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A REVIEW OF THE FISCAL YEAR 2017 STATE AND USAID BUDGET REQUEST

HEARING

BEFORE THE

SUBCOMMITTEE ON STATE DEPARTMENT AND USAID MANAGEMENT, INTERNATIONAL OPERATIONS, AND BILATERAL INTERNATIONAL DEVELOPMENT

OF THE

COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

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A REVIEW OF THE FISCAL YEAR 2017 STATE AND USAID BUDGET REQUEST

TUESDAY, MARCH 1, 2016

U.S. SENATE,
SUBCOMMITTEE ON STATE DEPARTMENT AND USAID MANAGEMENT, INTERNATIONAL OPERATIONS, AND BILATERAL INTERNATIONAL DEVELOPMENT,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:33 p.m., in Room SD–419, Dirksen Senate Office Building, Hon. David Perdue, chairman of the subcommittee, presiding.

Present: Senators Perdue [presiding], Isakson, Kaine, and Markey.

OPENING STATEMENT OF HON. DAVID PERDUE, U.S. SENATOR FROM GEORGIA

Senator PERDUE. Good afternoon. The committee will now come to order. This hearing of the Subcommittee of State Department and USAID Management, International Operations, and Bilateral International Development—only in Washington can you have a title that long—is entitled "A Review of the Fiscal Year 2017 State Department and USAID Budget Request."

I would like to begin by welcoming our witnesses, Mr. Pitkin, Mr. Sastry, and Mr. Napoli. Thank you, guys, for being here. We appreciate it. I talked to your leadership at the State Department yesterday. I am anxious to get a lot of your testimony on the record before—I think Deputy Secretary Higginbotham is to be before the full committee next week, so we will try not to be redundant. We have looked at some of the questions. The ranking member and I have looked at these to make sure that we are—we will try not to do that for the sake of your time and hers as well.

We are here to discuss the international affairs budget—State Department, that is—request for Fiscal Year 2017, which includes our State Department, USAID, and other funding for diplomatic engagement and foreign assistance. Today is intended to be a deep dive into the budget request for those who have come up with the budget at State and USAID.

I personally serve on both the Foreign Relations Committee and the Budget Committee, which I believe gives me a unique understanding—as does the ranking member, Senator Kaine. I believe that gives us a unique understanding of how our global security crisis and the fiscal crisis are actually intertwined. Given our current fiscal situation, every dollar we spend on State and USAID,

if you look at it that way, is basically borrowed, which makes it even more important that we understand the request.

With that said, the United States is and should continue to be the most philanthropic Nation in the history of the world. We have no shortage of problems in the world that require American leadership. As this Administration plans to draw down American forces in Afghanistan, as we continue to have lower troop levels in Iraq, the cost of the State Department maintaining a presence in these difficult, high-threat environments increase.

Today I would like to cover a number of issues, including long-term budget trends, the issue of OCO funding, the State Department and USAID's plans to combat the Zika virus, how monitoring and evaluation results are integrated into budget decisions, and how this budget would address the growing migration crisis in Europe, to name just a few. Also, as follow-up questions on how some of the USAID money has been used in the past in places like Haiti, for example. We certainly have a lot of ground to cover.

So with that let me turn it to our ranking member, Senator Tim Kaine.

STATEMENT OF HON. TIM KAINE,
U.S. SENATOR FROM VIRGINIA

Senator KAINE. Thank you, Mr. Chairman. Thanks to the witnesses. We are looking forward to this hearing today. As Chairman Perdue mentioned, I also serve with him on the Budget Committee, and I am on the Armed Services Committee as well. And I feel like a lot of this hearing is really about, you know, an important part of American power, very connected to our military mission, but on the diplomacy side. And I will make the point, and this is not to chide anybody within the State Department, but as you guys often are professional men and women in advocating for your budget, the DOD is often even better at advocating for your budget.

General Mattis testified at a SASC hearing in 2013, "If you do not fund the State Department fully, then I need to buy more ammunition." That is a direct quote. Secretary Gates is known for saying the same thing. And one of the things that has interested me as an Armed Services Committee member is hearing how strongly they support a full budget for the State Department. Secretary Kerry reminded us last week during the full committee hearing that this total budget is less than one percent of the Federal budget, and it is a statement of our priorities and the degree to which—with which we prioritize diplomacy abroad.

I am a big believer in this budget. You have got organizations like U.S. Global Leadership Coalition that make the case for the importance of it because we do so much good in this—in this area, but we have so many concerns as well. So we are going to be digging a lot into it. The chair mentioned Zika, for example. We want to understand the President's proposal to spend money to battle Zika, but we also want to understand how the State Department is prioritizing keeping our own personnel safe, which is I know got to be something that is of significant concern to all of you.

We have got military conflicts around the world that we know will not end without some political resolution—Yemen, Libya, Afghanistan, Syria. State and USAID play an important role as those

conflicts are hopefully moving toward an end, but then even after. We have—we are entering a new chapter in the relationship with Colombia after three Presidents, three Administrations have been consistent in Plan Colombia. We are moving to Pas Colombia and trying to play an important role in that—in that strong ally's continuing progress, which is good for the people of Colombia, but also good for the people of the region and of the world.

And I also have a particular interest, having followed the Plan Colombia to Pas Colombia. Particularly interested in how the State Department would intend to use the $750 million appropriation that we just put into the budget for the Central America prosperity process, and the President has an additional billion-dollar request this year, so kind of how you intend to use those funds. What would be the metrics under which we would analyze whether we were being successful, we would have reason to believe because of Plan Colombia's success that we could be successful. We will only be successful if we spend the dollars the right way.

So there are many, many issues in this budget, State and USAID, and we will dig into them with other colleagues who are here, both now and when we have our full committee meeting next week. But we appreciate your service and look forward to your testimony.

And thank you, Mr. Chair.

Senator PERDUE. Thank you. And now, we will hear from our witnesses. I will introduce individually prior to your testimony.

First we have Mr. Douglas Pitkin, the director of the Bureau of Budget and Planning of the State Department. Mr. Pitkin is responsible for developing the diplomatic engagement budget, overseeing strategic planning and performance management of those resources as well as control of all departmental resources. He has served in this position since June 2015.

Prior to coming to the Office of Budget and Planning, Mr. Pitkin served in the Iraq Transition Assistance Office in Baghdad and in the Office of Management and Budget.

Mr. Pitkin, thank you for your service. We are anxious to hear your testimony.

STATEMENT OF DOUGLAS A. PITKIN, DIRECTOR, OFFICE OF U.S. BUDGET AND PLANNING, U.S. DEPARTMENT OF STATE, WASHINGTON, D.C.

Mr. PITKIN. Thank you, Senator. Thank you, Mr. Chairman, Ranking Member Kaine, and distinguished members of the subcommittee for inviting my colleagues and me to discuss the Fiscal Year 2017 Department of State and USAID budget request. At a time when the demand for U.S. leadership and engagement has never been greater, this budget provides America's diplomats and development professionals with the tools they need to advance our national security interests and build a safe and prosperous world.

The total request for the Department of State and USAID for Fiscal Year 2017 is $50.1 billion, of which $35.2 billion is in our base enduring budget, and $14.9 billion is requested in overseas contingency operations. This combined funding, as you said, still constitutes just one percent of total Federal spending.

As the director of the State Department's Bureau of Budget and Planning, I will focus on our diplomatic engagement request, which comprises our people, our diplomatic and embassy security programs, public diplomacy initiatives, our treaty-based commitments to the United Nations and other international organizations, and our global management platform.

This portion of the budget in terms of appropriations totals over $16.1 billion, which for Fiscal Year 2017 constitutes a $560 million increase over the 2016 omnibus level. This portion of the budget constitutes 32 percent of the total State/USAID request with the foreign assistance and USAID budget making up the remaining 68 percent. We are submitting the details of our overall budget request and many of the numbers as part of the USAID/State fact sheet for the record, but I will highlight a few of the specifics that drive the majority of our request.

A large portion of our request is for our operating platform of security programs and diplomatic facility construction for which we are requesting a total of $6.1 billion. $3.7 billion of that supports our Diplomatic Security Bureau operations and other worldwide security protection programs, which actively secure our personnel, our facilities, and our information.

$2.4 billion of that request is for our diplomatic facility construction and maintenance, which provides the Department's share of the Capital Security Cost-Sharing Program, which builds safe, secure, and functional diplomatic facilities overseas. Both components of that security request sustain our Department's commitment to implementing the Benghazi Accountability Review Board Recommendation of several years ago. As these programs do help us manage risk and mitigate overseas threats, they are major recipients of OCO funding, both in this budget and in the last—over the last few years.

As you know, the 2015 bipartisan budget agreement yielded a significant increase for OCO resources for the Department and USAID for Fiscal Year 2016 and 2017. Since 2012, OCO has been instrumental to achieving many of our national security objectives, especially on the diplomatic engagement side for managing the transitions to a largely civilian presence in Iraq and Afghanistan, which previously had been funded by periodic and sometimes unpredictable supplementals.

For Iraq, the diplomatic engagement request includes $1.3 billion for our embassy and consulate operations as well as diplomatic security funding for guard facilities in Embassy Baghdad, increased contract costs and security equipment. In collaboration with the Department of Defense, the U.S. embassy in Iraq continues to support the diplomatic engagement critical to strengthening the Iraqi government and supporting Operation Inherent Resolve's counter-ISIL's efforts.

In Afghanistan, our mission focuses on our engagement and outreach and part of the military transition, and our total request for Afghanistan is $1.2 billion, which also includes significant increases for the Bureau of Diplomatic Security. We are also leveraging OCO to expand the Global Engagement Center, which is a high priority for the Department and another example of our close collaboration with the Department of Defense. The Global En-

gagement Center will continue countering violent extremist messaging and communications by empowering our partners' efforts to undermine disinformation espoused by extremists and terrorist groups, including ISIL and al Qaeda.

The Department has brought in a senior counterterrorism leader, Michael Lumpkin, over from DOD to synchronize efforts across the national security spectrum and with our international partners in both the governmental and non-governmental community. To sustain these efforts over the long term, the 2017 President's budget once again proposes to end sequestration for Function 150 and other discretionary spending for Fiscal Year 2018. We anticipate that the future of OCO will play heavily into that for Fiscal Year 2018 as well.

Other priorities in our budget continue to strengthen United States' relations with the international community. We have $1.2 billion for our public diplomacy and global engagement goals, to expand our outreach and engagement programs. We also have requested funding to support our contributions to international organizations, $1.4 billion for the U.N. and other international bodies, $2.4 billion for U.N. peacekeeping to address conflict-related crises.

In addition to our appropriated funding, we do retain significant fee revenues for our consular and border security programs. That portion of our budget provides services to Americans who travel as well as foreign visitors. These programs facilitate legitimate travel which is vital to our economy, while denying entry to individuals who threaten our Nation's people.

Last summer, the QDDR office came out with the Department's second Quadrennial Diplomacy and Development Review. While not specifically a budget document, the QDDR does guide our management efforts, and our request does include funds, particularly for our Bureau of Human Resources, to increase our workforce diversity with almost a two-thirds increase over prior funding for outreach to new Foreign Service leaders.

This is just a brief summary of our request. I want to assure you that we are committed to being good stewards of taxpayer dollars. With continued congressional support, I am sure we can have a positive impact in promoting our foreign policy priorities at home and abroad. And I look forward to answering your questions.

[Mr. Pitkin's prepared statement follows:]

PREPARED STATEMENT OF DOUGLAS PITKIN

Thank you Mr. Chairman, Ranking Member Kaine, and distinguished members of the subcommittee for inviting me to discuss the FY 2017 State Department Diplomatic Engagement budget request. At a time when the demand for U.S. leadership and engagement has never been greater, the FY 2017 request provides America's diplomats and development professionals with the tools they need to advance the Nation's interests and build a safer and more prosperous world. As a component of the National Security budget, we take our national security role seriously. The FY 2017 budget request for the State Department and USAID together is $50.1 billion, $35.2 billion of which is Enduring, and $14.9 billion of which is Overseas Contingency Operations (OCO) funding. This funding constitutes just one percent of total federal spending

As the Director of the State Department Bureau for Budget and Planning, I am here today to discuss our request for our people; diplomatic and embassy security programs; public diplomacy efforts; treaty based contributions to United Nations peacekeeping efforts and international organizations, and our global management platform, otherwise known as the Diplomatic Engagement portion of the Depart-

ment's budget. The Diplomatic Engagement budget is about 32 percent of the total State/USAID request, with foreign assistance rounding out the remaining 68 percent. The FY 2017 request for this portion of the budget totals $16.1 billion, an increase of $560 million over the FY 2016 level.

We are submitting the Department of State and USAID Fiscal Year 2017 Fact Sheet for the record, so many of the specific numbers related to our request are included in the attached document, and I will speak to a few major priorities here. A large portion of the Department's operating platform consists of security programs and overseas facilities, for which we are requesting $6.1 billion. This includes $3.7 billion for Diplomatic Security (DS) operations and other Worldwide Security Protection programs. The request for diplomatic facility construction and maintenance sustains the Department's commitment to implementing the security recommendations of the Benghazi Accountability Review Board. This also includes Department's share of the Capital Security Cost Sharing Program, which constructs secure, safe, and functional diplomatic facilities, as well as ongoing lease, repair and maintenance for our overseas real property assets.

The 2015 Bipartisan Budget Act (BBA) provided a significant OCO increase for the Department for FY 2016 and FY 2017 relative to FY 2015. We have been able to achieve many of our national security objectives using OCO. OCO has been instrumental for the transitions to largely civilian presence in Iraq and Afghanistan.

The Diplomatic Engagement request includes $1.26billion for Iraq, which includes embassy and consulate operations, as well as Diplomatic Security funding for Embassy Baghdad's guard camp, contract costs and equipment. In collaboration with DOD, the U.S. Embassy in Iraq continues to support diplomatic engagement critical to Operation Inherent Resolve.

In Afghanistan, our mission continues to focus on engagement and public outreach as the military transitions. The total request for Afghanistan is $1.2 billion, which includes an increase for Diplomatic Security aviation, contracts & equipment and to complete security upgrades to our facilities in Kabul.

The request includes $21.5 million for the Global Engagement Center (GEC), which is a high priority for the Department and another example of our strong collaboration with DOD. The Center will continue countering violent extremist communication by more effectively synchronizing messaging to foreign audiences through empowering governmental and nongovernmental partners in their efforts to undermine disinformation espoused by extremist and terrorist groups, including ISIL and al-Qaeda. We brought Michael Lumpkin over from DOD to fully synchronize all of our efforts across the national security spectrum and with our international partners.

To sustain these efforts over the long term, the FY 2017 President's Budget once again proposes to end sequestration for function 150 and other discretionary spending in FY 2018.

Other priorities in our budget serve to strengthen U.S. relations with the international community. Our request includes $1.2 billion to support our global engagement goals by building up our public diplomacy and exchange programs. The request also includes funding to meet our commitments for international organizations and peacekeeping, including $1.4 billion for our annual assessments for the U.N. and other bodies and $2.4 billion to address conflict-related crisis through our assessed share of United Nations peacekeeping operations.

In addition to our request for direct appropriations, this budget expands consular services to Americans, while providing immigrant and non-immigrant visa services to prospective foreign visitors. The Department's proposed Consular and Border Security Programs account will enable transparency in our efforts to provide protection to U.S. citizens overseas and contributes to national security and economic growth. It is a core element of national security to assist and facilitate the entry of legitimate travelers and promote tourism while denying entry to individuals who threaten the safety and security of our nation and its people.

While not a specific budget tool, we use the QDDR to guide a modern State Department and USAID and empower our professionals to get the job done. This includes targeted efforts to increase the diversity of our workforce by expanding recruitment and fellowship opportunities for America's future foreign policy experts; this is a two thirds increase over existing funding resources.

