerry's leadership, we are doubling down, so to speak, in

Asia. Despite geopolitical challenges, a weak regional architecture, high poverty rates, and limited intraregional connectivity, we can imagine a future where Asian economies are connected all the way from Central Asia to South Asia to Southeast Asia and beyond.

This is why the United States government is championing regional economic connectivity through our New Silk Road and Indo-Pacific Economic Corridor initiatives. We know that peace and stability are much more likely to be sustained when the countries of the region are tied together in trade, when their economies and people share important links. Our New Silk Road initiative focuses on four key areas to link Central Asia with South Asia through Afghanistan, by (1) creating a regional energy market bringing surplus energy from Central Asia to energy-starved South Asia; (2) facilitating trade and transport routes across the region; (3) streamlining customs and borders procedures to reduce the costs of doing business; and (4) linking businesses and people across new regional markets.

We have seen critical progress in making this vision a reality, including electricity flows from Central Asia to Afghanistan with plans to expand into Pakistan, reduced wait times at border crossings, and improvements in the trade climate.

Clearly, one of the biggest obstacles to regional connectivity is the barriers between India and Pakistan. Trade normalization between these historic rivals would be a game changer, signaling to the region and the world South Asia is really open for business. We have been encouraged by positive signs from Islamabad and New Delhi that things may be moving in the right direction, and we are hopeful we will see strong leadership from both governments following India's election.

On the eastern front of South Asia, there is also a real opportunity to connect South and Southeast Asia into an integrated economic landscape. The political transition in Burma, the improvement of relations between Bangladesh and India, and the growing ties between India and ASEAN allow for more efficient, integrated, and open markets across the region.

Of course, for this type of transformative effect to take place, regional growth hinges on political stability and regional security. On that front, I am optimistic. India's democracy is a ballast for the entire region and world, and the U.S.-India relationship continues to mature and deepen, even as we manage the ups and downs of our relationship. We continue to facilitate growth in our trade relationship and ensure new opportunities for U.S. businesses in Indian markets. Our collaboration on energy, science and technology, environment, space, education, and counterterrorism continues to deepen. And our security engagement with India is a central element of the broad U.S.-India strategic partnership. We look forward to working closely with the next Indian government to build on these efforts.

Nepal has made huge strides, building democratic institutions after years of conflict. Last November's elections saw historic voter turnout of over 70%. With USAID's assistance, Nepal has cut its infant, under-five, and maternal mortality rates roughly in half since 1996. Similarly, in Bangladesh, over the past twenty years, USAID has contributed to a reduction in under-five mortality by 60 percent. Bangladesh and Nepal are the only countries where we're implementing all three of President Obama's development initiatives – on health, food security,

and climate change – and with U.S. assistance both countries are on track to achieve their Millennium Development Goals related to child and maternal mortality.

In Bangladesh, we continue to press for greater political inclusion, without which a more stable and prosperous future is put at risk. But one must also acknowledge the important gains Bangladesh has made in improving health, food security, and economic opportunity for its citizens. And while the Rana Plaza and Tazreen tragedies focused the world's attention on inadequate labor conditions, we have engaged, along with European partners, in an intense effort with labor, industry, civil society, and government to achieve real improvements in the garment sector in Bangladesh.

Sri Lanka has fortunately ended its civil war, though reconciliation has proved challenging. Following the March UN Human Rights Council resolution in Sri Lanka, we continue to call for credible efforts to ensure accountability and justice. Our programs support the ethnic and religious minority communities through economic assistance, civil society strengthening, and access to justice. Reconciliation requires engagement with both majority and minority populations, so we are also stepping up our outreach to the Sinhalese community to help Sri Lanka create a durable peace. We look forward to a resumption of a more comprehensive military relationship once the Government of Sri Lanka has made better progress toward reconciliation and accountability.

Further south in Maldives, we're working closely with that young democracy to protect its waters, counter extremism, and mitigate the effects of climate change, but we are worried by actions that undermine the independence of its elections commission and weaken democratic institutions.

Mr. Chairman, allow me now to turn to each of these countries in more detail on the important work the United States has been doing in this region to advance regional stability and our national security interests.

India

The continuing convergence of our and India's strategic interests is underpinned by our strong people-to-people ties, with over three million Americans of Indian heritage in the United States and over 100,000 Indian students studying at U.S. universities. While recent events have drawn more media attention to our disagreements than to our collaborative efforts, those difficulties are minor compared to the breadth of our relationship and the magnitude of what our two countries can accomplish together.

This month, India's national elections are demonstrating the vibrancy of India's democracy, with over 800 million eligible voters and 150 million young Indians between the ages of 18 to 23 voting for the first time. We are confident that whatever the outcome of India's national elections, the strategic partnership between our nations will continue to grow. I would like to take the opportunity to highlight the development of U.S.-India cooperation over the past year and how the foundation we've laid will continue to advance our shared interests.

Together, we've advanced the U.S.-India relationship in ways that deliver benefits for both our citizens. We have reached nearly $100 billion in annual goods and services trade and are committed to growing trade far beyond that. We continue to facilitate growth in the trade relationship, to strengthen investment opportunities, and to ensure new opportunities for U.S. businesses in Indian markets, including through negotiating a Bilateral Investment Treaty (BIT). A high quality BIT would be a strong step forward in helping grow two-way investment and ensuring American investments are protected to the same degree that Indian investments in the United States enjoy.

U.S. businesses still face many challenges in India's transforming economy, including concerns about transparency, infrastructure challenges, domestic content provisions, and limited intellectual property protection. USTR's 2014 Special 301 Report, released today, provides details of some of the key challenges to IPR in India. However, American companies also recognize India's tremendous potential and ambition to modernize all aspects of its economy, and they are interested in investing in India for the long term. In fact, U.S. companies, with their high standards and high-quality products and services, have been an important part of the story of India's transformation over the past 20 years, and Indian companies, too, are increasingly investing in the United States, supporting tens of thousands of U.S. jobs. We look forward to working with the next Indian government to advance economic reforms and provide a better business environment for all companies.

Our energy collaboration strengthens energy security and boosts economic growth. As a result of the U.S.-India 123 Agreement for Civil Nuclear Cooperation, American companies have an unprecedented opportunity to help India realize its vision on the construction of new reactor parks. In March, the U.S.-India Energy Dialogue led by Secretary Moniz highlighted ongoing opportunities in civilian nuclear energy, electrical grid and power generation cooperation, energy efficiency, oil and gas exploration, expanding markets for renewable energy technologies, and addressing barriers to clean energy deployment. His visit included the first review of the progress being made in solar energy, advanced biofuels, and building energy efficiency through the U.S.-India Joint Clean Energy Research and Development Center, established as part of the Partnership to Advance Clean Energy. The Government of India is also a key player in the Clean Energy Ministerial, a global forum to share best practices and promote policies and programs that encourage and facilitate the transition to a clean energy economy. India hosted the fourth Clean Energy Ministerial, in April 2013.

Nowhere is the U.S.-India collaboration more important than in addressing global environmental challenges. We have sought common ground on climate change issues, both through multilateral discussions and through bilateral cooperation in forestry adaptation, clean and renewable energy, and on hydrofluorocarbons through creation of the Climate Change Working Group. Our two countries have also mobilized support for sustainable and renewable energy projects, including a new off-grid power initiative that will help millions of Indian families gain access to affordable, reliable, clean energy for the first time.

The United States and India enjoy robust science and technology cooperation. This collaboration has been vital in achieving a broad range of shared goals, including sustaining economic growth and job creation; allowing our citizens to live longer, healthier lives; developing clean sources of

energy; and protecting our environment for future generations. The U.S.-India Science and Technology Cooperation Agreement, signed in 2005, established the Joint Committee meeting (JCM) to convene biennially leaders from both countries to provide strategic guidance for our science and technology initiatives and will meet later this year in India. In parallel, India will host the first ever public-private U.S.-India Technology Summit November 18-19, focused on innovation for the 21st century. Meanwhile, a partnership between our space agencies has allowed cooperation on India's Mission to Mars. In addition to USAID's extensive work in the health sector, the U.S.-India Health Initiative launched in 2010 supports a broad range of medical and research collaboration between our two countries. And India is one of the international partners of the Global Health Security Agenda launched this year to focus our efforts to combat the threat of infectious diseases.

Our defense cooperation with India remains a vital piece of our broader strategic partnership. Today, we are committed to working with India on trade and technology transfer opportunities, including our interest in identifying a project or even several projects for co-development or co-production within the next year. We are expanding our security ties and strengthening our military-to-military dialogue to help meet India's defense needs and to bolster India's capacity to contribute to security in the region, particularly in the Indian Ocean.

Our collaboration and consultation on counterterrorism efforts and information-sharing, including through the Homeland Security Dialogue, have built an important new bridge between our governments. This includes the December 2013 conference in New Delhi on mega-city policing cooperation, which focused on domestic terrorism, emergency disaster response, corruption, and other domestic challenges faced by both countries.

India is also a vital partner for our efforts to increase regional connectivity and foster greater regional cooperation. With a sixth round set for early June, the U.S.-India-Japan trilateral dialogue has deepened our discussions on Indo-Pacific economic connectivity, maritime security, disaster management, and coordination in multilateral fora.

The breadth and quality of our strategic partnership with India attests to the underlying strength of our relations. As India continues to grow and take on greater responsibilities in the international arena, we will work harder than ever to ensure that this partnership lives up to its full potential.

Bangladesh

As the eighth most populous country in the world and the third-largest Muslim majority nation, moderate, secular Bangladesh is also the largest recipient of foreign assistance in South Asia, with a total request of approximately $169 million in FY 2015. Bangladesh is an important partner for the United States on a broad range of issues, from security to economic growth. In April, we held in Dhaka our third annual Security Dialogue and first Trade and Investment Cooperation Forum Agreement (TICFA) meeting. Bangladesh is a strong development partner and a focus country for all three of the President's key development initiatives: Global Health, Global Climate Change, and Feed the Future. As a top contributor to UN peacekeeping operations, it is also a regional and global security partner. Finally, growing at about six percent

a year for two decades, and strategically situated between growing India and a newly opening Burma, Bangladesh will play a key role in the Indo-Pacific Economic Corridor linking South and Southeast Asia.

In spite of these successes, Bangladesh is going through a period of transition. The U.S. government mobilized to strengthen worker safety and labor rights in Bangladesh following the tragic labor disasters of the Tazreen factory fire and Rana Plaza factory collapse. While the government of Bangladesh has made some progress to register unions, harmonize standards, and begin factory inspections, much remains to be done. Bangladesh must end harassment of labor activists, hire more inspectors to carry out quality inspections in a timely manner, and reform its national laws and Export Processing Zone regulations to meet international standards.

On the political front, we were disappointed by the parliamentary elections earlier this year, which were followed by harassment of opposition, independent media, and civil society. In addition to this harassment, we are concerned about reports of continuing extrajudicial killings as well as disappearances and abductions. We have also strongly reiterated to the government the importance of maintaining the independence, effectiveness, and integrity of Grameen Bank. Despite these concerns, we strongly believe that we must maintain our cooperation, which will help Bangladesh realize its potential as a prosperous rising regional partner that restores its democratic values and protects labor rights.

Nepal

Although we celebrate Nepal's recent successful elections, the country still faces major challenges. The new Constituent Assembly must grapple with drafting a new, permanent constitution that articulates Nepal's vision of federalism. In addition, while there have been commendable achievements in post-conflict reconciliation, such as the integration of former Maoist combatants into the army, victims of human rights abuses committed during the ten-year civil war are still waiting for justice. As a result, we continue to urge Nepal to establish commissions on truth and reconciliation and on enforced disappearances.

For decades, Nepal has been a gracious host to thousands of refugees, a testament to the humanitarian spirit of the Nepali people. The United States has welcomed 75,000 Bhutanese refugees since resettlement started in 2008. As this successful program begins to wind down, we are committed to working with the United Nations and international NGOs to resettle remaining refugees. Tibetans comprise the other major refugee community in Nepal. We continue to advocate for the long-staying Tibetan community and urge respect for their fundamental rights, including the freedom of religious expression. We regularly engage with the Nepali government on the "Gentlemen's Agreement," which allows recently arrived Tibetan refugees to transit through Nepal to India under the protection and assistance of UNHCR.

One of the poorest countries in the region, Nepal desperately needs economic development. The Millennium Challenge Corporation, in partnership with the Nepali government, is developing a Threshold Program for consideration by the MCC board in the fall, with implementation tentatively planned for early 2015. This policy-oriented program will work to overcome constraints on Nepal's growth and build a foundation for successful economic development.

Nepal remains extremely vulnerable to catastrophic earthquakes and other natural disasters. Indeed, just twelve days ago, more than a dozen Nepali guides died in an avalanche on Mount Everest, the deadliest in history. Given the high risk of natural disasters in Nepal, Embassy Kathmandu has established a Disaster Risk Reduction Office that coordinates efforts by State, USAID, and the Department of Defense to maximize the impact of limited resources. Together with the Nepali government and other donors, we are working to help reduce the potential impact of any future disaster.

Sri Lanka

In Sri Lanka, we continue to support reconciliation efforts and protection of human rights. At the March 2014 session of the UN Human Rights Council, the United States led a third consecutive resolution on Sri Lanka, which highlighted yet again the need for the government to take credible steps toward reconciliation and accountability following the end of the civil war. While our military cooperation is increasingly limited by human rights concerns and allegations of violations and other abuses emanating from the conflict, our programming focuses on promoting democracy, human rights, and good governance, including outreach to the majority Sinhalese population to help create a sustainable peace. Examples of these efforts include grants in support of reconciliation; support for civil society and journalists; women's empowerment; and public outreach through people-to-people programs among all ethnic groups across the country. These initiatives support our longstanding desire to see a peaceful, united, inclusive, and prosperous Sri Lanka.

Maldives

In Maldives, a small but strategically important U.S. partner, the young democracy's political institutions remain weak. We welcome the presidential elections of November 2013, which were held after earlier attempts were thwarted, following judicial interference in the electoral process. Strengthening independent institutions and the rule of law are high priorities in this moderate Islamic democracy. The $4 million requested for Maldives allows us to continue our engagement on democracy and governance, climate change, and counterterrorism.

Bhutan

We continue to strengthen the informal ties we have with Bhutan, which embraced democracy in 2008. Bhutan held its second democratic election in 2013 and saw a peaceful transition of power to the former opposition party. While we do not request any bilateral foreign assistance for Bhutan for 2015, through an existing USAID grant, we are helping to build political parties' capacity and train newly elected parliamentarians, to support the consolidation of democracy in this strategically located country. We also have robust people-to-people ties through educational and cultural exchanges.

Conclusion

Mr. Chairman, let me conclude by saying that as I look out over the horizon and assess the challenges and opportunities for the United States in South Asia, I am struck by the enormous potential of a region that will be increasingly consequential to our interests in the years ahead. Much of the story of the 21st century will be written in this part of Asia. This is a part of the world where a little goes a long way, and where our assistance has a tremendous positive net gain on the ground. I appreciate your engagement and will continue to coordinate and consult closely with the Subcommittee. Thank you.

Mr. CHABOT. Ms. Rollins, you are recognized for 5 minutes.

STATEMENT OF MS. DENISE ROLLINS, ACTING ASSISTANT SECRETARY, BUREAU FOR ASIA, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Ms. ROLLINS. Thank you, Mr. Chairman, and distinguished members of the committee.

Mr. CHABOT. Could you turn the microphone on and pull it a little bit closer so everybody in the room can hear?

Ms. ROLLINS. All righty.

Mr. CHABOT. Thank you.

Ms. ROLLINS. Thank you, Mr. Chairman, and distinguished members of the subcommittee. I am delighted to be able to testify today on the role of the United States Agency for International Development in addressing U.S. foreign policy priorities and development assistance needs in South Asia.

South Asia has enjoyed steady growth that has helped lift millions out of poverty while building important new markets for American exports. At the same time, it remains home to weak governance systems, persistent natural disasters, and two-fifths of the world's extreme poor, presenting development challenges on a grand scale.

USAID works across the region to ensure countries grow peacefully and sustainably and contribute to greater global stability. Our assistance promotes economic growth and democratic opportunity, invests in people and institutions, and strengthens physical and human security for all ethnic groups, women, and other marginalized populations.

Our approach is threefold. First, we are advancing regional economic integration that accelerates the growth of tomorrow's trade partners while yielding greater stability across South and Central Asia and Afghanistan. Second, we are building pathways out of poverty through the three presidential initiatives: The Global Health Initiative, Feed the Future, and the Global Climate Change Initiative. And, finally, we are institutionalizing USAID's new development model in Asia, which leverages science, technology, innovation, and partnerships to maximize cost effectiveness and impact.