This is just a brief summary of our overall request. I want to assure you that we are committed to being good stewards of taxpayer dollars. With continued Congressional support, we can have a positive impact in promoting our foreign policy priorities at home and abroad. I look forward to answering your questions.

Senator PERDUE. Thank you, Mr. Pitkin.

We now turn to Mr. Hari Sastry, the director of U.S. Foreign Assistance Resources. Mr. Sastry is a career member of the Senior Executive Service, and in his current role manages the Department of State and USAID foreign assistance budget. He has previously served in the Department of Commerce as well as the White House Office of Management and Budget.

Mr. Sastry.

STATEMENT OF HARI SASTRY, DIRECTOR, OFFICE OF U.S. FOREIGN ASSISTANCE RESOURCES, U.S. DEPARTMENT OF STATE, WASHINGTON, D.C.

Mr. SASTRY. Thank you, Mr. Chairman, Ranking Member Kaine, and distinguished members of the subcommittee. Thank you for inviting us to speak with you today about the Fiscal Year State Department and USAID foreign assistance budget request.

As Secretary Kerry noted and as you noted in a recent hearing before the committee, while the foreign affairs request makes up just one percent of the total Federal budget, it may very well impact much of history that will be written about this era. I am here to discuss our Fiscal Year 2017 foreign assistance priorities, out-year challenges, and long-term spending trends, our efforts to enhance foreign assistance management, and aid transparency and interagency coordination.

The Fiscal Year 2017 State Department and USAID request of $50.1 billion includes $34 billion for foreign assistance programs and activities. The budget request directly supports our national security strategy and our foreign policy priorities. Our foreign assistance continues to provide strong, sustainable leadership in the face of unprecedented challenges.

The Secretary spoke to the committee at length about the Department's Fiscal Year 2017 request and our priorities, and I am not going to go through all of them today. Some of the critical priorities that he highlighted include our efforts to counter violence extremism, Daesh, and Russian aggression, to support climate change, democracy in governance, and global health programs, and to address other critical regional challenges and opportunities. We have provided a fact sheet summarizing the main points of our request for the record.

A core component of the Fiscal Year 2017 foreign assistance request includes $9.6 billion in overseas contingency operations funding, a level which is aligned with the cap set in the 2015 bipartisan Budget Act and equal to the amount provided to us by Congress in Fiscal Year 2016. The OCO request will enable us to prevent, address, and help countries to recover from human-caused crises and natural disasters.

While the bipartisan Budget Act effectively increased the amount of OCO appropriated for foreign assistance by 59 percent above the Fiscal Year 2015 level, our Fiscal Year 2016 base appropriation was reduced by eight percent below the Fiscal Year 2015 level. The future of base versus OCO is not clearly defined, and as we look toward planning our 2018 budget, we look forward to working with you to effectively tackle this issue.

In addition to the OCO base issue, the broader out-year challenge for foreign assistance is that we recognize that the various

crises around the world are producing more refugees and more disasters, and we are asked to take the lead in responding to more global health pandemics. We are constantly asked to address new challenges that land on the front pages of the Washington Post today while simultaneously providing continued support to countries that focus on longer term needs as we aim to ensure those countries do not end up on the front page tomorrow.

The demands on our limited foreign assistance resources show no signs of abating, so we ask ourselves how do we do more with less. First, we look to strengthening our internal systems and processes. Informed data driven decisions drive our strategy to address these increasing global challenges, and are a critical component of the Department's commitment to achieving the most effective U.S. foreign policy outcomes and greater accountability.

Last year, the Department updated and expanded its evaluation policy. We have also expanded the quantity and quality of data available on foreignassistance.gov, a web site we manage on behalf of the U.S. government, to publish the aid data of the 22 agencies that implement foreign assistance activities for the American public. These critical monitoring evaluation and transparency efforts make us a government better able to serve the American people and more effective in our use of U.S. dollars abroad.

Second, we look at how we can best leverage these resources. We are able to tackle many global issues through close coordination with our Agency partners. We work directly with the Departments of Defense, Treasury, Agriculture, Homeland Security, the Centers for Disease Control, and many others to address these complex challenges. We are doing everything we can to ensure U.S. taxpayer dollars are used as efficiently and effectively as possible within the top line provided by Congress.

Today's global challenges make clear that what may appear to be a distant concern has the power to impact Americans right here on our home soil. Our leadership role in addressing these issues is important now more than ever. It is essential to promoting our goals and objectives abroad, stimulating the economy, and creating jobs, and protecting the American people and our values here at home.

To adapt to this ever-evolving global landscape, foreign assistance must be, as the President said in his recent State of the Union address, a part of our national security, not something separate, not charity. Foreign assistance is and must be seen as a powerful tool that enables our Nation to continue to lead the world in effective solutions to global challenges.

Thank you for your continued support, and I look forward to answering any questions you might have.

[Mr. Sastry's prepared statement follows:]

PREPARED STATEMENT OF HARI SASTRY

Chairman Perdue, Ranking Member Kaine, and distinguished members of the subcommittee, good afternoon. Thank you for inviting me to speak with you today about the Fiscal Year (FY) 2017 State Department and United States Agency for International Development (USAID) foreign assistance budget request.

As Secretary Kerry noted in his recent hearing before the committee, while the foreign affairs request makes up just one percent of the total federal budget, it may very well impact much of the history that will be written about this era. I am here today to discuss our FY 2017 foreign assistance priorities, out-year challenges and

long-term spending trends, our efforts to enhance foreign assistance management and aid transparency, and interagency coordination.

The FY 2017 State Department and USAID Request of $50.1 billion includes $34.0 billion for foreign assistance programs and activities. The budget request directly supports our national security strategy and foreign policy priorities. Our foreign assistance continues to provide strong and sustainable leadership in the face of unprecedented challenges.

Secretary Kerry spoke to the committee at length about the Department's FY 2017 request and our priorities. I am not going to go through them all again today—instead, we have provided a Fact Sheet summarizing the main points of our request for the record. He spoke of our efforts to counter violent extremism, to counter Daesh and Russian aggression; to support climate change, democracy and governance, and global health programs; and to address other critical regional challenges and opportunities, such as the conflict in Syria, the migrant crisis in Central America, a potential peace plan in Colombia, our continued efforts to advance our rebalance in the Asia-Pacific region, and of course the many programs we have in Africa. I look forward to answering any questions you have on these topics.

The Department and USAID undertake a rigorous strategic planning and budget formulation process prior to sending up our budget requests each February. During the FY 2017 formulation process, we had the benefit of rolling in our 2015 Quadrennial Diplomacy and Development Review (QDDR). The QDDR outlines four of our major priorities—countering violent extremism, open democratic societies, inclusive economic growth, and climate change.

A core component of the FY 2017 foreign assistance request includes $9.6 billion in Overseas Contingency Operations (OCO) funding, a level which is aligned with the caps set in the 2015 Bipartisan Budget Act and equal to the amount provided to us by Congress in FY 2016. The OCO request will enable us to prevent, address, and help countries to recover from human-caused crises and natural disasters.

While the Bipartisan Budget Act effectively increased the amount of OCO appropriated for foreign assistance by 59 percent above the FY 2015 level, our FY 2016 base appropriations were reduced by 8 percent below FY 2015. The future of base versus OCO funding is not clearly defined, and as we look toward planning the FY 2018 budget, we look forward to working with you to effectively tackle this issue.

There are, of course, many foreign assistance funding trends that we used to help guide us in our budget formulation process. Since 2001, foreign assistance funding has nearly tripled, correlating to the increase of complex global challenges. Over the past several years, foreign assistance funding has remained relatively stable, ranging between $32 billion and $35 billion, including all sources of funding (base, OCO and supplemental). This is obviously not an insignificant amount of money. When we talk about out-year trends though, we recognize that we are increasingly asked to provide assistance in insecure areas—including in Afghanistan, Central African Republic, and Iraq. The various crises around the world are producing more refugees, and more disasters, and we are asked to take the lead in responding to more global health pandemics. We are constantly asked to address new challenges that land on the front page of the Washington Post today, while simultaneously providing continued support to countries with programs that focus on longer-term needs, as we aim to ensure those countries do not end up on the front page tomorrow. We must be able to address immediate challenges without losing sight of the vital, ongoing support for core development and democracy programs—the foundation of Department of State and USAID efforts worldwide. The demands on our limited foreign assistance resources show no signs of abating.

So we ask ourselves: how do we do more with less? First, we look to strengthening our internal systems and processes. Informed, data-driven decisions drive our strategy to address these increasing global challenges, and are a critical component of the Department's commitment to achieving the most effective U.S. foreign policy outcomes and greater accountability. Last year, the Department updated and expanded its evaluation policy, requiring each bureau to conduct evaluations every year and for foreign assistance programs, publicly post evaluations within 90 days of completion. We have also expanded the quantity and quality of data available on ForeignAssistance.gov, a website we manage on behalf of the U.S. government, to publish the aid data of the 22 agencies that implement foreign assistance activities for the American public. These critical monitoring, evaluation, and transparency efforts make us a government better able to serve the American people, and more effective in our use of U.S. dollars abroad.

Second, we look at how we can best leverage the resources. We are able to tackle many global issues through close coordination with our agency partners. We work directly with the Departments of Defense, Treasury, Agriculture, Homeland Security, the Centers for Disease Control, and many others to address complex chal-

lenges. Over the past few years we have worked hand-in-hand with our U.S. government partners on many issues, whether countering Daesh, addressing the underlying factors of migration in Central America, or combatting global health crises such as Zika and Ebola. We also leverage our resources by teaming up with the private sector and other bilateral and multilateral partners, which I know Roman will address shortly in more detail. The bottom line is this: we are doing everything we can to ensure U.S. taxpayer dollars are used as efficiently and effectively as possible within the topline we are provided by Congress.

In closing, I would like to reiterate something you have all already heard from Secretary Kerry and many others from the Department and USAID: this request makes up just one percent of the total federal budget. Just one percent: that is the levy of our leadership role in global affairs, and it provides a tremendous return on investment. This return on investment is palpable. The advancements the Department and USAID have been able to achieve would not have been possible without the support of the American people, so I thank you for your continued support.

Today's global challenges make clear that what may appear to be a distant concern has the power to impact Americans right here on our home soil. Our leadership role in addressing these issues is important now more than ever—it is essential to promoting our goals and objectives abroad, to stimulating the economy and creating jobs, and protecting the American people and our values here at home. To adapt to this ever-evolving global landscape, foreign assistance must be, as the President said in his recent State of the Union address, "a part of our national security, not something separate, not charity." Foreign assistance is and must be seen as a powerful tool that enables our nation to continue to lead the world in effective solutions to global challenges.

Thank you for your continued support. I look forward to answering any questions you might have.

Senator PERDUE. Thank you.

Finally, we will hear from Mr. Roman Napoli, the acting director of the Office of Budget and Resource Management at USAID. In this role, he provides advice to Agency leadership on a range of budget issues, including performance, management, budget planning, and financial management.

He has previously served as the head of the Budget Formulation and Execution for USAID's program budget, as well as the head of the Strategic Planning and Resources for the Middle East Partnership Initiative.

Mr. Napoli.

STATEMENT OF ROMAN NAPOLI, ACTING DIRECTOR, OFFICE OF BUDGET AND RESOURCE MANAGEMENT, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT, WASHINGTON, D.C.

Mr. NAPOLI. Thank you, Chairman Perdue, Ranking Member Kaine, and members of the subcommittee. I am very pleased to join you to discuss the U.S. Agency for International Development's Fiscal Year 2017 budget request.

Our request totals $22.7 billion and reflects the critical role that development plays in advancing U.S. interests and values abroad. As the lead on development in the U.S. government, USAID is now better positioned and more capable of making a sizable impact around the world, leading not just with our dollars, but with leadership that the international community and the American people expect.

We do this in four ways. First, this request helps USAID foster and sustain development progress all over the world. USAID will institutionalize proven investments by fostering inclusive economic growth and strengthening democratic governance through tested and proven interventions. This work is lifting millions out of ex-

treme poverty, and helping countries become open, peaceful, and flourishing partners for the United States.

The request will enable USAID to double down on efforts that are delivering results, and continue to build the conditions that make progress possible. With this budget, we will continue to save lives and improve health worldwide by contributing to global efforts to end preventable child and maternal death, creating an AIDS-free generation, and protecting communities from infectious diseases. PEPFAR is well on track to reach bold HIV and AIDS prevention and treatment targets, and we see the same opportunity with malaria. Ninety percent of all malaria deaths occur in Sub-Saharan Africa, most of which are among children under five. But we have already seen significant declines in child mortality due to our work with reductions up to 55 percent. This budget includes a total increase of $200 million to expand and broaden our malaria work.

Second, the request enables USAID to prevent, mitigate, and respond to manmade and natural humanitarian crises that are occurring at unprecedented scale and frequency. USAID's response to crises around the globe is intricately linked to our development mission. This request will enable USAID to provide lifesaving responses to areas with the most vulnerable populations. We will provide emergency food supplies, address the underlying causes of food security, and assist victims of conflict and natural disaster.

Third, this budget supports our critical work to confront threats to national security and global stability. USAID is providing critical support to Central America where we are building on our current investments by providing expertise to host governments as they make necessary reforms, scaling up proven community-based interventions, and training youth for a 21st century workforce, while helping businesses have the financial and market access to invest and generate jobs.

Finally, this budget will position USAID to continue to lead and meet the needs of a changing world by investing in approaches that work. We will emphasize knowledge and evidence-based learning, and we will support the men and women of USAID as they proudly serve the American people in increasingly challenging environments.

With this request we will enhance science, evaluation, and learning with $196 million in funding for the Global Development Lab and the Policy, Planning, and Learning Bureau. Investments in the Lab will enable USAID to develop and scale breakthrough solutions, leverage more out of our funding, and improve the sustainability of our development investments by attracting private sector resources. The request also includes necessary support for USAID's staff capacity with a requested $1.7 billion across USAID administrative expense accounts to sustain ongoing operations and build on the institutional reforms we have undertaken with USAID Forward.

While there is tremendous ambition in this request, we acknowledge that the expectations for USAID are as diverse and as multifaceted as the problems we address. While these issues are complex, USAID is evolving and fundamentally changing the way we do business, integrating innovation into all our work, leveraging

our resources for greater impact, and focusing like never before on measuring and delivering results.

We envision a world where the most vulnerable are emerging from extreme poverty and contributing to stable democratic societies, building a safer world that promotes the dignity and freedom of people everywhere, and advances our security and prosperity.

And with that, we look forward to your questions.

[Mr. Napoli's prepared statement follows:]

PREPARED STATEMENT OF ROMAN NAPOLI

Thank you, Chairman Perdue, Ranking Member Kaine, and members of the subcommittee. I am very pleased to join you to discuss President Obama's Fiscal Year 2017 budget request for the United States Agency for International Development (USAID).

As the committee is well aware, the world around us is increasingly complex, challenging and dangerous. It is also ripe with opportunities for development progress. Thanks to bipartisan support from Congress, including members of this committee, and consistent with the 2015 Quadrennial Diplomacy and Development Review (QDDR) and the Presidential Policy Directive on Global Development, USAID is now better positioned and more capable of fulfilling our mandate of partnering to end extreme poverty and promote resilient, democratic societies while advancing our nation's security and prosperity.

As a core pillar of American leadership and power, global development works together with defense and diplomacy to advance our interests and values abroad, and to protect the American people at home. With less than one percent of the federal budget, USAID supports critical development activities and the courageous development professionals who carry them out in challenging, often dangerous, conditions every day.

In total, the President's funding request for accounts from which USAID administers assistance is $22.7 billion. $11.0 billion of this total is in core USAID-managed accounts: 1) Development Assistance; 2) Global Health Programs-USAID; 3) International Disaster Assistance; 4) Food for Peace Title II; 5) Transition Initiatives; 6) Complex Crises Fund and 7) USAID Administrative Expense accounts.