Through these primary approaches, we have achieved impressive gains. Through programs addressing South Asia's mounting energy challenges, we celebrated a major step forward last December with the completion of a transmission line between India and Bangladesh that will facilitate electricity trade for the first time between these two countries.

We assisted India in eradicating polio, a remarkable feat for a country that reported more the half the global polio cases up till 2009.

And in cyclone-prone Bangladesh, where I served as USAID's mission director, we helped end rice deficiencies by partnering with regional scientists to develop saltwater-tolerant rice seeds that can survive prolonged flooding and by introducing technology that places fertilizer under the soil where it is less likely to be washed away.

Through our FY 2015 budget, as my colleague has said, the request for 350 million, we will be supporting U.S. foreign policy pri-

orities through development assistance to India, Bangladesh, Nepal, Sri Lanka, and the Maldives. Funding will help us seize an unprecedented opportunity across Asia to leverage new talent and resources from universities to emerging donors.

Nowhere is that opportunity more evident than India, where we are transforming our development approach with an indispensable U.S. partner to harness the strength and capabilities of both countries, and particularly focused on tackling the development challenges of the day. We are partnering with India to share proven innovations and best practices with other developing countries across Asia and Africa. And we are deepening our engagement in India on shared regional and multilateral goals, including advancing the administration's vision of the New Silk Road.

In Bangladesh, where we continue to focus on labor rights amid heightened international concern, we are strengthening democratic governance while carrying out a whole host of other programming to reduce rampant poverty, from Feed the Future to global health and environment programs.

In Nepal, we are supporting a nascent democracy and implementing a new Community Resilience Program launched by Administrator Shah just 2 months ago. This program will comprehensively address the needs of the extreme poor, while increasing their ability to cope with drought, flooding, or natural disasters.

In Sri Lanka, our assistance will continue to focus on reconciliation and civil liberties to ensure the United States remains engaged in a positive, visible way to protect and expand the space for those advocating for freedom of speech and human rights. Given the progressively difficult political space in which we are operating, we are deepening our engagement in Sri Lanka with civil society and increasing direct support to nongovernmental organizations to bolster local capacity, to sustain progress toward long-term peace and inclusive development.

And finally, Mr. Chairman, in the Maldives, a country in political transition, our assistance will continue to mitigate the impacts of climate change on the economy and way of life, an absolute imperative given the country's highest point is only 8 feet above the rising sea level.

Mr. Chairman, I would like to conclude by saying that stability and progress in South Asia is critical to our future. By continuing USAID support to this region to save lives, strengthen democracies, and expand opportunities, we are also advancing our own prosperity and security.

I appreciate the opportunity to testify today and look forward to your counsel and questions.

Mr. CHABOT. Thank you very much.

[The prepared statement of Ms. Rollins follows:]

Statement of Denise Rollins
Acting Assistant Administrator, Bureau for Asia
United States Agency for International Development
Before the House Committee on Foreign Affairs, Subcommittee on Asia and the Pacific

Budget Oversight: Examining the President's 2015 Budget Request for South Asia

Wednesday, April 30, 2014

Chairman Chabot, Ranking Member Faleomavaega and Distinguished Members of the Subcommittee:

Thank you for the invitation to testify today on the role of the United States Agency for International Development (USAID) in addressing U.S. foreign policy priorities and development assistance needs in South Asia. I am also pleased to be testifying alongside my colleague and friend from the U.S. Department of State, Assistant Secretary Nisha Biswal.

This afternoon, I want to share with you our perspective on the vital role of U.S. foreign assistance in South Asia. I will briefly describe how USAID's development programs in India, Bangladesh, Nepal, Sri Lanka and the Maldives address regional challenges and advance American interests.

South Asia is a region that has shown significant progress and one that holds even greater promise for the future. Bordering major shipping routes in the Indian Ocean, South Asia has enjoyed stable and steady growth, led by India's strong economy, which has helped lift millions out of poverty while building important new markets for U.S. exports. A core component of President Obama's Asia Rebalance strategy is ensuring the region continues on this path and contributes to greater stability throughout South Asia—and beyond.

At the same time, two-fifths of the world's extreme poor live in South Asia, and significant development challenges remain. South Asia has the highest prevalence of undernourishment and underweight children under 5 in the world, and the region's rates of maternal and infant mortality are second only to sub-Saharan Africa. South Asia is prone to natural disasters, in particular cyclones and seismic activity, with millions of people struggling to eke a living off land on the front lines of climate change. And while democracy is vibrant across much of the region, as shown by the ongoing Indian elections—the largest democratic exercise in the world—the systems of governance in several countries are still fragile and continually challenged to meet the needs of the most vulnerable citizens.

The President's Fiscal Year 2015 budget request of $350 million for South Asia will enable the United States to continue to play an integral role in supporting regional stability—thus furthering our own national security interests—to ensure countries grow peacefully and sustainably. By promoting economic growth and democratic opportunity; investing in people and institutions; and strengthening physical and human security for all ethnic groups, women and other marginalized populations, we are building more stable and prosperous societies and advancing regional economic integration to yield greater prosperity across the region.

To advance U.S. foreign policy goals and American interests while tackling the complex development challenges of South Asia, USAID is working through three primary approaches, all of which have achieved impressive gains:

1) **Advancing regional economic integration that accelerates the growth of tomorrow's trade partners while yielding greater prosperity and stability across South Asia and Central Asia, including Afghanistan, as more cross-border ties are forged.**

   We are facilitating cooperation on cross-border electricity trade through USAID's South Asia Regional Initiative for Energy program, which works throughout the broader region—including Afghanistan and Pakistan—to address the mounting energy challenges facing all of South Asia. This program celebrated a major step forward in December 2013 with the completion of a transmission line linking India and Bangladesh that will facilitate electricity trade between the two countries for the first time.

2) **Building pathways out of poverty through the three Presidential Initiatives: the Global Health Initiative, Feed the Future and the Global Climate Change Initiative.**

   Through the Global Health Initiative, USAID was proud to play a role in helping to eradicate polio in India. Just last month, the World Health Organization certified India as polio-free. This represents unprecedented progress for a country that reported more than half the global polio cases until 2009. Experts always predicted that India would be the last to stop polio as its endemic pockets were among the most difficult places in the world for polio eradication. Aggressive support by the Government of India and partners proved those experts wrong.

3) **Leveraging science, technology, innovation and partnerships to extend our reach and maximize our impact, while driving down costs and yielding a better return for the American taxpayer.**

   In Bangladesh, where a population half the size of the United States is crammed into a low-lying, flood-prone area the size of Iowa, we leveraged innovative science and technology to help end rice deficiencies and create a more sustainable way of living for millions of farmers. We partnered with Bangladeshi and regional scientists to develop saltwater-tolerant rice seeds that can also survive prolonged flooding. We also introduced technology that allows for fertilizer to be placed *under* the soil where it is less likely to be washed away, reducing fertilizer use by as much as 30 percent and increasing crop yields by up to 20 percent. As a former USAID Mission Director in Bangladesh, I have seen first-hand the transformative power of these innovations on lives.

In line with USAID's new model for development, we are building on our efforts to leverage science, technology, innovation and partnerships through the recent launch of the U.S. Global Development Lab, which will generate breakthrough solutions to complex development challenges while attracting private sector investment to improve the sustainability of those solutions. Throughout Asia, we are seizing an unprecedented opportunity to leverage new talent and resources wherever possible—from universities and charitable organizations to emerging

donors and high-net-worth individuals. Nowhere is that more evident than with our work in India.

India

As an indispensable partner of the United States, India is a country central to U.S. interests in South Asia and a key player in the Asia Rebalance strategy, and U.S. assistance will continue to play a critical role in supporting a strong U.S.-India relationship. Given India's growing financial and human resources, USAID is transforming its relationship with India from a donor-recipient relationship to a peer-to-peer partnership that harnesses the strengths and capabilities of both countries. Our deepening partnership leverages a broad range of resources to tackle the most pressing challenges of our day in India and beyond, with a particular focus on food security, child survival and meeting the growing demand for energy in sustainable ways.

As a trusted global leader in building public-private partnerships for development, USAID leverages this comparative advantage in India to bring together a wide range of traditional and nontraditional development partners and apply their combined resources and expertise toward solving the world's most vexing development challenges. For example, we partnered with a leading Indian Chamber of Commerce, the Government of India, and several other public and private sector entities to launch the Millennium Alliance, a partnership to support new innovations that strengthen early-grade reading as well as increase access to clean and affordable energy, safe drinking water, quality health care, and a nutritious food supply to those most in need. Innovations include a solar dryer that reduces the processing time of agricultural products like turmeric from 30 days to one day and costs 50 percent less than traditional processing. Another is a biomass-based cook stove that not only provides cleaner combustion for healthier cooking, but also generates electricity for household use. The Alliance has leveraged over $40 million in financial and in-kind contributions through partnerships with leading Indian and multinational corporations, foundations and donors.

We are partnering with India to share proven innovations and best practices with other developing countries across Asia and Africa through trilateral and regional cooperation. For example, our U.S.-India-Africa Triangular Training Program is training agriculture professionals from Kenya, Malawi and Liberia in solutions proven to reduce poverty and hunger that they are using to advance national food security efforts. Participants have helped farmers and interest groups in all three African countries prepare strategic plans for agricultural development, and one Malawian participant established 13 plant health clinics that provide extension and advisory services to farmers.

We are deepening our engagement with India on shared regional and multilateral goals, including advancing the Administration's vision of the New Silk Road through increased regional connectivity between South and Central Asia that bolsters economic growth and security in the region and beyond—including Afghanistan. As the fifth largest donor in Afghanistan, India is well-positioned to play a key role in helping link Afghanistan to the rest of the region in support of economic progress and peace. For example, in December 2013, USAID sponsored the first-ever India-Afghanistan Innovation Partnership Fair in Kabul to capitalize on a growing wave of interest among the Afghan business community to establish international business contacts and develop regional economic partnerships. More than 2,000 people attended

the fair, which featured innovative development solutions from 17 Indian organizations and 25 Afghan organizations. The Innovation Fair proved so successful we replicated it in Mazar-e Sharif in February, and plan to hold several more fairs in the coming year.

In FY 2015, USAID's global health programming in India will shift from a disease-oriented approach to one that fosters innovative public and private sector health systems. USAID has a history of identifying innovations that can work, such as Gene Xpert rapid diagnostic testing. This technology dramatically reduces the time it takes to diagnose drug-resistant strains of tuberculosis—from six weeks or more to just a couple of hours—meaning patients can start the treatment process right away, which plays an important role in preventing transmission. With 26 percent of global tuberculosis cases, including one of the highest burdens of multidrug-resistant tuberculosis in the world, India is partnering with USAID to introduce GeneXpert machines across the country. After USAID's initial investment of 19 machines demonstrated success, the Government of India purchased more than 200 to be used throughout the country to combat the spread of the fatal disease.

Bangladesh

Bangladesh has been a key strategic partner for the United States in South Asia due to its democratic traditions and its contribution to global peace as a major participant in international peacekeeping operations. USAID assistance supports the promotion of democratic institutions and practices, economic opportunity, effective health and education services, food security, responsiveness to climate change, and preparedness and response to natural disasters.

Bangladesh has a promising history of political pluralism, representative institutions, civic engagement and tolerance, but currently finds itself at an important crossroad in its democratic evolution. Without a renewed commitment to participatory and inclusive politics, the democratic institutions developed over the past decades are at risk of backsliding. Promoting good governance and accountability is critical to advancing economic growth, health, education and the ability to provide high-quality public services. USAID works to increase citizen confidence in governance institutions by building the country's capacity for democratic representation, strengthening institutions of good governance, promoting human rights, advancing access to justice systems and supporting a culture of tolerance. Our democracy and governance programs also address and combat gender-based violence, counter trafficking-in-persons, and increase women's involvement in national and local governance. For example, in November 2013, the Bangladesh Parliament adopted critically important amendments to the Legal Aid Services Act. USAID's Justice for All program provided critical technical guidance in amending the Act to create district-level public defender services for the poor and disenfranchised, and to authorize alternative dispute resolution procedures aimed at significantly reducing case backlog.

Linked to our democracy and governance work is a continued concern for labor rights and improved working conditions in Bangladesh. Through our labor programming in both the garment as well as the fish and shrimp sectors, we are building upon existing efforts to bolster workers' rights and safety. We are teaching worker representatives and leaders how to advocate for their members, raise awareness of fire and building safety, and enforce international standards across industries. These efforts have enabled workers to dramatically increase the number of unions formed and registered in the ready-made garment sector. Of all the ready-made

garment labor unions registered in Bangladesh in the last two years, 62 percent were registered with the help of the USAID and Department of State-supported Solidarity Center. To further our work in this sector, we recently led an interagency mission with the Departments of Labor and State and are in the process of completing an assessment of potential gaps in U.S. Government work in this area, which we will use to inform the design of new activities in FY 2014.

While Bangladesh has enjoyed steady economic growth over the past 15 years, helping to cut its poverty rate in half, the country still faces development challenges on a grand scale—including one of the highest malnutrition rates in the region and poor maternal and child health service delivery, which remain the underlying causes of up to 60 percent of child deaths. USAID will continue to improve health and food security outcomes, with a strong focus on cementing gains in maternal and child health to keep Bangladesh on track to meet Millennium Development Goals, and on increasing agricultural productivity through the dissemination of improved agricultural technology and equipment. Since 1990, USAID has contributed to a 66 percent reduction in maternal deaths and a 60 percent reduction in under-5 child deaths. Bangladesh is also a flagship country for the Feed the Future Initiative. Since the initiative's introduction, USAID has trained hundreds of thousands of small farmers on improved technologies in aquaculture, horticulture and rice production.

Nepal

Landlocked between India and China, two rapidly changing countries, Nepal remains one of the poorest countries in the world and continues to cope with the effects of a decade-long insurgency that ended in 2006. USAID supports programs in Nepal that seek to stabilize its nascent democracy, including assistance to hold its national election in November 2013—the country's second national election since the 2006 Comprehensive Peace Agreement. USAID also supports programs that improve the responsiveness of local government bodies to citizen demands, reinforce recent gains in peace and security, strengthen the delivery of essential social services, expand proven health interventions, address the global challenges of food insecurity and climate change, and strengthen economic growth through increased agricultural productivity and market access.

With USAID as a partner, Nepal has achieved remarkable social, economic and democratic progress in recent decades. For example, we've helped Nepal cut its infant, under-5 and maternal mortality rates roughly in half since 1996. Despite progress, one in every 22 infants still dies before age 1. We will continue to prioritize reducing deaths of mothers, infants and children, expanding proven interventions across the country with a focus on the most remote areas. For example, through a partnership with Nepal's Ministry of Health and Population, we are promoting the widespread use of an antiseptic gel that reduces newborn death by 23 percent by preventing umbilical cord infections. The antiseptic gel is produced by a local Nepali pharmaceutical company, building local capacity for addressing health challenges. By 2015, it is anticipated to save 18,000 newborn lives. This low-cost health solution does not require refrigeration and is also extremely portable—a necessity to reach rural communities in Nepal's mountainous areas.

Other significant development challenges facing Nepal include high vulnerability to natural disasters and natural resource degradation made worse by global climate change. Nepal is

located in the Himalayas, where the melting glaciers due to climate change pose rising threats—including water scarcity, flooding and sea level rise—to those living in the region. The threat of an earthquake further compounds the risk of natural disaster for Nepal, with Kathmandu Valley being extremely vulnerable to seismic activity. USAID programs help increase the ability of the Nepalese people to sustain progress when disaster strikes, for example USAID's new Community Resilience Program. I was in Nepal with USAID Administrator Rajiv Shah in February 2014 when he launched this new program, which will comprehensively address the needs of the extreme poor while increasing their ability to cope with ecological shocks—from drought to flooding to earthquakes—that threaten to set them back.

Sri Lanka

Following decades of conflict and a devastating tsunami, Sri Lanka is at a critical juncture that will determine the sustainability of the country's peace for years to come. As Sri Lanka has focused on rebuilding communities, USAID has been there to help, reaching one in 20 Sri Lankans with assistance to meet basic needs during their resettlement and helping to catalyze local investment in support of economic revival. While the bulk of the displaced populations have returned to their communities or nearby regions in the former conflict areas of the North and East, post-conflict issues such as gender-based violence threaten the social fabric of the country. Sri Lanka continues to hold competitive local elections, despite a strong trend toward authoritarian consolidation at the national level. The recent vote by the United Nations Human Rights Council underscores the need to pursue lasting peace and prosperity now.