The President's budget request reinforces and expands U.S. global development leadership in several distinct, but interrelated ways. First, the budget request will help USAID foster and sustain development progress all over the world. Second, the request enables USAID to prevent, mitigate and respond to the man-made and natural humanitarian crises that are occurring at unprecedented scale and frequency. Third, the request supports our critical work to confront threats to national security and global stability, from countering Russian aggression to strengthening reforms in Afghanistan and addressing the underlying conditions driving migration from Central America. And, finally, this request represents an investment in the development professionals, technical expertise, institutional infrastructure, and monitoring and evaluation needed to position USAID to continue to lead as the world's premiere global development agency, making us more transparent, accountable and agile.

Foster and sustain development progress

All over the world, USAID advances broad-scale human progress by fostering sustained and inclusive economic growth and strengthening democratic governance. This work is lifting millions out of extreme poverty and helping countries become open, peaceful and flourishing partners for the United States, and its success burnishes the image of our country globally.

The President's budget request will enable USAID to expand successful programs and continue to build the conditions that make progress possible.

With this budget request, we will continue to save lives and improve health worldwide. The request includes $8.6 billion for life-saving global health programs—including $2.9 billion requested for USAID specifically—which will contribute to global efforts to support three critical goals: 1) ending preventable child and maternal deaths; 2) creating an AIDS-free generation; and 3) protecting communities from infectious diseases.

USAID child survival and maternal health programs have already helped save the lives of 2.4 million children and almost 200,000 mothers, and forged partnerships with the twenty-four priority countries for Ending Preventable Child and Maternal Deaths. This budget includes robust support for these efforts, including $275 million for Gavi, the Vaccine Alliance, which is a $40 million increase over the FY 2016 en-

acted level, as part of the four-year, $1 billion pledge announced last year to immunize 300 million additional children and save at least five million lives by 2020.

Additionally, PEPFAR is well on track to reach the bold HIV prevention and treatment targets set by President Obama last September. As the President stated in this year's State of the Union Address, additional opportunities exist with malaria. Ninety percent of all malaria deaths occur in sub-Saharan Africa, most of which are among children under five. In 17 of the 19 President's Malaria Initiative (PMI) countries, significant declines in mortality rates among children under five have been observed—ranging from 18 percent (in both Liberia and Nigeria) to 55 percent (in Zambia). The budget includes a total increase of $200 million (30 percent) for PMI above the FY 2016 enacted level, of which $71 million is requested as additional resources and $129 million is requested to be made available from remaining Ebola emergency funds.

This budget request also continues our important work to foster sustainable development that reflects the realities of a changing climate. By furthering our work overseas to promote low-emissions development, we're helping our partner nations to lighten their carbon footprint, adapt to climate-driven risks, and promote public health. It also means doing the footwork to make sure that all USAID partnerships recognize the challenges posed by climate change. Ensuring that our investments account for the risks posed by climate change is not only good policy, its prudent policy as well. Failing to account for growing storm surges, or shifting precipitation patterns, can mean that years of work on an USAID project can be wiped away in a matter of hours.

Our work is also ensuring food security and progress toward ending hunger, with $978 million requested for USAID for the Feed the Future (FtF) initiative. Feed the Future is a whole-of-U.S. government initiative that focuses on increasing food security and economic growth—with an emphasis on empowering women—by promoting growth in the agriculture sector and reducing hunger, poverty and malnutrition. The request will also help vulnerable populations become more resilient to shocks that can limit access to food.

FtF is working. FtF has helped reduce stunting by 14.4 percent in areas of Bangladesh from 2011–2014; by 21 percent in areas of Cambodia from 2010–2014; by 25 percent in areas of Kenya from 2008–2014; and by 33 percent in Ghana from 2008–2014. In Honduras, average incomes of FtF beneficiaries increased 55 percent between 2012 and 2014, helping nearly 36,450 beneficiaries rise out of extreme poverty and reducing one of the underlying factors of outbound migration. United States support for FtF has helped leverage an additional $18.5 billion in support from G-8 members and other donors. We are pleased that Members of this committee, including Senator Isakson, are sponsoring legislation to institutionalize this innovative, effective approach to reducing hunger, childhood malnutrition, and poverty.

Through Power Africa, a whole-of-government initiative, the U.S. is increasing access to reliable, cleaner power to drive economic growth across the continent. Power Africa's recently released Roadmap outlines a concrete plan to achieve the ambitious goal of adding 30,000 megawatts (MW) of electricity generation and 60 million connections by 2030, thereby doubling access to electricity across the continent. Power Africa has already helped transactions expected to generate 4,300 MWs reach financial close. The FY 2017 USAID request for $291.3 million for Power Africa is part of President Obama's $300 million annual commitment. Power Africa will continue to build on our ongoing work to strengthen the investment climate across sub-Saharan Africa and to increase the capacity of African governments and utilities to develop and manage their domestic energy sectors, and in doing so, help to catalyze private sector investment to sustain Africa's impressive economic growth rates where political will exists. Due to U.S. leadership to garner support for Power Africa goals, we now have over 120 private and public sector partners that have committed over $43 billion to date.

The budget request also includes $75 million for Trade Investment Capacity Building, which will align, focus and expand current U.S. Government bilateral and regional trade programs in sub-Saharan Africa. An additional $10 million is requested for the Young African Leaders Initiative to support young African leaders returning to Africa following their fellowship training and professional development activities in the United States.

The budget requests $2.3 billion to strengthen democracy and governance around the world. This support is essential at a time when we're seeing troubling trends like democratic backsliding and closing space for civil society, independent voices and aid workers alike. Particular focus regions include Africa, Asia, Eurasia, and Central America.

This assistance will help USAID support and strengthen inclusive and accountable democracies to advance freedom, dignity and development. And, these advances will help ensure sustainable, transparent, and effective development investments in areas such as health, agriculture and power. Vibrant democracies foster stable societies, advancing the U.S. interest in a peaceful and democratic world.

This budget request also continues support for the rebalance in the Asia-Pacific region, with a particular emphasis on development objectives. The $694.4 million requested will strengthen democratic governance and processes, foster engagement with civil society, and promote rule of law and respect for human rights in this region. Other activities will support economic growth by improving the conditions for competition in the private sector; improve health through an emphasis on preventing and containing pandemic threats; and enhance critical trade efforts through increased investment, economic inclusion and innovation, including activities related to the Trans-Pacific Partnership trade agreement.

Prevent, mitigate and respond to global and humanitarian crises

USAID's response to crises around the globe is intrinsically linked to our development mission. This request will help the United States maintain the agility and flexibility that is so desperately needed in preventing, mitigating, and responding to global and humanitarian crises.

All over the world, countries are dealing with crises that are more complex and lasting longer than ever before. And, as we have seen with Ebola, and now the Zika outbreak, new urgent challenges can emerge at any time. This budget enables USAID to assist the people facing these challenges while helping countries prepare for and withstand future disasters.

On Zika, last week the President asked Congress for approximately $1.9 billion in FY 2016 emergency supplemental funding to enhance our ongoing efforts to prepare for and respond to the Zika virus. The supplemental request includes $335 million for USAID, which will be used to help affected countries through health programming, public education, and efforts to control mosquitoes and combat transmission of the virus. We will also work with our partners at the Centers for Disease Control and Prevention (CDC) and National Institutes of Health (NIH) to accelerate vaccine research and diagnostic development.

We are also showing humanitarian leadership in response to the crisis in Syria. The United States is the single largest donor of humanitarian aid to the Syrian people, having contributed more than $5.1 billion since the crisis began. USAID is providing emergency assistance to 5 million Syrians every month, including 4 million people inside Syria and Syrian refugees in neighboring countries.

Although the United States leads the world in international disaster assistance, responding to crises after the fact is not enough, and taxes U.S. resources. USAID also works to build the capacity of countries to withstand future crises and meet humanitarian needs on their own through enhanced service delivery, public administration, and governance.

This budget will enable USAID to provide life-saving responses to areas with the most vulnerable populations, with $3.3 billion in USAID-managed humanitarian assistance to provide emergency food supplies and address the underlying causes of food insecurity, and to assist internally displaced persons and the victims of conflict and natural disasters.

An additional $107.6 million is requested to prevent conflict and stabilize emerging democratic processes in critical transition environments, and for quick response to urgent, unanticipated civilian contingencies.

Through the Global Climate Change Initiative, USAID will invest $352.2 million to work with countries that are particularly well-suited to transition to climate-resilient, low-emission economic growth, including the development and implementation of 25 countries' low-emissions development strategies.

In 2015, partner countries achieved 30 major milestones as a result of U.S. assistance, each reflecting measurable improvement in national frameworks for low emission development. Climate adaptation programs—for which the United States broadly pledged to double grant-based public financing by 2020—help countries become more resilient and contribute to stability and economic growth. Through these types of initiatives, we also help build our partner countries' resilience to recurrent crises related to climate change.

Confront threats to national security and global stability

Complementary to the development and humanitarian missions, USAID plays a key role in addressing threats to our nation's security.

In regions of strategic national security importance, USAID works side-by-side with our counterparts in the U.S. Military and Department of State to confront

emerging threats and other global security challenges. On the ground in strategic countries, here in Washington, and in key commands, USAID leaders engage side-by-side with our colleagues in the military to ensure the proper balance between military and civilian efforts.

Our efforts to achieve development progress in countries facing conflict and crisis helps enhance global stability and fosters good will toward the United States.

One example of our close, collaborative work with the Department of Defense and other U.S. Government Agencies is the Sahel Development Initiative. The initiative addresses new challenges presented by extremists and was developed as part of a joint interagency planning effort. USAID's unique expertise in addressing governance challenges, corruption, and impediments to economic growth are being leveraged to limit the space for extremists whose use of violence impede and set back development gains.

In Europe, Eurasia, and Central Asia, as part of the broader effort to counter Russian aggression, we are requesting $698.1 million through the Economic Support Fund (ESF) and Global Health Programs (GHP) accounts to strengthen market economies and trade opportunities; bolster independent media and democratic institutions; empower anti-corruption efforts; increase energy independence in Eastern Europe and Central Asia, and sustain enduring commitments including in core development sectors such as health. These efforts, complemented by robust funding requested by the State Department under the security and law enforcement accounts, will help Ukraine, Georgia, Moldova and their neighbors stand strong against debilitating Russian pressure.

We are requesting $77.6 million to seize emerging opportunities to promote lasting stability, peace and democracy through Transition Initiatives in countries plagued by conflict and crisis. The budget will provide flexible funding to catalyze positive change in countries all over the world, from Nigeria to Syria to Colombia.

Finally, closer to home, the request will continue to address the underlying conditions driving migration from Central America, with $470.3 million to improve prosperity, governance, and economic growth, and regional economic integration. This bilateral and regional assistance for Central America is part of the Administration's $1 billion whole-of-government request for appropriations and financing assistance to support the U.S. Strategy for Engagement in Central America. Building upon prior appropriations, funding will provide expertise to host governments as they make necessary reforms, scale up proven community-based interventions, and train youth for a 21st century workforce while helping businesses gain the financial and market access to invest and generate economic growth and jobs.

Position USAID as a leader in development

USAID is modernizing development and driving smart policy approaches by promoting new partnerships; science, technology and innovation; evidence-based decision making and host country ownership with a relentless focus on measuring and delivering results. As a global leader in development, USAID is mobilizing the rest of the world around shared challenges, and leveraging investments through partnerships with other donors, country governments, the private sector and local organizations. USAID's successes are U.S. successes, and show the world the United States' continuing commitment to a more peaceful, prosperous future.

USAID leverages other resources to use development assistance more efficiently. Since FY 2010, the global average of Mission funds programmed through local systems increased from 9.6 percent to 16.9 percent in FY 2014. In addition to the billions of dollars we are leveraging on specific efforts to galvanize the world on energy, food security, global health and humanitarian emergencies, we work to leverage the private sector across all of our work. USAID has also shifted towards a broader range of private sector engagement approaches including large multi-stakeholder alliances such as Power Africa and the New Alliance for Food Security and Nutrition, for which USAID serves as a catalyst and convener for private sector investment.

This budget request will position USAID to continue to lead and meet the needs of a changing world by investing in approaches that work, emphasizing knowledge and evidence-based learning, supporting the men and women of USAID as they bravely serve the American people in increasingly challenging environments, and strengthening USAID as an institution.

The President's budget will enhance science, technology, innovation, evaluation and learning, and partnerships with $195.5 million in funding for the Global Development Lab and the Policy, Planning, and Learning (PPL) Bureau. Funding for PPL will enhance USAID's evaluation programs and policy development. Lab resources will also enable USAID to source, develop, and scale breakthrough solutions; accelerate the transformation of the U.S. development enterprise by leveraging addi-

tional outside funding; and improve the sustainability of development interventions by attracting private-sector, market-driven resources.

The request continues the required investment in USAID by seeking $1.7 billion across multiple USAID Administrative Expense accounts to sustain ongoing operations and build on recent reforms, including through continued improvements in procurement, local-capacity building, innovation, and accountability.

This budget also reflects the most recent QDDR through this sustained investment in our workforce and building USAID as a dynamic organization. The budget also directly responds to the QDDR's strategic priorities, including preventing and combating violent extremism; promoting open and democratic societies through democracy, rights and governance programming; advancing economic growth through initiatives like Power Africa, Feed the Future, and others; and mitigating and adapting to climate change.

Conclusion

USAID is fundamentally changing the way we do business: integrating innovation into all of our work; leveraging our resources for greater impact through partnership; and focusing like never before on measuring and delivering results. We envision a world where the most vulnerable are emerging from extreme poverty and contributing to stable, democratic societies. Building a better, safer world promotes the dignity and freedom of people everywhere and advances our security and prosperity.

Senator PERDUE. Well, thank you all. I look forward to your answers here. And, again, let me just for the record remind us all that we will have Deputy Secretary Higginbotham here next week to answer questions about the budget as well and other issues. So today we are going to—I am going to dial into some of these detailed questions that we hopefully will not get into next week.

I want to put this in perspective, if I could. First of all, in the spirit of really nonpartisanship, which is what I think Senator Kaine and I on this subcommittee and then Senator Corker and Cardin have done in the full committee, is that this is one of those committees that really does have a record of bipartisanship, and really nonpartisanship. We look at State Department that way.

Senator Kaine's comments are exactly correct. You know, as we pull out of these areas, we know the pressure is increasing on State. And honestly, I want to give some perspective to this with that comment in mind, and that is that, you know, if you look at since 2009, the costs in the State Department have been fairly flat. As a matter of fact, this is a budget request that actually is lower than last year's budget request, and I do not want to gloss over that. As a business guy, I appreciate that.

So having said that, I want to talk to you a little bit about some history just so we have perspective when we talk about this particular budget. If we go back a few years—let us go back and look at it two different ways—the State Department was spending on average somewhere between $25 and $30 billion a year for quite a long period of time. Now, as a percentage of GDP, it actually—since 2009 it has actually declined from about .4 percent of GDP to about .3 percent of GDP. So let us put that in perspective. And I think you are to be congratulated on that from that perspective.

I kind of look at it the other way in looking at hard dollars, though, and say, okay, here is the mission. I know it is changing this dynamic, and here is how we spend money against that. So the percentage of GDP is one benchmark that I think we use. It is not the end-all.

Having said that, can you help me with the perspective of what we are doing in and say—I know we had the surge in Iraq and so forth. Mr. Pitkin, can you address that to start with, and anybody

else that has a comment on that I appreciate it. But can you speak to sort of what we have seen, and is this a new norm, or is there some anticipation that somehow the world is going to get safer and we can go back to where it was maybe in 2001 or 2000 to 2008, for example.

The question is, with all the dynamic threats around the world and the pressures—I am not trying to lead you into an answer, but I really am trying to figure out what that $20 billion is going for in this new world.