Island-wide USAID assistance supports peace and reconciliation efforts that help foster a more democratic and inclusive society. For example, USAID supports the Sri Lankan Bar Association and the Legal Aid Commission to help ensure that all Sri Lankans have access to justice and get a fair trial. We are empowering women by promoting livelihood opportunities beyond just the conflict zones and will continue to expand these activities to reach more women-headed households. Going forward, we will seek to empower youth through multiethnic events and forums for interethnic dialogue, and by establishing and expanding youth clubs that foster leadership and life skills for the next generation. To achieve targets in democracy and governance, we have ensured that all of our programs in Sri Lanka are synergistic, meaning, sensitive issues such as human rights activities are effectively being addressed as a part of broader programs. For example, by building the capacity of economically vulnerable families in livelihood skills and helping them reacquire personal documents such as birth certificates and national registration cards, they learn their rights, positioning them to become more active and better informed citizens.

USAID continues to provide support to civil society organizations extending much-needed services to vulnerable groups and enhancing civic dialogue and reconciliation. Our deepening engagement with civil society is a strategic move, given its vital role in the protection of human rights and the promotion of democracy and good governance—factors essential for long-term peace and development in the country. With the progressively difficult political space that is limiting our ability to carry out much of our programming, USAID's increased investment directly to local organizations, with the aim of promoting sustainable development through local capacity development, has become a priority.

Given these realities, and USAID's aggressive focusing of resources in countries with the most need and where we can have the most sustainable impact, USAID is planning to reduce our footprint in Sri Lanka. Our democracy and vulnerable populations programs in Sri Lanka will continue to focus on reconciliation and defending civil liberties to ensure that the United States remains engaged in a positive, visible way to expand and protect the space available for civil society and those advocating for freedom of speech and human rights.

Maldives

Our smallest program in South Asia is in the Maldives, a country working to strengthen its young democracy and political institutions. Comprised of a scattering of 1,192 islands, the Maldives' highest point is only 8 feet above sea level, making it extremely vulnerable to rising sea levels. To mitigate the impacts of global climate change on the Maldivian economy and way of life, and contribute to a more peaceful and resilient Maldives, USAID is improving water security and increasing Maldivians' capacity to adapt to a changing environment. Through training programs and outreach interventions, USAID facilitates the participation of local communities and atoll and island councils in resource management planning with a particular focus on coral reef ecosystem health and reef fish stocks.

Bhutan

Although the United States does not have official diplomatic relations with the newly democratic country of Bhutan, USAID and the Department of State are helping to strengthen parliamentarians' understanding of their roles and responsibilities, and seeking to enhance civic engagement. Bhutan is also included in the South Asia Regional Initiative for Energy program to link its hydropower exports to the South Asian electrical grid.

Conclusion

Mr. Chairman, the evidence is clear: USAID's work saves lives, strengthens democracies and expands opportunity in a region of the world that is critical to our own future.

In 2011, President Obama said: "Asia will largely define whether the century ahead will be marked by conflict or cooperation, needless suffering or human progress." With one-fifth of the world's population—a third of which is living in extreme poverty—South Asia is a central focus of U.S. development assistance to ensure that the coming century is one marked by cooperation and human progress that extends mutual prosperity and security across the Asia-Pacific region.

I appreciate the opportunity to share what USAID is doing in South Asia and look forward to hearing your advice and counsel. I welcome any questions you may have.

Mr. CHABOT. We appreciate both of your testimonies this afternoon. Now we will take 5 minutes each to ask questions. I will recognize myself first.

I will begin with you, Ms. Biswal, if I can. As I mentioned in my opening statement, I am concerned that 80 percent of the South Asia budget is earmarked for the Global Health Initiative, Feed the Future, and Global Climate Change programs—$276 million out of the $345 million.

Can you explain how this impacts the flexibility in the budget to respond to crises or needed changes in priorities? South Asia, because of its geographic location and history, has a potential to become a breeding ground for terrorist activity. So how does the budget allow for room to address these issues?

Ms. BISWAL. Thank you, Mr. Chairman. I think that is a very important question.

First of all, as we see, some of the critical challenges facing the region are challenges of poverty and human development. And therefore focus on food security, on health, and on sustainable development to help the region cope with the effects of climate change and mitigate and adapt to climate change I think are certainly very, very important priorities, especially because 1.6 billion people are inhabiting this region. So the needs of the population is an important aspect of stability and security in the region.

We are, however, making sure that we have the room and the flexibility to be able to address issues of democracy and governance, issues of economic connectivity and trade, and also ensure that we are doing more and better on counterterrorism and on security cooperation.

One of the things that we have sought to do over the years is try to reserve some level of assistance or some level of funding for regional programs where we can use those funds as targets of opportunity open up across the South and Central Asia region. And we will continue to look for some flexibility in regional funding to augment the bilateral program so that we can respond to new challenges and new opportunities in the region.

Mr. CHABOT. Thank you.

Ms. Rollins, let me turn to you if I can. In your testimony, you discuss that USAID's priorities in Sri Lanka are to deepen engagement with civil society groups that protect human rights and promote democracy and good governance, which we certainly would agree with. At the same time, you acknowledge that the ability for USAID to carry out much of its programming in these areas is becoming increasingly difficult.

In light of recent news that the Government of Sri Lanka will amend current laws regarding foreign funding to NGOs in order to more closely scrutinize what organizations receive, are you concerned that this could negatively impact which organizations we can fund and the effectiveness of our assistance to support the priorities that you listed?

Ms. ROLLINS. Thank you very much, Mr. Chairman, for that question.

We are very concerned about the closing space for civil society in Sri Lanka. We are working with a number of local partners to continue to fund these organizations. We are working not only in the

north and the east—as you know, we have had a very robust humanitarian assistance program in the north and the east, those populations that were affected by the civil war—but we are actually now in the process of expanding to work more with youth organizations to really kind of double down on reconciliation. What we have discovered is that we have spent—that the north and the south are areas that really need our assistance, but we want to make sure that populations in the south and populations in the north have opportunities to really work on some of the challenging community issues and get to know each other better. So we are working on reconciliation. But we believe that we will be able to continue doing our work and funding those organizations.

Mr. CHABOT. Thank you. I have only a short period of time left, but I will go back to you, Ms. Biswal.

I mentioned I had been in Bangladesh shortly before the elections and met with both Sheikh Hasina and Khaleda Zia. I have met with them previously, both here and over there. I know them somewhat. When you talk to them, obviously, their point of views are very different. They are very strong leaders. Unfortunately, they don't particularly care for each other's point of views. As far as the election goes, as I had mentioned in my opening statement, only 10 percent of the people turned out to vote.

What is the administration doing, either in the background or out front, to encourage a resolution of this matter and a real election so that we don't get 10 percent, but a lot higher number and you have a legitimate government in place?

Ms. BISWAL. Mr. Chairman, first of all, let me just thank you for the very timely visit that you made to Bangladesh and the important contribution you made toward trying to reach some sort of political dialogue. Your ongoing engagement and the interest of the U.S. Congress has been an important factor.

We have pressed the government on political inclusion because we believe that all of the gains that Bangladesh has made in its economy, in its development trajectory, that all of those gains are fragile and unsustainable in the long term if it does not have political stability, and political stability is not possible without some greater degree of political inclusion. So this I think is both a short-term and a long-term undertaking for us in our engagement with the Bangladeshi Government and with Bangladeshi people writ large and civil society organizations.

In the short term, I don't think we have seen a tremendous amount of movement. But we continue to engage with our counterparts in the international community as well as with the United Nations on trying press for support to the Election Commission, support to political parties at the grassroots level, and processes that can help create a more inclusive environment. I can't say to you that we have made tremendous progress in the short term, but I think we are committed to staying engaged in the long term to try to move this forward.

Mr. CHABOT. Okay. Thank you. I would just encourage the administration, either behind the scenes or to the extent they are able to do everything possible to encourage a resolution of this because if it is not resolved, I am afraid the violence is going to escalate. They are an ally, a good ally, of the United States and one

that has traditionally been looked upon as a model for a moderate Muslim country—it could become just the opposite. We don't want to see that happen.

I now recognize the gentleman from California, the ranking member, Mr. Bera.

Mr. BERA. Thank you, Chairman Chabot.

Both of us in our opening statements and both of our witnesses mentioned historic transitions in a very rapid timeframe. We all reference India's historic elections and the real opportunity as these elections come to a close and a new leader emerges in India to reestablish very strong ties with a close ally.

The importance of this is underscored with India's role in the interconnectivity of the region. Both of you in your opening testimony made reference not only to the importance of this interconnectivity, building regional trade relationships, looking for additional trade normalization between India and Pakistan, and then certainly, underlying that, looking at how to address the energy needs. Ms. Rollins referenced the energy connection between India and Bangladesh as well.

Maybe we will start with Ms. Biswal. If you would like to expand on the possibilities of what is possible there as we go through this transition and that interconnectivity.

Ms. BISWAL. Thank you, Congressman. We think that there is a tremendous amount of potential and possibility for further deepening and expanding the U.S.-India relationship. The past decade and a half has seen just an exponential growth in the way that our two countries engage and the points of connectivity between our societies. That growth has been through successive administrations in the United States, Democratic and Republican. It has been through successive administrations and governments in India, BJP-led and Congress-led.

And we look forward to the outcome of this election and we look forward to engagement with the new government that will take this to new heights. We see opportunity in expanding defense cooperation. We see opportunity, as you noted and as the Vice President challenged us, in growing our trade relationship from the very substantial 100 billion two-way trade that we have currently to a 500 billion two-way trade over the next decade.

We see opportunity in India's efforts to expand its Look East policy, its connectivity to ASEAN. We have a trilateral dialogue between the United States, India, and Japan that is focused on that connectivity. And we see opportunity in connecting India and South Asia to Central Asia. So the scope for expanding our government-to-government, our business-to-business, our people-to-people ties is tremendous as we look at the years ahead.

Mr. BERA. Great. And, again, I think to paraphrase that, a strong India and a strong ally in India helps stabilize the region and then also creates opportunities as it looks east and partners with its neighbor countries.

Ms. Rollins, if you might want to expand on some of the role of USAID in helping that interconnectivity and that partnership.

Ms. ROLLINS. Thank you very much, Mr. Congressman.

Over the last 2 years we have at USAID really transformed our relationship with India, so that—and I believe you mentioned that

in your opening statement—that we are no longer looking at this as donor/recipient, but as partners.

And India is particularly interested in working in other areas of the world. And so we have partnered with them on really looking at how can we leverage their creative, innovative technologies and use those technologies for development programs in other parts of the world. So, for example, you mentioned the agricultural training that goes on in India and India's institutions. And they go back to their countries and actually begin to implement some of those programs so that they can increase agricultural production.

Also, one of the activities that we are very excited about is called the Millennium Alliance, and that is where we have partnered with the Government of India as well as the Federation of Indian Chambers of Commerce and Industry to catalyze local solutions to development challenges.

Mr. BERA. Great. Thank you.

I see that I am almost out of time. So with that, I will actually yield back, Mr. Chairman.

Mr. CHABOT. Thank you. The gentleman yields back.

The gentleman from California, Mr. Rohrabacher, is recognized 5 minutes.

Mr. ROHRABACHER. Thank you very much.

I think it is fascinating to see that India and Pakistan started off pretty much the same back in the 1940s when there was the split, and that Pakistan now and India seem to be going in totally different directions. And I think that India people are projecting very positive things for India. I don't know if they are projecting it for Pakistan or not.

And am I correct in assuming that if indeed this is the case, where India is outpacing Pakistan, although they are basically of the same similar racial background and similar type of people, but they have different relationships to religion, number one, which is part of their system in Pakistan, and you have more freedom of religion in India; education, which in India has really placed an important priority on education, and Pakistan seems to have been relegated in education to madrassas and radical Islamic information distribution centers; and also, finally, and correct me if I am wrong, has not India gone out of its way to make sure that half of its population is not so discriminated against that they can't make the contribution to their society, namely, women? Are these observations on my part, are they in the ballpark or am I just philosophizing about something that doesn't exist? I am asking both of you. That is fine.

Ms. BISWAL. Mr. Rohrabacher, the way that I would frame it is that increasingly what we are hearing from, whether it is Pakistan, whether it is Afghanistan, whether it is any of the countries in the region, is that they see that having trade, having connectivity with their neighbors is fundamentally in their interest, that you cannot have a viable economy in today's world without being able to have those relationships.

Mr. ROHRABACHER. I will have to admit, I didn't mention trade in any of those. Treatment of women, education, and that type of thing.

Ms. BISWAL. We certainly think that an inclusive society, an inclusive economy, a tolerant society, a tolerant and inclusive society is going to be a more stable and more prosperous one.

Mr. ROHRABACHER. Right. And I think that surely we should keep an eye on this to see exactly what the type of values and freedom mean to people's uplifting of their standard of living. Certainly, I think if you relegate half of your population to inferior roles or having to wear outfits that they can't even look through or something, that that is no way to build an economy. You are cutting yourself off from a huge amount of wealth production that way.

One last thought about our Government's policy. This $40 million that we are talking about to the Maldives and to that area of the world dealing with climate change, and you mentioned the Maldives and the rising water, how can we spend money that will prevent the ocean from rising? First of all, first question, is there any specific evidence? What do we have that says that the ocean level is rising and that this is due to a manmade global warming?

Ms. ROLLINS. Thank you, Mr. Rohrabacher.

So in the Maldives we are looking at $2 million in 2015——

Mr. ROHRABACHER. Two million. What are we doing with $2 million. Even if it is $2 million, I mean, if you are talking about the oceans going up, some of us have trouble thinking that this is caused by humankind. But one way or the other, what do you do with $2 million that is going to deter the ocean from rising?

Ms. ROLLINS. We have two primary environmental projects: One is working to save the coral reefs, the other one is focused on water management for one of the islands. The Maldives is comprised of 1,100 islands. So we are working on two that are the most vulnerable.

Mr. ROHRABACHER. Okay. And you say that the reefs, saving the reefs and these things will trace back to the idea of global warming. But then again of course we can agree to compromise and say that there are environmental challenges that include the reefs and these things that may not have anything do with the internal combustion engine and the production of CO2. So I accept that. Thank you very much.

Ms. ROLLINS. Thank you.

Mr. CHABOT. Gentleman's time has expired.

The gentlelady from Hawaii, Ms. Gabbard, is recognized for 5 minutes.

Ms. GABBARD. Thank you. Thank you very much, Mr. Chairman.

Thank you both for joining us today here.

I am wondering if you can speak briefly, I have two questions, the first one on the growing and strengthening China-Pakistan relationship, with recent investments from China, multibillion-dollar investments really being welcomed by Pakistan. I am curious about how this impacts the dynamic both with India and overall within the region, either directly or indirectly impacting the New Silk Road economic initiative.

Ms. BISWAL. Thank you, Congresswoman. What I would note is that we don't believe in a closed or exclusive trade architecture. We believe that infrastructure connectivity, trade connectivity, needs to go in all directions, north, south, east, and west, and that

connectivity in trade to China is important for the region, just as connectivity between Central Asia and South Asia or between South Asia and Southeast Asia. It needs to go in all directions. When you start having more exclusive arrangement, that is when we think it, one, closes off opportunity; two, creates unstable dependencies; and, three, fundamentally doesn't serve the interests of the people of the region.

And so what we have been very careful to note to our counterparts, whether it be China or Russia or anyone else, is that we want to support economic ties that go in all directions, that create open, rules-based trade systems. And, therefore, our efforts in the region are in augmenting and supplementing some of the historic ties that have already been put in place that go in one direction. We are trying to make those expand in multiple directions. And so we are trying to take the connectivity that may exist, for example, between Pakistan and China and try to also expand that to include Central Asia and South Asia.

Ms. GABBARD. What do you think is the critical component to getting India and Pakistan to overcome their differences as you move forward with these new initiatives?

Ms. BISWAL. You know, I think that the population in both countries overwhelmingly support improved relations and certainly increased economic activity. I think that there is increasing recognition in both countries that for both economies to grow, for both countries to achieve their goals and aspirations, that they need to be able to trade with each other. And we are hopeful that that recognition will result in some concrete actions in the coming weeks and months as the election in India concludes and a new government comes into place.

Ms. GABBARD. And lastly, we have coming up later this year in primarily May and June the RIMPAC exercises. And as you know, this will be the first year that both India and China will be participating. It is the largest international exercise, it will be the 24th one that has occurred.

And I am wondering if you can talk maybe a little bit more generally about our military-to-military engagements, both with India, but also across South Asia, and how this is developing—I don't really like the word "rebalance" or "pivot"—but as we look toward investing further within the Asia-Pacific region.

Ms. BISWAL. Well, I would respond by first noting that we do more exercises between the United States and India than virtually any other country. The relationship, the defense cooperation, the security cooperation between the United States and India has grown exponentially over the past decade, and it has grown because we see that a more capable Indian security presence is a force for stability across the region. And so we want to support that and invest in that capability.