Mr. PITKIN. Thank you. Thank you, Mr. Chairman. Well, I certainly hope, of course, that the world does get safer and that our budget can help move us in that direction. But certainly as part of the Department's management team, I frequently hear the reports from our Assistant Secretary for Diplomatic Security, Greg Starr, who is very candid about the threats that we face overseas, and their evolving nature, that they are unpredictable, and that they can emerge even in countries like France, as we saw earlier or last year that are unexpected. And so, we have to be able to be mindful of those threats, not just in what we currently call the frontline states or the high-threat posts, but other posts where our adversaries have the capacity to strike unexpectedly.

So, but going back to the original question, I have been with the Bureau of Budget and Planning since 2007, and certainly the main driver that I have seen for our operating costs has been our presence in Iraq and Afghanistan. And as you noted, I actually came from the Iraq office, have been working in the Embassy Baghdad primarily actually on the foreign assistance side.

And one of the challenges that certainly the Department faced was as the military was drawing down, there was a transition plan of which the Department of State has or was and has taken over the lion's share of responsibility for the operating platform from DOD, and that comes with a cost. It comes with a cost for operating in an environment where we cannot rely on the local economy. We have to bring in employees from outside. We have very unique and challenging security conditions.

And so, since that time and particularly since the creation of OCO, we have made significant investments, both one-time investments in facilities and recurring investments in people and programs to help protect our staff and our other interagency partners in Embassy Baghdad.

The same trend we are seeing in Embassy Afghanistan. Now, in Afghanistan we have drawn down more. Now we just are focused on Embassy Kabul, but we are seeing the threat evolve, as the DOD forces and international partners draw down, more of that security platform falls upon the Department of State.

And we take—we try to be appropriate and take appropriate measures. I think last year in the Fiscal Year 2016 omnibus and 2016 budget, we tried to contain some of those costs. But now for 2017, just the way that the contract cycles move, we are seeing increasing costs that we are trying to address in this budget request.

Senator PERDUE. Is it safe to say that during—I hate to look at it this simplistically. I know it is not. But if you look at the war period, say between 2002 and 2009, while we have fighting forces in a country, the need for State expense is not as great as it is as

we see after the departure of those defense forces. Is that—is that a correct, simplistic way to look at, because I am looking at is that part of the run-up in that $30 billion?

It is a 76 percent increase. It is not on this watch, I understand that. But I am trying to look historically to say is this a new norm, or do we have potential to eventually bring that back down?

Mr. PITKIN. I certainly hope we can bring it down over time, but that would definitely depend on security conditions on the ground. And we did make decisions several years ago under previous leadership to try to constrain some of our Iraq presence to just the two consulates and Embassy Baghdad, one partly for security reasons because the more sites, the more acreage we had to protect, the more movements we had, the more we exposed our people to risk. It also did have expensive costs, but primarily security, and getting the job done, and achieving our mission, and working with the Iraqi government was the key priority.

It has declined somewhat, but actually we are getting a lot of support, and from DOD previously. DOD helped provide our security. It was not free, but as DOD has drawn down, that entire cost falls upon the Department of State. So I would say it is, one, a fairly stable presence, but as DOD withdraws its forces, we have to pick up the slack to help protect the personnel who remain.

Senator PERDUE. My time is going to run out. But, Mr. Napoli, I would like to address the follow-up. You mentioned in your testimony that one of the issues is trying to make sure that the money that is invested has a good result. And so, I would like to talk about Haiti for a minute.

I was elected in November of 2014, and between then and the time I was sworn in as a private citizen, I went on a mission trip to Haiti to try to rebuild some housing and an orphanage for 275 kids down there. And it really touched us that in five years after the earthquake, not a lot had changed frankly. I understand that the Navy was down there early, USAID was there early, and we did a lot of good. However, I was really troubled by the state of the situation, particularly, if I am correct, that we have spent some $4 billion in Haiti.

And I have a particular question, you know, as to the effectiveness of money spent there. We know that historically Haiti has always been the poorest country in the Western Hemisphere. We know there were allegations of corruption there for decades. None of this is new. But in February and March of 2015, USAID itself suspended two contractors that had been working a flagship $30 million housing project—I think it was called Caracol-EKAM, if I am correct—due to faulty home construction, poor drainage, the list goes on.

There was also a question about where it was put. There was a lot of housing that was built in and around Port-au-Prince that was not where the people were living. They were in other areas where they could clear ground, and so I am not sure how effective that was.

Can you speak to the follow-up that USAID has in a country like Haiti to be sure that the money goes to the people that it needs to help, that we are not just using U.S. resources, that we are using local resources when we can, and that the results are, after

a five-year period of time effectively what we wanted out of a $4 billion investment.

Mr. NAPOLI. Senator, thank you for that and thank you for sharing your personal experience. As you know, Haiti is one of the poorest countries in our hemisphere, and so it has a particular amount of attention, especially after the earthquake there.

I think when we talk about Haiti and how we follow up and how we make good, there are a number of things that we think about. But really it is our work in the political space, righting the governance of the country, helping them to govern themselves, put things in place that are going to lead that government down a road to full rehabilitation.

But for USAID's investments there are a couple of things that I think we really want to talk about, bringing in capital and other things through our Development Credit Authority where we have the Haitian diaspora, and Haitian business leaders coming, finding ways to work with USAID, and leveraging that money in the country. That is the kinds of thing that I think really helps, one, lower the U.S. government's risk, but also allow us to do things that are sustainable and locally owned.

So I think there are a lot of challenges in Haiti, and that is something we can talk more about following the hearing. But my perspective is we have done a lot. We have gotten 98-plus percent people out of temporary housing. There has been a lot of progress, but there are going to continue to be a lot of things we need to do in Haiti going forward, and this budget does include a healthy request for continuing some of that work.

Senator PERDUE. I am out of time. I will come back to one follow-up question on that in a minute. But for the sake of time, we will go to the ranking member. Senator Kaine.

Senator KAINE. Thank you, Mr. Chairman, and I appreciate the testimony, and I will probably have multiple chunks of questions, too. But, Mr. Pitkin, I am going to start with you, just sort of a budget philosophy question because you have been doing this at State since, did you say 2006?

Mr. PITKIN. 2007.

Senator KAINE. 2007.

Mr. PITKIN. 2007, yes.

Senator KAINE. And then you were at OMB prior.

Mr. PITKIN. That is correct.

Senator KAINE. We have now done two two-year budgets in a row. It was not easy getting there. We got to the first one after a shutdown. We got to the second one in a middle of a speaker retiring, so I am not sure we can always count on something like that. But I really like two-year budgets. I am a former governor. We always did two-year budgets. Senator Isakson has had a two-year budget bill for years. I am a co-sponsor of it.

We have kind of gotten into this bit where we do a two-year budget deal and single-year appropriations. But once we do the first appropriations bill, it gives people at least kind of a range of reason if they know the top line for year two sort of what to expect. I really feel like the economy outside, but also our inside operation, does a lot better the more certainty we can provide it. And congres-

sional activity around the budget has been a big uncertainty generator rather than a certainty generator.

We are having a little bit of a debate potentially right now in the Budget Committee, and a number of us are on that committee, about whether we stick with the two-year budget deal and then just work on appropriations this year in response to the President's submitted budget, or whether we actually go back in and alter year two of the two-year budget deal that we struck in October.

Do you agree with me that certainty is generally a good thing and that, you know, the two-year budget concept, if we can normalize it and try to honor it going forward would provide some benefit in terms of the fiscal planning for an agency like State?

Mr. PITKIN. Thank you, Senator. Well, it is difficult for me to speak to the broader budget process because certainly there are a number of equities. And as evidenced in the Fiscal Year 2017 request, even our request for State had to take into consideration the range of challenges the Administration tried to cope with on both the discretionary and mandatory side of the budget. So I recognize that even in negotiating a single-year budget within a two-year budget deal, there are going to be different puts and takes in order to achieve the right balance for the American people that is fiscally responsible.

But in terms of planning, yes, to a certain degree working within a planning ceiling helps us set expectations. It helps us try to know what the external stakeholders would consider fiscally responsible. That is why the request that sent forward stuck to the OCO ceiling that was negotiated last fall, even as we made different tradeoffs within the OCO level. And in part of the ESCM 4 request is some programs that we tried to shift into the base to get it out of OCO because we thought it was more of a base program to make room for other OCO-related priorities, such as the security efforts I referenced earlier.

So a certain degree of certainty or planning agreement helps us, but we recognize it is part of a broader political dynamic, and that we have to be able to explain the tradeoffs of what happens if we have to work with less resources or address new challenges.

Senator KAINE. Thank you for that. Now, a question about OCO for all of you, again kind of a broader question. You know, there is a legitimate use of an OCO account because there are true contingencies. There is also a degree to which OCO can be used just to kind of skate around budget caps.

I think what we have done in the two two-year deals that we have done, the Murray-Ryan deal in December 2013 and the deal we got in October of 2015, is basically not only have we done two-year budgets, but we have decided we will treat the budget caps as a discipline, but not a straitjacket, as a starting point and a default, but not just an ironclad and impermeable straitjacket. And so, we have adjusted off the budget caps in both the first two-year deal and the second one.

Share a little bit about from each of your perspective as we are thinking about our budget and appropriations work, the way we ought to look at OCO. Obviously it is more predictable if it is in the base. You know, what is a base expenditure? What is an OCO expenditure? I mean, you kind of hinted at it, the idea is do we

think it is going to be regular and continuing versus truly episodic. But if of your agencies would offer us advice as we are grappling with this OCO question, that could be helpful.

Mr. SASTRY. Thank you, Mr. Senator. I think what the chairman said earlier when he asked the question is it too simplistic, I think that is a part of the answer really. As we look into the out-years and as DOD, for example, clears space in certain areas, it is State Department and certainly on the assistance side that we are—that we are going in, and we often have programs that are going to last longer than a short-term surge. Building governance takes time.

So the budget deal certainly provided welcome relief from sequestration. It provided some planning certainty. Both of those things were very good. But our reliance on OCO increased, and as the Secretary said last week, that is something we need to tackle going forward.

And so, what we did really was we shifted a lot of programs that we had traditionally funded through the base appropriation that do have a little bit of a longer term look to them, and we funded them through OCO because that is the tool that we had.

So going forward, we certainly have this challenge of how do we respond in many more parts of the world than we were responding to in 2004, 2005, or 2006, and how do we maintain that because we do not see the pressures on the assistance side abating much at all in the short term.

Of course we hope that will come down in the long term, but in the near future we just—we do not see that. And the real drivers have been, you know, the conflicts have driven humanitarian costs up, et cetera.

Senator KAINE. Mr. Napoli.

Mr. NAPOLI. I will not add too much more to what was said, but I think from our perspective at USAID, one of the things we look at is—over 90 percent of our international disaster assistance account is now in OCO. And while we can see a way in which that makes—that framing works in the short term, in the long term we know very well that part of what we do in the International Disaster Assistance account is also make investments in disaster readiness, working to make communities more resilient to future external shocks.

So there is a little bit of conflict there that I think over the longer term will have to be resolved.

Senator KAINE. I do not want OCO to end up being like the Willie Sutton line, "Why do you rob banks? That is where the money is." We are not going to vary the budget caps, but if we could just put it in the OCO account, then everybody will be going there. So some rational understanding of what is an OCO expenditure and what is a base budget expenditure is something that members of this committee and the Budget Committee, too, are going to grapple with.

I am going to save my questions about individual items for our next round for Senator Isakson's sake.

Senator PERDUE. Thank you. Senator Isakson?

Senator ISAKSON. Thank you, Senator Perdue. Let me ask—Mr. Pitkin, help me here. Your first page of your printed testimony, you said the President's budget is $50.1 billion, $35.2 of which is endur-

ing. I think that is the wording. Then, Mr. Sastry, your first line says the he Fiscal Year 2017 budget is $50.1 billion, which is the same number. Then it says $34 billion of which is foreign assistance. Is "foreign assistance" and "enduring" the same thing?

Mr. SASTRY. No, Mr. Senator. On each—of the $50.1 billion, $34 billion is foreign assistance. That is split between our base piece and our OCO piece. So our base piece is approximately $25 billion, and our OCO piece is about $9 billion.

Senator ISAKSON. So $25 billion is foreign assistance?

Mr. SASTRY. $34 billion is the total.

Senator ISAKSON. Out of two separate accounts?

Mr. SASTRY. Correct.

Senator ISAKSON. How much of that goes to Israel?

Mr. SASTRY. $3.1 billion.

Senator ISAKSON. Okay. So about 10 percent of all foreign assistance goes to Israel.

Mr. SASTRY. Correct.

Senator ISAKSON. The point I want to make on that is I have been caught, as has every senator, with people who think, well, if you just repeal for the foreign assistance budget, you can balance the budget, and you never have any problems as a country, and our debt goes away. It is probably the best buy we have got in the entire budget for peace and security. And I think "enduring" is an intriguing and accurate word, but I think to know that 10 percent foreign assistance goes to Israel.

And I always ask the question of my constituents who complain about foreign assistance, how much do you think it would cost us to build and maintain a military base in the Middle East? It would be a heck of a lot more than $3 billion a year, so it is a great return on the dollar. Tremendous return on the dollar. "Roman Napoli," by the way, is a great name. You ought to have been at the Oscars the other night. [Laughter.]

Senator ISAKSON. You would have won one. I thought I saw Roman Patoli there, but I guess I did not. Anyway, never mind. [Laughter.]

Senator ISAKSON. In your testimony, you said the accounts—you said the President's funding request for accounts from which USAID administers assistance is $22.7 billion. Is that out of the $50.1 billion total, or is that another pot?

Mr. NAPOLI. No, sir, that is inclusive of the number, and it is inclusive of the $30 billion number that Mr. Sastry used.

Senator ISAKSON. So foreign assistance, USAID, et cetera, et cetera, et cetera, all comes under the umbrella of $50.1 billion.

Mr. NAPOLI. Yes, sir.

Senator ISAKSON. Just out of different component accounts. Is that right?

Mr. NAPOLI. Yes, sir, that is right.

Senator ISAKSON. What about embassy security and embassy improvements around the world? Is that in this $50.1 billion as well?

Mr. PITKIN. Yes, senator, it is, $6.1 billion in total.

Senator ISAKSON. Is there any new embassy or replacement embassy we are building in this budget?

Mr. PITKIN. Yes, we have funding in our Capital Security Cost Sharing Program to build four new embassy facilities, and we can

get the details. But I believe they are in Guatemala City, Kenya, and two others, and I can get back to you on those, but, yes. We have four new embassies in this budget.

[*See* Responses to Questions for the Record Submitted to Deputy Director Douglas Pitkin by Senator David Perdue, Questions 8 and 9.]

Senator ISAKSON. Given what happened in Benghazi and the tragedy, which all of us felt for Ambassador Stevens and the others who lost their lives, have we done a thorough job of reviewing country by country, embassy by embassy, our security and our contingency?

Mr. PITKIN. Yes. Certainly, Senator, after Benghazi and the Benghazi Accountability Review Board, the Bureau of Diplomatic Security, as well as the Undersecretary for Management, the Deputy Secretary of State, led a very detailed review of our embassy security posture, particularly in several dozen of the facilities that were deemed the highest risk. And DS has a number of ways of measuring risk. It is more of an art than a science. But they looked at a number of factors, and they designated several dozen of our overseas posts as high-risk, high threat posts.

And first off, they did create a special directorate within the Bureau of Diplomatic Security called the High Threat Directorate which focuses on these highest-risk posts. It created new programs. They hired new people. They put in place new controls to ensure that those posts were prioritized for resources and received extra attention in terms of having the right security capacity on the ground.

We reprogrammed at that time about a billion dollars of savings that we had gleaned from Iraq and reprogrammed that to both facilities and personnel to basically bolster our security posture at those and other posts. And then we have sustained those investments as part of our ongoing budget request.

And we are still in the process of standing up some increased marine security guard presences at, I believe, 34 total posts. In many cases we still have to work with the local governments, and get permissions, and find the right housing, but we have that funding both in our—part of our base budget to sustain those efforts. And I believe we have implemented all but I think—fully implemented all but two of the Benghazi ARB recommendations, and the last two, I believe, are really because of policy, local host-nation issues, and not because of funding.