We also see that doing joint exercises across the Asian space again enhances stability and security for all of the countries of that region and is therefore fundamentally in our own interest. And so we have seen a stepping up of those exercises with multiple players and multiple parties. We noted that India invited Japan to participate in the Malabar exercises, and we hope that those are again

trend lines that will continue to grow and expand in the coming years.

We are also seeing Bangladesh taking on a greater role, particularly in peacekeeping. And we see that again that there is great scope for engaging with and supporting Bangladesh's role over the coming years. We have made it very clear, though, with all of the countries in the region that part and parcel of our ability to engage and expand our cooperation on defense and security issues that respect for human rights and the rule of law and ensuring that the military plays a very clear role in its bounds and its operations within the country, that those are very, very important to us in terms of how we engage with that military.

Ms. GABBARD. Thank you very much.

Mr. CHABOT. Thank you. The gentlelady yields back.

We will now go into a second round if any other members are interested in asking questions. It may not be a full 5 minutes but I will begin with myself.

Let me turn to Nepal for just a moment. Ms. Biswal, in your testimony you mentioned that the State Department continues to regularly engage with the Nepali Government on the "gentleman's agreement" which allows recently arrived Tibetan refugees to transmit through Nepal to India under the protection of UNHCR. Earlier this month, a human rights report documented the repression faced by Tibetans who cross into Nepal, raising concerns that Nepal in some cases is forcibly returning Tibetans to China. While I understand the gentleman's agreement is more of a provisional arrangement, this is concerning.

Can you provide us with more details about your engagement with Nepal on this issue, the challenges you have encountered and whether you are seeing a situation in which China's influence there is superseding any agreements we have with Nepal on this important issue?

I had an opportunity a couple years back to visit Nepal. While in Kathmandu, we went to one of the reception centers where we saw and met with several hundred people who had fled from Tibet and were on their way to India. Mainly India, but a few to other places. So, it is important when you have actually seen the faces, and many of them are very young people. If you could respond I would appreciate it.

Ms. BISWAL. Mr. Chairman, let me first note that Nepal has been a long and generous host to Tibetan refugees. For more than 50 years they have hosted refugees and have committed to protect those refugees, both the longstanding community as well as the new arrivals that are transiting to India.

We have noted the growing pressure within Nepal, and we are engaged with the government on that. And if you don't mind, what I would like to do is take for the record and bring back to you a more fulsome response on some of the engagements that our Ambassador has undertaken, as well as our Bureau for Population, Refugees, and Migration, which have both been working very closely in addressing those issues.

Mr. CHABOT. I would greatly appreciate that. I assume it is not the same Ambassador now as was there a couple of years ago?

Ms. BISWAL. It is Ambassador Peter Bodde, who arrived in Nepal just about 1½ years, 2 years ago. The previous Ambassador was Scott DeLisi.

Mr. CHABOT. Right. Yeah, we were very impressed with him but you can continue. I didn't mean to interrupt you there.

Ms. BISWAL. No, no, not at all. I think that this has been a very high priority for the United States and our engagement in Nepal. We have worked with closely with the government to ensure that the rights of the Tibetan refugees are respected and that their ability to transit is also facilitated.

Mr. CHABOT. Okay. Thank you. Let me turn back to India for a moment. The administration says that transitioning its assistance relationship with India from a donor/recipient to an peer-to-peer partnership is one of its greatest achievements and now serves as a model for other developing countries. Could you be specific and let us know what you mean by that?

Ms. BISWAL. Sure. Why don't I make a couple of comments and then turn to my colleague from USAID.

Mr. CHABOT. That is fine.

Ms. BISWAL. You know, I started that transition when I was at USAID a few years ago, and it is fundamentally a recognition that while India continues to have many development challenges, it is also the source of tremendous development innovation. And so as we seek to work with and partner with India, it is on the basis that we have as much to learn as we have to provide and that in partnering with India in how it addresses development challenges, that we can also provide cost-effective solutions at scale in other parts of the world.

And so we are going from a donor/recipient to much more of a peer-to-peer relationship where the Indians are putting in resources, both financial resources and in terms of human capital and knowledge in how we are addressing, whether it is food security, whether it is health, how we are addressing development challenges through innovation and through public-private partnerships.

Mr. CHABOT. Okay. Thank you.

Ms. Rollins, did you want to add a few things?

Ms. ROLLINS. Sure. I would be happy to, sir.

Mr. CHABOT. Thank you.

Ms. ROLLINS. When we talk about this new dynamic there in India, we are looking at how do we engage not only the Indian Government, but the Indian private sector, charitable organizations, high net worth individuals, universities, et cetera, in addressing development challenges.

So a little earlier I had mentioned about the Millennium Alliance, which is an example of that, where they matched us 50–50 in developing this new program that actually goes out and it seeks new and innovative proposals to address, it could be on TB, how to deal with multidrug-resistant TB; how do you work in communities to encourage more women to have health-seeking behaviors; looking at ways in which we can use clean energy more effectively.

And in this particular program, the Millennium Alliance, actually they received 1,400 proposals that they reviewed, got down to about 300, and then eventually provided grants to about 20 different organizations, looking at specific science, technology, innova-

tions that could be at some point scaled up and then of course transferred to other countries.

So I believe when we talk about this new arrangement in India, the transformation, we are really talking about expanding our partnerships. And it is not just government to government, but it is working with a much broader community in the country to address development challenges.

Mr. CHABOT. Thank you very much.

I will conclude now. I gave an additional 5 minutes and I could go for a long time but I am going to hold myself to that 5 minutes, even though we don't have any other members here, at least up on the panel here to hold me to it. I will do it myself.

In the last Congress, I chaired the Middle East Subcommittee, and at that time, South Asia was part of the Middle East Subcommittee. Then things shifted around a bit and now I have Asia and the Pacific, which includes South Asia. In the administration's rebalance, or pivot—there are various terms that are thrown around—but the emphasis on Asia and how important it is, unfortunately, I think sometimes South Asia and other very important countries don't get the focus that they should, that they deserve, they need. And that is not only in their interest, but it is in the U.S.' interest to make sure that the refocusing and rebalancing is going to South Asia as well. This hearing this afternoon was part of that.

I want to thank both members of the panel here for giving us excellent testimony and participating. We certainly appreciate it.

All members will have 5 days to revise their statements or submit additional questions. If there is no further business to come before the committee, we are adjourned. Thank you.

[Whereupon, at 3:02 p.m., the subcommittee was adjourned.]

APPENDIX

Material Submitted for the Record

SUBCOMMITTEE HEARING NOTICE
COMMITTEE ON FOREIGN AFFAIRS

U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-6128

Subcommittee on Asia and the Pacific
Steve Chabot (R-OH), Chairman

April 23, 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 by the Subcommittee on Asia and the Pacific in Room 2172 of the Rayburn House Office Building (and available live on the Committee website at www.foreignaffairs.house.gov):

DATE: Wednesday, April 30, 2014

TIME: 2:00 p.m.

SUBJECT: Assessing U.S. Foreign Assistance Priorities in South Asia

WITNESSES: The Honorable Nisha Biswal
Assistant Secretary
Bureau of South and Central Asian Affairs
U.S. Department of State

Ms. Denise Rollins
Acting Assistant Secretary
Bureau for Asia
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 SUBCOMMITTEE ON *Asia & the Pacific* HEARING

Day *Wednesday* **Date** *4/30/2014* **Room** *2172*

Starting Time *2:00 pm* **Ending Time** *3:02 pm*

Recesses [ ] (____to ____) (____to ____) (____to ____) (____to ____) (____to ____) (____to ____)

Presiding Member(s)
Chairman Steve Chabot (R-OH)

Check all of the following that apply:

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

TITLE OF HEARING:
Assessing U.S. Foreign Assistance Priorities in Asia

SUBCOMMITTEE MEMBERS PRESENT:
Rep. Ami Bera (D-CA), Rep. Tulsi Gabbard (D-HI), Rep. Brad Sherman (D-CA), Rep. Dana Rohrabacher (R-CA), Rep. Mo Brooks (R-AL)

NON-SUBCOMMITTEE MEMBERS PRESENT: *(Mark with an * if they are not members of full committee.)*

HEARING WITNESSES: Same as meeting notice attached? Yes [ ] **No** [ ]
(If "no", please list below and include title, agency, department, or organization.)
Rep. Gerald Connolly's (D-VA) Statement for the Record

STATEMENTS FOR THE RECORD: *(List any statements submitted for the record.)*
Rep. Gerald Connolly's (D-VA) Statement for the Record

TIME SCHEDULED TO RECONVENE _____
or
TIME ADJOURNED *3:02 pm*

Subcommittee Staff Director

Wednesday, April 30, 2014
2 p.m. – Room 2172
House Foreign Affairs Subcommittee on Asia and the Pacific
Hearing to Assess the U.S. Foreign Assistance Priorities in South Asia

Statement for the Record

Submitted by Mr. Connolly of Virginia

Mr. Chairman,

The Asia Pacific region is home to nearly two-thirds of the global population and the world's fastest growing economies, so it is no wonder that America and many other nations are increasingly looking to increase their engagement in the region. The President's recent trip to Asia underscored the importance of U.S. economic and security interests. Within the region, South Asia accounts for one-fifth of the global population and has shown considerable economic progress in recent years, and U.S. foreign assistance will play a key role in determining whether we can capitalize on the potential of this emerging region and encourage the countries of South Asia to support human rights, regional security responsibilities, and economic integration. Of course, achieving those goals will require progress in addressing persistent challenges such as mass poverty, weak government institutions, human rights abuses, and response to natural disasters.