Senator ISAKSON. Once you get outside the high premium appointments like ambassador to France, and Australia, and a few places like that, the rank and file diplomat is on the front line of the United States of America, are in embassies around the world that people have never heard of. And they risk their lives to do so, or they put their life certainly at risk.

And I think it is very important that we make sure they know that we care about their security, that we are planning every day to see to it every person deployed overseas on behalf of the United States of America is as secure as they possibly can be and we can make them.

I am a big believer in soft power. It works best when your heavy power is already working and enhanced. But soft power only works if you have the type of volunteers and the type of people willing to commit their life to represent the United States of America. So I—there is no dollar we should spare whatsoever in securing the security of our embassies around the world and the people we recruit for them, and I just wanted to put that in the record because I think it is critical for what you do.

Mr. PITKIN. Thank you, Senator.

And just to complete the thought on the four facilities that we are requesting in 2017: Guatemala City; New Delhi, India; Kampala, Uganda; and Nairobi, Kenya. And we also have other programs that provide compound security upgrades and other safety upgrades to facilities that are not in the near-term schedule for a new compound.

Senator ISAKSON. Well, I have been to two of the four, and they are good choices.

Mr. PITKIN. Thank you, sir.

Senator ISAKSON. One last thing, I guess, while I have got 50 seconds. On Zika, do you all have any input on addressing Zika?

Mr. PITKIN. Yes, we did have input on the request for Zika, although most of that funding was on the foreign assistance and AID side.

Senator ISAKSON. And I think the budget was completed before Zika became an issue, was it not?

Mr. NAPOLI. I think CDC and others have been tracking Zika for some time. The disease is much older, although it had not become as acute as it is now. But we have been trying to work as fast as possible to get where we have gotten.

Senator ISAKSON. One last thing, Mr. Chairman. Let me put a bug in your ear about Zika. In Kansas, in Georgia, in California, and in New York—I think those are the right four States—private hospitals and facilities entered the Ebola battle and caused us to be able to cure some people with Ebola and quarantine them with Ebola, and they spent a lot of their money.

And I think the reimbursement still has not come in some of those cases from Ebola, and there are a lot of people talking about funding Zika out of the leftover money from Ebola. We have got to make sure that it is left over after we have paid every obligation we have to those hospitals that volunteered their time and their services in the Ebola outbreak.

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

Senator PERDUE. Thank you.

Let us move over to Europe for a minute. I had a chance a couple of weeks ago to go to Serbia and actually met the president of Macedonia and a few other leaders over there of other countries, talking about the refugee pipeline from Greece all the way up into Austria, Germany, Norway, and Sweden.

And talked to several families who had been on the road for 35 days. I have to report they seemed to be well fed, clean. They were being taken care of. Nobody was on the road walking. These people were on the train and bus.

But there is an ongoing tragedy over there that is not complete at all. I mean, this thing is really in its early stages, in my humble

estimate. But I think one of the questions, June 2015, the U.N. High Commissioner for Refugees reported that worldwide nearly 60 million people have been displaced. You know, 11 million in Syria alone is one estimate I have seen.

Despite these highs, the total U.S. humanitarian assistance request of $6.2 billion, I think that is 20 percent less than 2016. And further, the amount in the Migration and Refugee Assistance Account in this year's request decreased by about $250 million, $260 million.

What accounts for those decreases in the time when you hear and see this growing demand for assistance with migrants and refugees? Mr. Sastry?

Mr. SASTRY. Thank you, Mr. Chairman.

So, first, you are right. The situation around the world, especially with Syria, is something that has certainly seized everyone's attention, and there is quite a few requirements being driven from—from that crisis.

Our 2016 appropriation gave us $7.6 billion in humanitarian assistance. We thank Congress for the support. It was a nearly 25 percent increase from what we had in 2015.

So when we were building the 2017 budget, what we really did was look at what our needs were across 2 years, across 2016 and 2017, and to see what we could—what was the right amount that would be able to meet the needs while also making sure we balance some of our development funding at the same time because we want to ensure that we are preventing crises in other places of the world as well.

So if you look at it across 2 years, it is nearly $14 billion in humanitarian over 2 years. So that is $7 billion a year. That is still a very strong footprint for humanitarian assistance.

And the other priority we had going forward, and the Secretary mentioned this at the conference in London a couple weeks ago, is as the U.S. continues to be the number-one donor for humanitarian assistance, the other issue that we need to tackle is bringing other donors to the table.

So I think it was a combination of making sure that we have a strong humanitarian funding level over the 2-year period, but also making sure that we are engaging other countries to come to the table.

Senator PERDUE. I noticed Senator Markey has arrived. But before I move to him, there is a follow-up question.

Mr. SASTRY. Sure.

Senator PERDUE. Is State Department having any conversations specifically with any of the Arab countries that are not now participating in this humanitarian aid?

Mr. SASTRY. So I will take that question back. There have been discussions, but I do not have the details and will get back to you.

Senator PERDUE. Well, I am happy to table that until next week. Would you let Under Secretary Higginbottom see if she wants to respond for the record?

Mr. SASTRY. Sure.

Senator PERDUE. Thank you.

Senator Markey, if you are ready, I will yield to you if you are ready?

Thank you.

Senator MARKEY. Thank you, Mr. Chairman. Thank you for having this very, very important hearing.

I would like to go to Ethiopia, if I could, talk about El Nino, talk about this historic impact it is having in Ethiopia. The impact it is having that could lead to malnutrition for millions of kids in Ethiopia, and what we are doing or what can we do to help.

This is clearly an exacerbated form of the climate change impacts that we are seeing, and that part of the world is particularly vulnerable. So could you talk a little bit about that?

Mr. SASTRY. Sure. Thank you, Mr. Senator.

And I actually was recently in Ethiopia a few months ago and was able to see some of the preparations as they were bracing for El Nino.

Our total request in this budget is $513 million for Ethiopia, and that includes a lot of our work in the resilience of communities that are susceptible to the shocks that you see when there is a drought in the drylands.

That also includes a lot of our work with them on governance, on health, and on some of the healthcare—some of the health infrastructure that we help them with.

Senator MARKEY. So how are you coordinating, you know, Feed the Future in your work on this issue? Can you talk about that?

Mr. NAPOLI. We are right now actively looking at what kind of posture we need to have on the response side, and so we have put additional food resources and food aid into Ethiopia since this crisis has become more acute. I want to make sure that we say that first.

Concurrent to that, though, we see the ability for agriculture to make a difference. In a country like Ethiopia, it is a lot about land management, water management, teaching people how to use crops that are drought resistant and really helping them. And I think that we see a lot of that.

You know, Ethiopia is one of the countries that was part of the African Food Alliance, and so those are the kinds of things where they have a direction they want to go. We want to help them get there. But right now, we are really focused on the acute needs that are so evident.

Senator MARKEY. Okay. So how is AID incorporating climate change into the developmental risk assessment, which you are making as you look at the different regions of the world?

Mr. NAPOLI. So I think there is a policy issue at play, and then there is a pragmatic issue. So there is an executive order that the President signed, which requires USAID and other Federal agencies to include climate considerations in all of their programming. USAID has taken that to heart, and so all of our strategies and all of our work and all of our projects now include a climate component, ensuring that we take those things into consideration so that we do not build schools in potential flood zones, so that we consider the availability of water on our agricultural projects.

And I think that is step one in that space.

Senator MARKEY. Okay. So why is that important in terms of using U.S. tax dollars wisely, that we have thought through the climate change impacts on these different regions?

Mr. NAPOLI. There is a project that I was recently briefed on what USAID is doing with NASA, where we are using satellite data to help watershed managers in Pakistan. And the idea is that when we have data about how much water should be flowing, when it should be flowing, looking at that data over the course of a year, multiple years, it helps us to understand how much can be diverted for agriculture. How much needs to remain to keep the aquaculture? Those are the kinds of questions we can begin to answer because we have done the right work, and we have the right technology to do it.

Senator MARKEY. Yes, the problems in Sub-Saharan Africa were actually the first problems, first areas kind of identified as the problem area for climate change. This goes back to 1976, when it was actually on the first day I came to Congress, the story on the front page of the Washington Star, which was the other paper in town at the time, was on climate change and its impacts on Sub-Saharan Africa.

The article talked about how it was going to intensify regional conflicts as they fought over limited resources, that the impacts on water, et cetera, would lead to gangs fighting over what was left over. And so all of that has now been borne out.

And I would just like, if I could, then to move over to Power Africa for a second because two out of three people in Sub-Saharan Africa still do not have electricity, and you are making a request here for additional money for Power Africa. Can you talk a little bit about that and what progress we have made and what you hope to do perhaps over the next 5 years?

Mr. NAPOLI. This request includes $291 million for Power Africa, and I think the ambitious goals that we have set around electrifying Africa reinforces the message that we think these are valuable things.

We have made a tremendous amount of progress. We have already got 4,300 megawatts that have been brought to bear. That is very good for a project that is in its first few years. But what is most important to a lot of us at AID is the fact that we have brought $43 billion of private and public sector investment into the space.

So in an area where USAID is contributing a small amount of funding, all that funding is being matched, doubled, tripled, and quadrupled with private sector funding that is really something that we think is very valuable for an effort that is so broad and such a big policy statement.

Senator MARKEY. Yes. I went with the President to Africa last July, and in Ethiopia, we had a signing of an agreement. And so can you talk a little bit about the geothermal potential in Ethiopia and these other surrounding countries and what we are doing in order to telescope the timeframe it will take to extract those energy resources for the people of those countries?

Mr. NAPOLI. Well, I want to thank you, and thank you for taking the time to make the visit. As a budget person, I think you have tapped my knowledge of geothermal energy. I am sorry. [Laughter.]

Mr. NAPOLI. But I will bring that question back, and we would love to make sure we talk more about it with you and your team.

Senator MARKEY. By the way, I will say that the utility executives and regulators in those countries reminded me a lot of the same executives in America in terms of their "Do we really have to do this? Do we really have to move to geothermal? Do we really have to move to solar? Yes, it is sunny every day here. You know, maybe we could do that."

They had to show up at the ribbon cutting. They had to smile. But you could see they were doing it through gritted teeth.

It is a challenge, but it is a good thing USAID is there. It is a good thing these other agencies are there because they have the credibility to help them to kind of almost double their electricity generation in just 2 or 3 years for the entire country, you know?

It is just amazing, and it is working. And we thank you for your great work.

Senator PERDUE. Senator Kaine.

Senator KAINE. Thank you, Mr. Chair.

And just going to hop through some issues now. I am real interested in this planned Central America investment. We would have reason that if we did it right to be hopeful because the Colombian example of failed narco-state to really progressing economy and democracy and security assistant around the world. I was with Colombian forces in the Sinai as part of the multinational force of observers, watching them do that. I mean, it has been a remarkable transition.

So that should give us some hope that if we make the investments right in Central America, we could see a similar path if we are consistent with it. I hope we might have a hearing about this in the Western Hemisphere Subcommittee to kind of get into the programmatic side. But the key is how do you spend the money? Do you spend it right?

So we just did $750 million in the appropriations bill, and this request is for $1 billion. I think $360 million of it is on the USAID side, and the remainder is through the State budget.

But could you just talk a little bit about how you see us starting down this path? If we help those economies be stronger, we can slow the unaccompanied minors. If we help those economies be stronger, they can become, you know, valuable security partners.

Talk a little bit about there is a lot of ways you can spend that money—infrastructure, education, economic development, security. How do you approach a task like that in terms of how the money should be spent?

Mr. SASTRY. Sure. Thank you, Mr. Senator.

And I will answer a little bit, and I will turn it over to Mr. Napoli, who can certainly speak on some of the AID equities.

As you said, our request in the 2017 budget is $1 billion, of which $750 million is here in the State and AID budget. The other $250 million is with OPIC and DoD, et cetera.

Senator KAINE. I see. Okay.

Mr. SASTRY. The Central American strategy has three pillars, and the administration has set forth a path: one pillar being governance, one being prosperity, and one being security. On the security side, for example, there is a little over $300 million, largely working with the communities to increase rule of law, working with training of police, et cetera.

On the development side, we have obviously the three countries that we are targeting is El Salvador, Honduras, and Guatemala. And each of those have a slightly different bent to how we are tackling the problems, depending on the issues with that country.

Mr. NAPOLI. So I think from USAID's perspective, we always think about what is the cause? Why are we here? What is the issue? And we assess that, and we begin to look at those underlying factors.

For Honduras, clearly, it is economic opportunity. And in El Salvador and Guatemala, clearly, violence is also one of the drivers of migration. In Honduras we have really made significant investments in agriculture, and we have increased farmers' incomes for the areas we have worked by 55 percent. So giving people an incentive to stay, generating those jobs and creating those opportunities. And in El Salvador something that is really interesting is when we get into some of these communities where violence is the most acute, USAID's programming has a very strong effect, and it has—it is mutually reinforcing with what the central governments are trying to do.

So in the 70-plus communities where we were promoting nonviolent programming, we actually saw 60-plus percent reductions in homicide. So we think that there are tremendous investments that we can make and that there is actually numbers to back up those investments.

Senator KAINE. Talk about governance. That is the third pillar. We talked about security. We talked about prosperity.

Mr. SASTRY. Sure.

Senator KAINE. And then governance was the third pillar.

Mr. SASTRY. Right. So in governance, I think one of the areas of focus is really the anti-corruption in a couple of the countries and how are we tackling—how are we helping those countries tackle the issue? So I know there have been, and as you said, if you have a WHA hearing, they can certainly get into the details of how they are exactly doing this. But we have nearly, I believe, a third of that—of our request is for that pillar.

Senator KAINE. Jumping over to Russia, so $1 billion in the request for the Americas, the northern triangle. There is a $4.3 billion request for countering Russian aggression, and I am assuming that is across, you know, the broad area of Europe, Eastern Europe. But talk a little bit about, again, programmatically on that, what are the pillars of that investment? That is a sizable investment. What are the pillars? What are the metrics that we would use?

Mr. SASTRY. Sure.

Senator KAINE. I guess we cannot affect, you know, the inside Russia dynamic, but we can affect the degree to which surrounding, neighboring countries are more resilient to that aggression.

Mr. SASTRY. Sure. So our countering Russian aggression total is $951 million.

Senator KAINE. Okay.

Mr. SASTRY. The higher number you may be referencing includes the DoD European Reassurance Initiative potentially. But the State/AID portion is $951 million.

Senator KAINE. Okay.

Mr. SASTRY. The big difference I think you will see from previous years and what we hope is we will see an improvement in the macro economic conditions in Ukraine is we do not have a loan guaranty in this request. We have done two. We are in the process of completing the third, and we are hoping that we will see a little bit of progress.

But you know, we are working in the countering Russian space not just in Ukraine, Moldova, and Georgia, but also in the Balkans, also in Central Asia, kind of that whole region. And our focus in that area runs the gamut.

A lot having to do with training police and working with law enforcement, rule of law. There is also a lot of governance, especially energy security area, within Ukraine. It is a rather comprehensive approach in the area, but it is not just that. As you said, not just that focus on Ukraine, Moldova, and Georgia, but the broader EUR area.

Senator KAINE. Let me ask about this, and I am surprised I have not asked this question before. I have been going to so many Armed Services hearings the last few years, where we have been talking about the pivot or the rebalance to Asia, as if it is purely a DoD pivot.

Within State and USAID, have you guys made a similar kind of deflection in the direction to, you know, play a larger role in that theater?

Mr. SASTRY. Yes, and thank you for the question.

So our total in Fiscal Year 2017 is $824 million, which is almost a $100 million increase from the previous year. That sustains a strong maritime security presence, which is something that 2 or 3 years ago was at a much lower level than what you are seeing now. And it responds to some of the events in that region.

We also have funding to take advantage of some political transitions. For example, in Burma, there is some additional funding going in there, as well as a strong funding level by almost $300 million in the health area.

Mr. PITKIN. I would just like to add to that briefly.