India

I had the opportunity to travel to India last year, and the growth that has taken place in what used to be a closed economy just 20 years ago is dramatic. GDP has increased tenfold. India is now America's 11th largest trading partner with respect to goods, totaling $22 billion. Indian investment in America has doubled in the last four years, and Bangalore has become the Silicon Valley of South Asia with robust information technology and biotechnology sectors.

Yet that growth has placed a tremendous strain on already inadequate public infrastructure, including the lack of reliable power, internet connectivity, transportation options, and even basic water and sewer service. It also has highlighted stark disparities. While there is a trend toward urban living -- India is expected to have nearly 70 cities with populations topping 1 million residents by 2030 – two-thirds of its population currently live in villages and one-third of all households do not have electricity. While the local literacy rate has increased by nearly 50% in the last two decades, 40% of India's population lives below international poverty levels.

U.S. assistance has helped play a key role in addressing many of those challenges, particularly with expanding access to vital health services. In fact, the World Health Organization recently certified India as polio free, some 25 years after the global initiative to eradicate the disease was launched. Given that polio spreads through contaminated water, this is a tremendous

accomplishment considering the condition of India's water and sewer infrastructure. Other afflictions such as malaria and tuberculosis or other lung diseases made worse by excessive air pollution continue to pose a threat. Food security also continues to be a challenge with 1-in-3 of the world's malnourished children living in India. These are issues that must be addressed if India is to fulfill its rich potential, and I look forward to hearing from today's witnesses how we plan to leverage U.S. aid dollars with other international organizations to do just that.

In addition to our diplomatic engagement, the U.S. has forged strong military and intelligence partnerships with India in support of our joint security and economic interests. The Indian Ocean is the world's third largest body of water with vital shipping lanes, but half the world's armed conflicts are located in this region. India and America face a number of threats from within the region, and India is well positioned to be a stabilizing force through counterterrorism and anti-piracy efforts.

America's relationship with India is multifaceted. In one arena we're collaborating on counter-terrorism training and enforcement, in another we're filing a protest with the World Trade Organization over what some characterize as India's protectionist efforts to promote a domestic solar power industry, and all the while we're helping deliver basic assistance in remote communities. Juggling those varied priorities while furthering this relationship will be critical to the success of the Administration's pivot to Asia.

Bangladesh

On Bangladesh, I would like to say that we are looking back on a year of progress for the country's democratic institutions. It would be quite the compelling narrative too; an Islamic-majority nation of 164 million people that has made steady, if not impressive, progress on its United Nations Millennium Development Goals and remains a collaborative partner on the international stage with progress on good governance, freedom of expression, fair elections, etc.

Instead, in November, this committee held a hearing titled "Bangladesh in Turmoil: A Nation on the Brink?" We heard from witnesses about human rights abuses, press censorship and concerns that opposition parties would boycott yet another election. This was particularly disheartening given that the people of Bangladesh could benefit greatly from a well-run government capable of carrying out two of its most basic functions; regulating industry and responding to natural disasters.

Since that hearing in November, elections were held in January and they were indeed boycotted by parties in opposition to the ruling Awami League. The boycott undermined the legitimacy of the results and discouraged observers from even attempting to certify free and fair elections. The election was a test for the political system in the wake of a 2011 constitutional amendment. The amendment eliminated a caretaker government that oversaw three fair elections since 1996.

Instead, Bangladesh is left with a government that has come under attack for the prosecution of human rights advocates, the shuttering of television news stations, and reluctance to regulate workplace safety.

The Rana Plaza factory collapse in April 2013 put workplace safety regulations in Bangladesh under a microscope, providing scrutiny that confirmed what many of us already knew. There is endemic disregard for workplace safety in Bangladesh. Nearly 4 million people are employed in over 5,000 garment factories across the country, and at the time of the Rana Plaza tragedy, the country had just 19 factory inspectors assigned to the industry. Unions have attempted to fill the vacuum created by inept government regulation, but still fewer than 300 factories have unions. There is still much work to be done, and hopefully, the $6 million requested in this budget for civil society programs will help improve worker safety.

Climate Change

Another front where the people of Bangladesh and its neighbors across South Asia would benefit greatly from good governance is the effort to address Global Climate Change (GCC). The land mass of Bangladesh, for example, is 88 percent river delta, and the region is one of the most tropical cyclone and flood prone areas in the world. This leaves South Asia particularly vulnerable to the effects of climate change. Combine this with poor infrastructure and high population density, and we are faced with an existential imperative. This budget request responds to this need. However, the functionality of the regional governments will determine the extent that our foreign assistance can provide helpful guidance on climate change mitigation and adaptation techniques. I look forward to further discussion on these and the many other issues the U.S. and its partners are working to address in South Asia.

HOUSE COMMITTEE ON FOREIGN AFFAIRS:
Assessing U.S. Foreign Assistance Priorities in South Asia

April 30, 2014
Nisha Biswal

Rep. Chabot. Earlier this month, a human rights report documented the repression faced by Tibetans who cross into Nepal, raising concerns that Nepal, in some cases, is forcibly returning Tibetans to China. While I understand the "Gentleman's Agreement" is more of a provisional arrangement, this is concerning. Can you provide us with more details about your engagement with Nepal on this issue and the challenges you've encountered and whether you're seeing a situation in which China's influence there is superseding any agreements we have with Nepal on this important issue?

Ms. Biswal. Nepal has been a generous host to Tibetan refugees for more than 50 years. The country has hosted the long-staying community and upheld the "Gentleman's Agreement," whereby newly-arrived Tibetans can transit Nepal to India under the protection and assistance of the Office of the United Nations High Commissioner for Refugees (UNHCR). The recently released Human Rights Watch (HRW) assessment is an independent report

that alleges that the Nepali government may at times forcibly return newly-arrived Tibetans to China. We continue to follow up with HRW on this and other items contained in their recent report and value their contributions to our shared goal of protecting vulnerable Tibetans.

Our embassy in Kathmandu and officials in Washington place a high priority on the well-being of Tibetans in Nepal, and we advocate for enhanced protection for Tibetans resident in Nepal. We actively work to ensure that Tibetan asylum seekers are not returned involuntarily to China. Our Ambassador to Nepal, Peter Bodde, continues to raise Tibetan refugee concerns with the Nepali government, stressing the need to continue to uphold the "Gentleman's Agreement" and respect the human rights of the members of the long-staying Tibetan community. The Tibetan Reception Center in Kathmandu continues to assist all new arrivals to transit to India.

The Tibet Contact Group, a working group of like-minded diplomatic representatives in Kathmandu, is chaired by Ambassador Bodde and meets regularly to coordinate advocacy efforts. The contact group continues to explore options to improve the status of the long-staying community as well as support UNHCR's work helping new arrivals under the "Gentleman's Agreement."

The Department of State works to protect Tibetans' distinct language, culture, and religion and to provide humanitarian assistance to the more than 120,000 Tibetans living in settlements throughout South Asia, including Nepal. The Department's Bureau of Population, Refugees, and Migration (PRM) and USAID fund humanitarian assistance programs to support the Tibetan community. In FY 2013, PRM provided over $2.8 million to non-governmental organizations to support the protection, education, livelihoods, shelter, health, clean water, sanitation, and hygiene of Tibetans in Nepal and India. PRM also provided $3.9 million to UNHCR to carry out humanitarian assistance activities for asylum seekers and refugees in South Asia, a portion of which assisted Tibetans.

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