Senator KAINE. Please.

Mr. PITKIN. I think it is important to note that part of the platform supporting all those programs is the funding for our regional bureaus. Particularly first for the EUR bureau, as well as the EAP bureau, we do have some very targeted increases for increased public diplomacy programming in Russia's neighbors, about $1.5 million.

Also targeted funding for the EAP regional bureau for about $1 million, as well as some of the new embassies are opening up. So while the increase is not dramatic, one of the things we are trying to do in this budget is sustain and restore some of the funding that we, frankly, had to sort of trim or constrain over the last 2 years for the platform for the regional bureaus that are funded under the diplomatic State Department budget as well.

Senator KAINE. Two areas where I think I have seen reductions in funding in this budget request that kind of surprised me, although maybe I am not reading the line items right. Under the International Narcotics Control and Law Enforcement funding, we

have traditionally had funding for Palestinian Authority security sector to work on security cooperation with Israel.

And that has strong benefit for Israel. Israel has been supportive of it. If I read it right, the INCLE funding for the security initiative has been about $70 million a year, but the Fiscal Year 2017 request cut it in half to $35 million. Am I reading that right? And if that is the case, why?

Mr. SASTRY. Yes. You are reading that correctly. That is not a cut to our activities in the program. It is the natural progression of that program. It was very resource intensive. There was a lot of training, a lot of infrastructure, and now we are ramping that down to the size that it should be.

This is not a cut to the current level of effort.

Senator KAINE. You are saying some of the spending in early years might have been one time, such as equipment that you do not have to buy again.

Mr. SASTRY. Correct. And the intensive training early on for some of these policias.

Senator KAINE. Right. You do not have to repeat the training again. I see.

Mr. SASTRY. Yes.

Senator KAINE. Okay. And then there is a second one—and this, Mr. Napoli, is probably for you—on humanitarian assistance. The omnibus we did included a significant increase for humanitarian assistance. But it looks like the Fiscal Year 2017 budget request proposes about a 20 percent cut in that program.

And I wondered, again, do I read that right, and if that is so, why is that the case?

Mr. NAPOLI. When we look at the International Disaster Assistance Account, which is our primary humanitarian account, we take a 2-year view. We look at the generous amount of funding that the Congress appropriated in Fiscal Year 2016, and we compare that and looked across FY 2016 and FY 2017. So FY 2017 was clearly impacted by the Fiscal Year 2016 levels.

For USAID, what is important is we are going to continue to make commitments in places that we have significant humanitarian needs in, and we think we can do that in this budget. We will be responsive in Yemen. We will be responsive in Syria.

So that does not propose any change in our posture. It is just really looking at the fiscal years, looking at the generous allocation that Congress provided and how we would balance that over 2 years.

Senator KAINE. Last question. Mr. Chair, I wanted to just ask—and this may be less budgetary than programmatic. And maybe I could direct it to Heather Higginbottom if it is less pure budget. But that is Zika and our personnel.

So you have put out travel advisories about a whole series, probably 15, Latin American and Caribbean countries where you have, you know, warned Americans, especially if they might be vulnerable because they are pregnant or they could, you know, be in the kind of pregnancy window. You have warned people not to travel.

What are we doing with our embassy personnel or USAID personnel, Federal employees generally. They could with the DEA; they could be with any agency serving in these countries. What are

we doing to try to make sure that we are protecting them as best we can?

Mr. PITKIN. Our medical office, part of the Department of State, has issued guidance, a number of guidance circulars, for both Department of State and other agency personnel working in those embassies. And it contains a number of sort of the same type of guidance that we provide to American travelers, American visitors, and one of the things we are doing is essentially increasing the time in which people, particularly women who are pregnant, with their families can medevac, which is our term of art for when we basically have someone come home for an overseas post, particularly an overseas post with perhaps not the level of healthcare that you would get in the States.

So we are increasing that now, letting people come home basically 6 months earlier than they normally would. Normally, I think the time to come home for is in the last few weeks of pregnancy, and now we are essentially saying that a pregnant woman or employee or family member can come home about 6 months sooner.

And so part of our request in the supplemental is the increased costs that will accrue not just the Department of State, but also some of our interagency partners for that increased cost for coming back to the States sooner.

Senator KAINE. Great. Thank you very much.

Senator PERDUE. Thank you, guys. I just have a few closing questions, and we will try to get you out of here momentarily. Thank you for your forbearance.

The U.N. estimates there are about 13.5 million people in Syria who need help, and I know we are not the only ones providing that help. But how much aid are we providing to Syria?

How do we get it through the restriction that Bashar al-Assad has in place through—how do we get it through our networks of volunteers? How do we defend against fraud? How are we assured that what we are giving is actually getting to the people that we are trying to help?

Mr. NAPOLI. Thank you for the question, Mr. Chairman.

So our assistance total that we are requesting for Syria is $239 million, and that does not include the humanitarian assistance that we will end up giving once we determine it.

Senator PERDUE. Can I put that in perspective? What is the portion we give to Jordan right now?

Mr. NAPOLI. One billion dollars.

Senator PERDUE. Okay. And is all that $1 billion for Jordan refugees.

Mr. NAPOLI. No, not necessarily. No, not necessarily.

Senator PERDUE. Okay.

Mr. NAPOLI. Actually, that $1 billion does not include any humanitarian funding.

Senator PERDUE. I did not think so. Okay. So the $239 million is against zero for somebody like Jordan, for example, on the refugee issue?

Mr. SASTRY. Right. So the $239 million in Syria is not related to the humanitarian. In addition to the $239 million, we do give money to Syria on humanitarian, but that traditionally we determine in the year of execution.

Senator PERDUE. Who are the recipients of the $239 million? I am sorry.

Mr. SASTRY. The $239 million is largely given to support the armed opposition with nonlethal support.

Senator PERDUE. Okay.

Mr. SASTRY. So this is equipment, supplies, food, et cetera.

Senator PERDUE. Is that part of the OCO?

Mr. SASTRY. It is part of OCO. That is correct.

Senator PERDUE. So in terms of humanitarian aid, we are not providing any aid into Syria directly today?

Mr. SASTRY. We are. So we are projecting that we will have to spend about $1.7 billion in Syria in humanitarian aid, but that is an estimate for 2017, depending on the situation, there obviously could be a lot that changes between now and then.

In addition to that $1.7 billion, we are spending $239 million in the country to aid the armed opposition with nonlethal equipment and supplies.

Senator PERDUE. I understand that, but I am really trying to get at are we trying to get money through that very confused battle space to these 13.5 million that we are trying to help? And to put that in perspective, does that come out of the bilateral aid bucket in terms of the budget?

Mr. SASTRY. No.

Senator PERDUE. Where does that $1.7 billion come from?

Mr. SASTRY. It comes from the two main humanitarian accounts, which is the Migration and Refugee Assistance and the International Disaster Assistance.

Senator PERDUE. Okay. What I am trying to determine is, of the $1.7 billion, how big is that relative to the $22.5 billion for bilateral aid or the multilateral assistance, which is only $2.6 billion. I'm trying to put the $1.7 billion in perspective. We heard $3 billion for Israel earlier.

Mr. SASTRY. Right. So I think the $3 billion for Israel obviously does not include any humanitarian aid.

Senator PERDUE. Right.

Mr. SASTRY. If you want to compare——

Senator PERDUE. One way to look at it is that it is part of the $34 billion foreign assistance?

Mr. SASTRY. Yes. Yes. Yes.

Senator PERDUE. Okay. All right. That is all I need.

Mr. SASTRY. Yes.

Senator PERDUE. All right. But what are we putting in place to make sure that money gets through to the people that really need it?

Mr. SASTRY. I do not know if you want to take that?

Mr. NAPOLI. I would be happy to say a few words about that. Thank you, Senator, for asking. Making sure that people get the aid that we are trying to provide is critical to how we think about this, that they are the beneficiaries. The end game is to provide that assistance to them. So we are doing a number of different things, and I know it sounds kind of bureaucratic, but it is really overlaying a couple of different approaches. It is making sure that, before assistance leaves Turkey or before it leaves Jordan we have inspected, that we have made sure the food is what it says it is.

We have third-party monitors that are actually in country that are using technology, cell phones, photographs, other kinds of things to make sure did the truck arrive? Did people receive the assistance?

Senator PERDUE. But in country, is it volunteers that are delivering that assistance?

Mr. NAPOLI. We have a number of organizations that we work with that, yes, they are.

Senator PERDUE. And so what I am trying to get at is what type of oversight structure do we have with them to assure that this is not being absconded to, you know, government forces or whatever that we would not want this aid getting to?

Mr. SASTRY. So I think that is something we can certainly bring back and talk to you about.

Senator PERDUE. Would you?

Mr. SASTRY. Yes.

Senator PERDUE. Okay. Just a little more specificity.

Mr. SASTRY. Yes.

Senator PERDUE. Talk to me just a little bit about the administrative overhead. One of the things, being involved in various philanthropies during my career, you always look at the overhead, right, and how much money is really being spent. If I look at this right, of the $34 billion in foreign assistance, the USAID administration costs are $1.7 billion, round numbers.

Is that the only overhead that we have in the State Department, besides the State operations-related agencies group there? That was some $17 billion. But I am just looking at foreign assistance. Is that the administrative overhead for foreign assistance, the $1.7 billion?

Mr. SASTRY. So our foreign assistance is both State and USAID, have both State and USAID components. So when we talk about our people and platforms that are required, that is the overhead that you talk about, we talk about both on the diplomatic engagement side, that Mr. Pitkin talked about, and the USAID administrative overhead that you just mentioned.

So it is a combination of the two that is required for us to deliver our assistance.

Senator PERDUE. Okay. And then talk to me about, last question I have is, embassy security. One of the responsibilities of this job is traveling out to meet our men and women in uniform and then people on State assignments and so forth, and it really is a great pleasure to meet these people dedicated their lives to serving our country and making lives better for people around the world.

And their security is paramount, as Senator Isakson said, Senator Kaine has said. My question is I know that we have got new embassies around. I was in the Singapore embassy. I know we got a new one in London coming up. There is one under construction in Islamabad, for example.

Can you talk through the expense of these after the Benghazi Review Board? And what are we looking at? Are these billion-dollar, you know, embassies, as we go forward? And I also saw some numbers. I am not prepared today to get into it, but we saw some overrun numbers that were fairly shocking on a few of these.

So can you talk, maybe Mr. Pitkin, if you are the one to address that, and we can bring this up next week as well, but I thought we could get into that today a little bit, if you do not mind?

Mr. PITKIN. Absolutely, Senator. Well, again, it is a twofold issue. One is that, to a certain extent, costs are increasing. The Capital Security Cost Sharing Program was initially authorized I believe about 10 years ago at about $1.4 billion and certainly something that we have seen was that the average cost, just based on the cost of construction, the dollar going up and down overseas, inflation, and particularly in developing economies, costs go up faster than here in the States, that it basically was costing more to deliver the same essentially embassy platform.

Senator PERDUE. Could you provide for us a record, just some of the recent construction projects, what their forecast costs were and then what the ending costs might have actually been? We do not have to do it today, but I think for the record, that would be instructive.

Mr. PITKIN. Right. We can absolutely do that.

Senator PERDUE. Thank you.

Mr. PITKIN. So in addition to the costs going up, we also have to make sure that they are the safest and secure facilities as possible. And so many cases, we are putting in the latest technology, the latest high-volume air conditioning and air flow to provide chemical/biological warfare protection agents. So we are basically having to make sure that these facilities can face and protect against a range of threats, whether it is forced entry, ballistic threats, other types of kinetic threats.

And as we have seen, we cannot just assume that those threats are only limited to the what we would call the high-threat posts or posts like Iraq and Afghanistan. Now certainly embassies and facilities there need extra protection, perhaps overhead cover. If you have been to some of those posts, you have seen the extra steps that we have to take there.

Senator PERDUE. The buffer zones are much larger.

Mr. PITKIN. The buffer zones, yes.

Senator PERDUE. At the London office, that was the reason that was given as to why that had to be relocated.

Mr. PITKIN. Right. The setbacks. And some of those requirements were emphasized in the Benghazi ARB report, and so many times that constrains the number of places that we can find to negotiate with the local government to put those facilities in place.

So it is something we track. OBO, the Office of Overseas Building Operations bureau does its best to maintain within certainly the budget amount for these various embassies. We occasionally do have to come before the committees and make sure that we realign some money if we have an overrun. But usually those are offset by savings that have been identified in other embassies.

So you are right. Overruns sometimes do occur, but we have managed to keep the overall program within the topline level set by Congress.

I actually do want to correct something I said earlier. We actually do have three outstanding ARB recommendations that we are following up on. Two are on the public record, and one can be dealt with in a separate session.

Senator PERDUE. How much prior year embassy construction budget is still unallocated?

Mr. PITKIN. All of their funds have been allocated. They do have a significant unobligated balance, I believe over $4 billion. It is part of what we do report to the Congress. But that is because these projects can take up to 5 years or longer to complete.

Senator PERDUE. So they are already committed. They just have not been spent?

Mr. PITKIN. Right. The projects have been committed, and we essentially have the money there so as the construction proceeds, we fit it out, the money has been allocated and is available.

Senator PERDUE. Thank you.

Senator Kaine.

Senator KAINE. Mr. Pitkin, on the ARB, the unaddressed three, I think I will ask the classified question as a question for the record that can obviously be submitted back classified. But what are the two that are unaddressed? And I think you indicated that they were maybe policy, not funding. But if there are policies that we ought to help with, you know, I would not want to leave this opportunity without it.

Mr. PITKIN. One was Number 7, which dealt with collocation, which is a theme of actually some of the previous embassy security acts, which was to emphasize the need to collocate, to the greatest extent practicable and possible, all chief of mission or U.S. personnel on these secure facilities.

And in many cases, either because of the number and the size of the U.S. Government presence, that is not always feasible, and there are various type of waivers or arrangements that DS and the Department has to reach with other agencies on collocation.

And so that is an area where we are still working through exactly how the process of collocation works.

Senator KAINE. And so I am sure there is a lot of collocation and as you are building new facilities, you do it whenever you can. But that is just going to take some time to get that done?

Mr. PITKIN. Yes, Senator. That does drive some of the cost. In many cases, we are replacing distributed multiple buildings, multiple locations, some leased, some owned, and trying to bring it onto one centralized compound with a setback and all the security enhancements.

The other is camera upgrades. One of the recommendations, Number 20, I believe, was on installing the latest generation of cameras to provide 24–7 coverage. In many cases, we are still, in some cases, still working through some issues of visas and getting access to the specific sites.

And that is really an issue of dealing with the host government of getting the technical experts there onsite to do the installation, and these, of course, have to be cleared American contractors. And so there are some facilities where we are still working through the issues with the local government.

Senator KAINE. So that is not something where, you know, we need to provide policy alteration in order to enable it, but this is just a matter of something that is going to take a while to get fully implemented?

Mr. PITKIN. Yes, sir. That is right.

Senator KAINE. And I will ask the classified question for the record. Thank you, Mr. Chair.

[The question referred to and the Department of State's response follow:]

Question. During his testimony, Douglas Pitkin stated that three recommendations from the Accountability Review Board report have not yet been implemented—recommendations Number 7 and Number 20, regarding the collocation—to the extent possible—of overseas government facilities and upgrading security cameras, respectively. However, he was unable to discuss the third recommendation at the hearing because it is classified. Please provide a classified response to detail this outstanding recommendation and explain in detail why it has not yet been implemented.

Answer. Due to the classification of this subject matter, the Department is submitting a response to the committee under separate cover.

Senator PERDUE. I do have one last question. Going back to Haiti, I did not get to follow up on that.

The GAO issued a report in 2015 on part of what we spent, about $1.7 billion, and it came with two observations, that they found a lack of planning for sustainability of non-infrastructure projects, non-infrastructure. And then also a lack of USAID-wide guidance on how missions should plan for the sustainability for their infrastructure projects.

So two observations. My question is, is what has USAID done to follow up on that report and use Haiti as a learning experience for future investments like that?

Mr. NAPOLI. I am not as familiar with the exact way that we responded to the GAO. We can bring that back to you, but thank you for asking.

[*See* Responses to Questions for the Record Submitted to Roman Napoli by Senator David Perdue, Question 2.]

Senator PERDUE. No, that is fine.

Mr. NAPOLI. I think in terms of lessons learned, there are two things that really stand out to me. There were a number of investments. The port is one of the issues. I mean, we were really trying to support economic recovery in Haiti after the earthquake, and you know, we had an option of building a new port in the northern part of the country or refurbishing the existing port.

And we were able to use cost-benefit analysis, use market research, use a number of tools at our disposal, and we were able to pick an option that actually was more cost effective. So before the first taxpayer dollar went into that project, we knew we had kind of made the best choice with the information we had.

Something else that I would allude to is our ability to bring in the diaspora, and how valuable they can be. The Haitian community is so strong and had such a strong response to the events. And that is something we really want to keep building on, and that is something we have learned.

When we had the earthquake in Nepal and other places, we continue to learn. It is a lesson that is refreshed to us all the time, where we remember and those communities bond together in a time and a place around a certain kind of crisis. And we can work with them to leverage a lot of that and really do something very special in the aftermath.

Senator PERDUE. Well, thank you all. We obviously want to be good stewards of taxpayer money, and that is why we had this hearing. I appreciate your preparation and your testimony today.

But I also want to talk to you and thank you for your career of service. I mean, we can never do this enough. The most humbling thing I have had is to meet men and women in uniform. Senator Kaine has a son that is in Africa now, I believe?

Senator KAINE. Back home now.

Senator PERDUE. Back home now, but has been serving over there. And then you see people in the State Department that every 2 years, they are moving their family and so forth, putting themselves in harm's way. And I just want this for the record to go back that this is a nonpartisan observation, but how much we appreciate that.

We are trying to make sure they are safe. We are trying to make sure this is a career they can continue to build, and they are going to continue to get support from the United States Senate.

So thank you guys for being here. We really appreciate your testimony.

Thank you.

[Whereupon, at 3:59 p.m., the hearing was adjourned.]

Additional Material Submitted for the Record

RESPONSES TO QUESTIONS FOR THE RECORD SUBMITTED TO DOUGLAS PITKIN BY SENATOR DAVID PERDUE

Questions 1 and 2. Based on our discussion, I would like to ask a few more questions on recent broader trends in the State Department's budget. Looking at your overall budget request for the International Affairs budget for FY 17, it represents a 25 percent increase since FY 2008 in constant dollars.

What accounts for this increase in the budget since FY 2008? What accounts caused this increase? What were your biggest driver of increased spending?

Overall, this budget request appears to have some shifting priorities since FY 16. While the overall request has gone down by about one percent, the request for diplomatic engagement has gone up 4 percent. However, the overall the overall foreign assistance request has decreased by 3 percent.

Is that the right direction we should be going in? How do you account for spending more here in Washington, D.C. and less on foreign assistance?

Answer. Increases in spending by the Department of State and USAID since 2008 are primarily due to a greater investments in humanitarian aid and the rising costs of maintaining the safety of our employees stationed overseas.

The Department and USAID have expanded foreign assistance programs in recent years to address increasing global challenges, including addressing conflict and insecurity in Syria, Iraq, South Sudan, the Central African Republic, the Democratic Republic of the Congo, and elsewhere. As part of this effort, humanitarian assistance needs have greatly increased, and we have responded robustly. In recent years, we have also expanded resources to address global health needs, the underlying causes of the migration crisis in Central America and to invest in Asia, as part of the administration's Asia Rebalance effort.

The increase in the Diplomatic Engagement portion of the Department of State budget from FY 2008 to the FY 2017 request is largely attributable to an increase in funding for security projects over this timeframe. Authority for non-security spending has remained essentially flat, while security related spending has more than doubled.

There are three major factors which have contributed to the increase in security related authority:

- The Department of State's priority on maintaining a presence in conflict areas has required funding to protect our persons and assets in those areas. The De-

partment sees great value in having Americans observing at the ground level in conflict areas worldwide. This is true of our missions in Iraq, Afghanistan, and Pakistan. It is also true of missions that the United States maintained in conflict areas such as Libya and Yemen. America needs a diplomatic presence in conflict areas to counter terrorism, sectarian violence, and the spread of conflicts beyond borders.

- The military draw-down in Iraq and Afghanistan has required that security of American persons and assets be provided by State resources. As the military presence has been reduced in these two vital missions, the Department of State has taken on the role of maintaining a secure environment from which United States government personnel can operate. The security situation in these two countries is not only very different now than it was in 2008, but the number of military personnel is far smaller than in 2008.
- Internal reorganizations have moved security related spending to a handful of accounts, increasing these security accounts and reducing the administrative accounts from which the funds were moved. In FY 2008 much of the funding for Diplomatic Security was in the Diplomatic and Consular Programs (D&CP) ongoing operations account. Over time this funding has been moved to the Worldwide Security Protection (WSP) account. Similarly, security related funds in the Embassy Security, Construction, and Maintenance (ESCM) account have moved into the Worldwide Security Upgrades (WSU) account.

The table below groups Diplomatic Engagement budget authority into four categories:

FOUR CATEGORIES OF DIPLOMATIC ENGAGEMENT BUDGET AUTHORITY

D&CP Ongoing Operations	The non-security portions of the D&CP (19-0113) account
Other Diplomatic Engagement	All other non-fee, non-security appropriated accounts except International Organizations (IO)
Security Programs	WSP, WSU, Protection of Foreign Missions and Officials
International Organizations	Contributions to International Organizations (CIO), Contributions to International Peacekeeping Activities (CIPA)

COMPARISON OF APPROPRIATED BUDGET AUTHORITY FOR DIPLOMATIC ENGAGEMENT

FY 2008 Actual Versus FY 2017 Request (Non-Adjusted Dollars in Millions)

	FY 2008 Actual	FY 2017 Request	percent Change (Non-Adjusted)	percent Change (Constant Dollars)[1]
Diplomatic and Consular Programs	5,639	4,957	–12	–21
Other Non-Security Diplomatic Engagement	1,439	1,852	29	16
Security Related Programs	1,949	5,332	174	146
Worldwide Security Protection	1,179	3,715	215	183
Worldwide Security Upgrades	747	1,587	112	91
Protection of Foreign Missions and Officials	23	30	30	17
International Organizations	3,473	3,932	13	2
Contributions to International Organizations	1,409	1,387	–2	–12
Contributions to International Peacekeeping Activities	2,064	2,545	23	11
Total Administration of Foreign Affairs	12,500	16,073	29	15

[1] Dollars adjusted using CPI-U BLS full year average for CY 2008 and OMB President's Budget FY 2017 Assumptions for FY 2017.

Question 3. The growing dependence on OCO to fund America's development and diplomacy programs means that a broad range of programs and accounts that are designed to meet long-term commitments, and historically were funded in the base

budget, now receive a significant share of their funding through a temporary funding mechanism. Given the strain on discretionary resources, this flexibility is important in the short-term but has led to a significant shift in funding from base to OCO for certain programs. For example, nearly 100 percent of U.S. assistance to Jordan is funded through the OCO account in this year's budget request. In another example, the line item for "Contributions for International Peacekeeping" went from being fully base-budget funded in FY 2015 to now 66 percent of the amount has been shifted to OCO in FY 2017.

- Could you expand on the administration's thinking behind these major shifts in funding for long-term programs specifically?

Answer. The Overseas Contingency Operations (OCO) portion of the FY 2017 Request for the Department of State and USAID is $14.9 billion, consistent with the Bipartisan Budget Act of 2015. The Department is also concerned about the shift in balance between base and OCO funding, particularly the substantial increase in OCO funds as compared to base. The Department looks forward to working with Congress to restoring enduring funding levels as we move toward the FY 2018 budget. The President's Budget actually anticipates this by planning for the restoration of $8.7 billion to the International Affairs base budget in FY 2018.

Question 4. The world is facing unprecedented humanitarian crises—conflict and disaster have displaced millions of people. In June 2015, the U.N. High Commissioner for Refugees (UNHCR) reported that worldwide, nearly 60 million persons were forcibly displaced—the highest number on record. Despite these record highs, the total U.S. humanitarian assistance request is $6.156 billion—that's 20 percent less than FY 2016. Further, the amount in the Migration and Refugee Assistance account in this year's request decreased by $267 million.

- What accounts for this significant decrease? Particularly when the causes of this mass migration have yet to be solved?

Answer. Humanitarian assistance remains a top priority for the administration. The United States continues to be the largest bilateral contributor of humanitarian assistance funding. The FY 2017 Request includes $6.2 billion in humanitarian assistance, which is over $500 million above the FY 2016 Request of $5.7 billion.

In concert with the significant resources provided by Congress in FY 2016, the funding included in the FY 2017 Request will help to meet humanitarian assistance needs globally over the next two years.

Question 5. State Department officials have also suggested that the proposed funding reduction assumes an increased share of the humanitarian assistance burden will be taken on by other donors.

- Is responding to humanitarian needs brought on by political crisis, such as in Syria and Iraq, different from those brought on by a natural disaster, such as the earthquake in Nepal or typhoon in Micronesia?
- Does the cause of the suffering come into play when the United States prioritizes recipients of humanitarian assistance?
- How do you respond to critics who argue that humanitarian assistance may actually prolong political crisis?

Answer. While there are some similarities in the response to natural disasters and complex emergencies—including addressing immediate humanitarian needs such as access to temporary shelter, food, clean water and sanitation—there are important differences in response. In a nation that generously welcomed international assistance to respond to a natural disaster, such as the Government of Nepal after the 2015 earthquake, the politics of humanitarian aid are starkly different from a case like Syria, where the government is a party to ongoing conflict that is displacing large numbers of people and is the primary cause of growing humanitarian needs.

Despite differences in response, the United States prioritizes humanitarian assistance based on need, whether that need arises from a man-made or natural disaster. While natural disasters often lead to quick responses, complex disasters caused by conflict may continue for years. Long-term, unceasing violence or oppression may mean that uprooted people aren't able to go home. For example, some 45 percent of refugees today have been displaced for five years or more. A child born in a refugee camp at the start of a crisis will often spend his or her entire childhood away from home.

In addition to the United States, other traditional humanitarian donors include Western European governments, Canada, Japan, Australia, New Zealand and, more recently, the Republic of Korea. At critical junctures in the past few years, the Saudi

Arabia, Kuwait and the United Arab Emirates also have given hundreds of millions of dollars to help cope with the emergencies in Syria, Iraq, and Yemen. We are working to expand cooperation with India in this area and to encourage China to become more engaged on humanitarian issues.

Our efforts to increase engagement on humanitarian issues include diplomacy in addition to assistance programs. The United States is a leader in diplomatic efforts to resolve the conflicts at the root of humanitarian suffering, and we pursue political solutions both bilaterally and multilaterally. Humanitarian assistance does not prolong conflict, although it can sometimes distract leaders from focusing on political engagement.

Humanitarian programs save lives, reduce suffering, and work towards durable solutions for those displaced by conflict and natural disaster. U.S. humanitarian assistance strives to advance America's humanitarian values, maximizing diplomatic and programmatic efforts to provide effective protection and assistance worldwide. The FY 2017 humanitarian assistance budget request seeks to balance rising humanitarian requirements and a difficult budget reality in order to meet basic needs and sustain ongoing programs.

Question 6. How does the current allocation of foreign assistance, both regionally and by sector, reflect larger U.S. foreign policy priorities?

- How could aid, as a tool for foreign policy, be allocated to more effectively address strategic priorities?
- How will you manage foreign assistance programs differently, if at all, in the absence of congressional directives?

Answer. The President's FY 2017 Request for the Department of State and USAID includes $34.0 billion for foreign assistance programs. This request supports key national security, foreign policy, and development mission objectives. Regionally, the request includes $4.0 billion to counter Da'esh, respond to the crisis in Syria, and support humanitarian needs in the region. It requests $750.6 million to bolster the U.S. Strategy for Engagement in Central America and $873 million to support economic development and security efforts as part of the Asia Rebalance effort. It also requests $7.1 billion to support our goals in Africa, including advancing democracy, health, education, economic growth and security throughout the region.

As part of these regional efforts, the Department of State and USAID are also requesting funds to support important investments in critical sectors across the globe. The request includes $2.7 billion for Democracy, Human Rights and Governance programming, one of the core strategic goals of this administration. It also includes $983.9 million to support the Global Climate Change Initiative and $561.8 million for basic education. These are just examples of the important cross-cutting programs requested as part of the FY 2017 Request. All of these investments, plus many others, are critical to ensuring the success of our broader foreign policy and development goals.

The Department of State and USAID always work to ensure the funds are allocated to address strategic priorities. The development of the President's annual budget request for the Department of State and USAID begins at embassies and USAID missions around the world. These requests are based on country-specific priorities and strategies and are organized by mission objectives when they are submitted to the Department of State and USAID in Washington, DC. Department and USAID leadership then review the submissions from the embassies and missions overseas, and make tough decisions to ensure the request supports the most critical regional and global strategic priorities. In coordination with the Office of Management and Budget this results in a final budget request that advances the U.S. government's most important foreign policy, national security, and development objectives. The President's request reflects these priorities when it is submitted to Congress each year.

Once an appropriation bill is passed, the allocation of funds must abide by funding directives included in the bill as well as the Statement of Managers, as required. Within these guidelines, the Department and USAID work to ensure the best allocation of resources in support of strategic foreign policy priorities.

The Department of State and USAID have many shared priorities with Congress. While many congressional funding directives support these shared goals, including advancing democracy or education across the globe, we must be able to respond to changing circumstances and adapt as needed. Often times the world looks different from the time we submit our request until the time we receive our final appropriation. We need to remain nimble.

In the absence of congressional directives, we would allocate funding according to the President's request, which sustains projects, programs, and activities supported

by Congress, taking into account changing circumstances, prior year funding availability, and any new needs that have emerged since the request was submitted. This would reduce our dependence on transfer authorities, which, while incredibly valuable, can be time consuming to execute and thus hinder our ability to move funds and respond quickly.

Question 7. As we touched on during the subcommittee hearing, I am very interested in the Embassy, Security, Construction, and Maintenance (ESCM) account trends, and I appreciate your offer to relay more information on this topic. Currently, how much prior-year Embassy Construction money is still unobligated? Why has that money not been spent yet? Why is the State Department requesting a 6 percent increase in Embassy Construction funds, when you still have significant carry-over from prior years?

Answer. Due to the multi-year nature of the Department of State's overseas construction projects, the Embassy Security, Construction, and Maintenance (ESCM) account is a no-year appropriation that is available until expended. The Department, with congressional encouragement, budgets the full cost of each project up front, but those funds are obligated over several years through the life of the project. Typically, 60-70 percent of the budget is obligated in the first year with the award of the construction contract. The remaining 30-40 percent is obligated in subsequent years for ongoing project costs such as the Department's on site project supervision and construction security, telephone systems and furniture, and construction contingency.

There is currently $8.6 billion unobligated in the ESCM account, of which $8.0 billion, or 93 percent, is associated with over 80 major construction and renovation projects that are in various stages of design or construction. Nearly $3 billion of this is for projects under design for which construction contracts are planned for award by the end of 2016.

All of the unobligated funding is associated with ongoing projects and will be obligated as those projects are completed. Therefore, it is not available for new projects to offset the amounts requested in the FY 2017 budget. In the event that projects have remaining balances upon completion, the Department will apply those funds to future projects via the congressional reprogramming process.

The six percent increase requested in FY 2017 is associated with an increase in Overseas Contingency Operations (OCO) funding to support the final components of transition in Kabul. The FY 2017 ESCM request for Kabul is $282 million, which is an increase of $158 million over the FY 2016 appropriation. Excluding the increase for Kabul, the remainder of the ESCM request is actually a $23 million decrease from the FY 2016 level.

Questions 8 and 9. How often are contractors' bids less than what you budgeted for the project? Please provide specific historical examples, if applicable.

- I understand the FY 2017 budget request includes plans for four new embassy construction projects. Please supply any information you have on these new projects, including location, projected timeline, projected cost, and justification for each project.

Answer. The FY 2017 request includes funding for the construction of several major projects that are currently under design. They include new embassy compounds in Guatemala City; new annexes and security upgrades in Kampala, Nairobi, and New Delhi; a Marine security guard residence and official parking structure in Paris; and the major rehabilitation of embassy facilities in Athens and Moscow. The request also includes construction funding for security and renovation projects in Kabul. These are the only construction projects for which funding is requested in FY 2017.

In addition to the projects included in the FY 2017 request, the Department has 75 ongoing major projects that were funded in prior years. All of these projects are at locations that are among the Department's most vulnerable, with facilities that do not conform to security standards and do not meet co-location and operational requirements. The construction of new facilities is the only feasible option to provide a consolidated, secure, safe, and functional embassy or consulate. The complete list of projects in design or under construction, as of March 2016, is detailed below.

ONGOING EMBASSY CONSTRUCTION PROJECTS

Post	Type of Project	Total Budget (1,000's)	Planned Completion Date
Amman	NOX and chancery rehab	224,600	Oct-18
Ankara	NEC	528,100	Sep-19
Ashgabat	NEC	271,670	Jul-18
Asuncion	NEC	234,682	Aug-20
Athens	Compound rehab	317,000	Feb-21
Beijing	Annex	135,100	Mar-16
Beirut	NEC	1,167,100	2022
Belmopan	MSGR	21,700	Apr-17
Belo Horizonte	COB	42,292	Oct-17
Berlin	Annex rehab	91,300	May-18
Bishkek	Annex	170,800	Oct-16
Brasilia	Housing rehab	2,300	Jan-17
Brazzaville	Warehouse/shops	21,900	Feb-17
Brussels	NATO HQ fitout	132,508	Sep-16
Colombo	NEC	342,100	Jan-20
Dhahran	NCC	339,300	Sep-19
Dhaka	Housing redevelopment	9,460	Jul-17
Dushanbe	Warehouse	21,500	May-17
Erbil	NCC	655,871	TBD
Georgetown	Chancery/Warehouse rehab	50,800	Oct-16
Guatemala City	NEC	499,500	Aug-21
Guayaquil	MSGR	30,600	May-17
Harare	NEC	293,485	Jun-18
Hong Kong	Housing rehab	32,000	TBD
Hyderabad	NCC	364,896	Nov-20
Islamabad	NEC	1,088,840	Mar-18
Jakarta	NEC	497,800	Jun-18
Jeddah	NCC	287,600	Sep-16
Kabul	Annex/Housing	967,900	Nov-17
Kampala	Annex	488,700	Oct-21
Karachi	Housing	67,100	May-17
London	New Embassy	1,030,000	Dec-16
Manila	Chancery rehab	173,366	Apr-20
Maputo	NEC	284,117	TBD
Matamoros	NCC	192,500	May-19
Mbabane	NEC	141,000	Apr-16
Mexico City	NEC	943,065	Oct-21
Montevideo	Chancery renovation	112,800	Mar-20
Montreal	COB	44,343	Oct-16
Moscow	Annex	280,700	Aug-17
Moscow	Compound rehab	231,676	Oct-21
Moscow	Housing rehab	4,800	Sep-16
Moscow	Compound housing rehab	76,255	Oct-21
Nairobi	Annex (Phase I)	130,823	Nov-19
N'Djamena	NEC	230,032	Oct-16
New Delhi	NEC	841,000	2024
Niamey	NEC	287,811	Apr-20
Nouakchott	NEC	213,892	Oct-16
Nuevo Laredo	NCC	156,000	Sep-17
Oslo	NEC	243,500	May-16
Paramaribo	NEC	165,900	Aug-16
Paris	MSGQ/parking garage	59,042	Oct-19
Port au Prince	Housing/support facilities	123,631	Apr-16
Port Moresby	NEC	212,300	TBD
Porto Allegre	COB	59,245	Sep-16
Pristina	NEC	261,500	Oct-17
Rangoon	American Center rehab	26,277	Mar-17
Recife	Consulate Office Building	52,513	Nov-18
Reyjavik	NAB fitout	62,404	Jul-18
Sanaa	Annex/housing	278,000	TBD
Sanaa	DTFS	86,900	TBD
Sarajevo	Warehouse/shops	12,100	Aug-16

ONGOING EMBASSY CONSTRUCTION PROJECTS—Continued

Post	Type of Project	Total Budget (1,000's)	Planned Completion Date
Shanghai	Consular expansion	19,500	Dec-17
Shenyang	COB	17,421	Jan-18
Taipei	NOB	236,468	Dec-16
Tel Aviv	Chancery rehab	55,100	Aug-18
The Hague	NEC	220,000	Jun-17
Tijuana	MSGR	19,000	Sep-17
Tokyo	CMR rehab	7,500	Feb-17
Tokyo	Housing rehab	3,000	TBD
Vienna	OSCE lease fitout	39,570	Mar-16
Vilnius	Phase II	42,200	Jul-16
Wellington	Chancery rehab	65,750	Feb-17
Wellington	CMR rehab	4,500	Dec-17
Wuhan	COB	26,636	Nov-17

It is not uncommon for contractors' bids to be less than the government estimate from which the project budget was based. Such "savings" on an individual project would not be enough to add a new project that was not in the annual spend plan, but an accumulation of several of those lower-than-expected bids, combined with savings from completed projects (final cost of a project was below the budget), may allow the Department to advance a project that was planned for a later year. Any such realignment of savings from one project to another requires Congressional notification.

Questions 10 and 11. Additionally, how many ongoing embassy construction projects are included in this year's request? Please specifically outline each continuing construction project, along with the projected timeline, cost, and justification for construction or upgrades.

- How often are you able to add a construction project that was not in your annual spending plan?

Answer. The FY 2017 request includes funding for the construction of several major projects that are currently under design. They include new embassy compounds in Guatemala City; new annexes and security upgrades in Kampala, Nairobi, and New Delhi; a Marine security guard residence and official parking structure in Paris; and the major rehabilitation of embassy facilities in Athens and Moscow. The request also includes construction funding for security and renovation projects in Kabul. These are the only construction projects for which funding is requested in FY 2017.

In addition to the projects included in the FY 2017 request, the Department has 75 ongoing major projects that were funded in prior years. All of these projects are at locations that are among the Department's most vulnerable, with facilities that do not conform to security standards and do not meet co-location and operational requirements. The construction of new facilities is the only feasible option to provide a consolidated, secure, safe, and functional embassy or consulate. The complete list of projects in design or under construction, as of March 2016 is detailed in table above (Answer to Questions 8 and 9).

It is not uncommon for contractors' bids to be less than the government estimate from which the project budget was based. Such "savings" on an individual project would not be enough to add a new project that was not in the annual spend plan, but an accumulation of several of those lower-than-expected bids, combined with savings from completed projects (final cost of a project was below the budget), may allow the Department to advance a project that was planned for a later year. Any such realignment of savings from one project to another requires Congressional notification.

Question 12. Within the Embassy Security, Construction, and Maintenance (ESCM) request is more than $1 billion to provide for the Department of State's share of the Capital Security Cost Sharing (CSCS) program, which is an interagency shared funding mechanism designed to ensure that each U.S. government agency represented abroad is paying its fair share of construction costs for new and more secure facilities.

- Are all agencies fulfilling their commitments under this program?

- Please provide details and discuss any obstacles that may exist to meeting the full $2.2 billion CSCS level called for by the post-Benghazi Accountability Review Board. Has a failure of others to pay for this expense led to an increased cost to State for maintenance?

Answer. While the vast majority of agencies are fulfilling their commitments under the Capital Security Cost Sharing (CSCS)/Maintenance Cost Sharing (MCS) programs, a few agencies are not.

Some agencies choose to fund improvements to their spaces in overseas facilities to meet their own unique requirements outside the CSCS/MCS program. As spelled out in the Bureau of Overseas Buildings Operations' (OBO) annual program guidance, these are treated as agency-specific projects, and do not qualify as credits to MCS. Yet one agency unilaterally claimed $68 million of unauthorized "maintenance credits" against its FY 2014 and FY 2015 CSCS/MCS bills for work they performed in their spaces in a number of Department of State facilities.

In addition to the unauthorized maintenance credits, the same agency's FY 2015 congressional budget request under-funded its FY 2015 contribution by $62 million, and subsequent Congressional action reduced their FY 2015 funding by an additional $25 million. This resulted in a combined FY 2015 deficit of $87 million. Their FY 2016 appropriation reduced the request by $50 million. As a result, that agency will have underfunded the program by $205 million over FY 2014–2016.

A second agency had its appropriations for CSCS/MCS reduced by $7.5 million in both FY 2015 and FY 2016, for a total of $15 million over the two-year period.

The FY 2014 shortfall did result in the Department of State paying $38 million more than its fair share of the costs for the MCS program. In FY 2015, the shortfall resulted in the deferral of a critical rehabilitation project in Manila, Philippines.

The Department believes that the cost sharing program is effective as currently structured, as long as agencies pay their fair share as required by legislation. Since its inception in FY 2005, the program has allowed the Department to fund more projects and relocate many more people to safe, secure, and functional facilities than would have been otherwise possible; to date more than 35,000 people have been moved. In addition to delivering a robust funding source for embassy construction and maintenance, the cost sharing mechanism provides an incentive for agencies to rightsize their overseas presence.

Fully achieving the goals of the program is impeded by the failure of some agencies to pay their fair share—due either to internal decisions by the agency to pay less than the amount due, or to Congress failing to appropriate the amount requested by the agency to pay their bill. Congress has provided a remedy for such actions in Section 7004(a) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2016 (Div. K, P.L. 114-113), which states that:

> . . . a project to construct a diplomatic facility of the United States may not include office space or other accommodations for an employee of a Federal agency or department if the Secretary of State determines that such department or agency has not provided to the Department of State the full amount of funding required . . .

To date, the Department of State has not taken such action, as we have been working with the tenants to resolve their delinquent balances. However, the Department is strongly considering invoking Section 7004(a) this fiscal year should tenant agencies fail to provide their full share of the program.

Question 13. The Diplomatic & Consular Programs budget request for FY 2017 represents a 6 percent increase from last year. This includes pay for local, non-U.S. staff at diplomatic posts.

- Could you explain why the Department set a policy to pay local staff at posts at the 60th percentile or more of their local labor markets?
- What is the justification for the 60th percentile tie?Why wouldn't pay be based on the recruiting and retention needs of each post?

Answer. The Department of State endeavors to compete with other progressive local, multi-national and international employers in each of the labor markets where we employ local staff in support of our Missions.

After the three-year wage freeze, the Department developed a policy and strategy to adjust the compensation of local staff in their respective local labor markets. In an effort to recalibrate the market position of our employees in their local labor market, the Department began moving employees from the 50th percentile of their local labor market (an average position in the market) to the 60th percentile of their local labor market when setting salary rates. As we continue to calibrate labor market positions and consistent with the policy, the Department developed criteria to

determine how competitive a Mission needs to be in the local labor market based on a set of factors applied globally. These factors are: A) attrition, B) recruitment, C) economic and political uncertainty, D) unemployment, and E) unique labor market conditions. A review of these factors at each Mission is used to determine if placement should be at the 60th percentile or higher in order to recruit and retain the caliber of local staff needed to ensure our Missions advance priority policy and programmatic objectives.

Pay is based on the recruiting and retention needs of each post. Each post calculates salary levels based on the local labor market. This ensures that salary amounts are individualized to each post's recruiting and retention needs. While the percentile level may be globalized, as needed, the actual dollar amounts differ.

Question 14. In order to support implementation of its new Cuba policy, $3.8 million is requested within the Diplomatic and Consular Programs account for infrastructure improvements to the U.S. embassy in Havana (converted from an interests section last year), and additional funds are requested for additional staffing at the embassy.

- Could you describe what impact, if any, that the conversion of the Interests Section to an Embassy has had on our bilateral relationship?
- What further steps, if any, are contemplated in the context of this budget in support of the new administration's Cuba policy?

Answer. U.S. Embassy officials are able to travel more freely in Cuba since the re-establishment of diplomatic relations. For the first time in decades, some embassy staff can travel throughout the island without providing advance notification to Cuban government officials. Free travel allows us to broaden our contacts with average Cubans and promote more diverse people-to-people engagement.

U.S. officials at the U.S. Embassy in Havana are also able to more effectively engage with a broad range of Cuban government counterparts since the re-establishment of diplomatic relations. As a result, U.S. and Cuban officials, including U.S. Embassy officials, were able to negotiate an arrangement to restore scheduled air service between the United States and Cuba, sign a joint statement on environmental protection cooperation, and agree on a pilot program for the direct transportation of mail between the United States and Cuba. These instruments, as well as others we are negotiating related to counternarcotics cooperation, law enforcement cooperation, and oil spill prevention and response, put in place the mechanisms for bilateral cooperation on these issues going forward.

Additionally, re-establishing diplomatic relations has facilitated bilateral dialogues with Cuban government officials regarding important areas in which we had previously limited engagement, such as U.S. claims against the Cuban government.

The FY 2017 budget request for Diplomatic and Consular Programs would allow U.S. Embassy Havana to increase staff and improve the embassy's unsafe and aging facilities. At present, our diplomats work in poor and deteriorating conditions. The budget request would support basic repairs. The U.S. Embassy requires additional U.S. personnel to support an already overburdened platform. Since August 2015, the embassy has supported a range of high-level visitors, including a visit by the President and four Cabinet-level officials, four separate Cabinet-level visits, and visits by more than 50 members of Congress. This high-level focus will not subside any time soon.

A mixture of reporting and support positons are required to deepen U.S. understanding of Cuba's political, social, and economic environment; oversee maintenance upgrades; conduct human rights monitoring and advocacy; and deepen law enforcement cooperation on issues such as fugitives and counternarcotics. Adding these positions is vital to protecting U.S. national security and advancing U.S. national interests, especially our economic and commercial interests.

Question 15. The State Department, as requested, has been provided by the Congress with a substantial influx of additional resources since FY 2013 to address global diplomatic security needs.

- How are these resources contributing to the security of our diplomats abroad?
- To what extent are the requests for higher levels of spending likely to persist into future years?
- How are you balancing funding for and attention to securing high threat posts against the possibility that less threatened posts will be targeted--bearing in mind that Kenya and Tanzania were not considered high threat when they were bombed in 1998?

Answer. Diplomatic Security programs protect thousands of Chief of Mission (COM) personnel, and the facilities and data systems on which these personnel rely, at 275 overseas posts and 125 domestic offices. The Department's budget request reflects the administration's commitment to:

- Prepare U.S. government personnel posted overseas under COM authority for assignments to critical and high threat posts;
- Manage a full spectrum of counterterrorism, criminal, and special investigations to include violations of laws regarding U.S. passports and visas, defensive counterintelligence programs, and interagency liaison functions. Investigations include analysis involving terrorist threats, incidents, and hostile activities directed against U.S. government personnel, facilities, and interests around the world;
- Provide robust and nimble information security protection that keeps pace with changing technology;
- Leverage the latest physical and technical countermeasures for use worldwide; and
- Conduct initial and periodic vetting of all employees and contractors in positions that require security clearances, access to sensitive intelligence, or public trust certifications.

The Bureau of Diplomatic Security conducts regular, integrated budget and performance reviews over the course of the fiscal year. These reviews inform resource requirements, and provide for the informed and accountable development of future budgets. Resources are finite. Therefore, the Department carefully manages its resources to ensure that emergent priorities are addressed as quickly as possible in order to keep our people safe at all of our posts worldwide. We apply the lessons learned from previous attacks to all of our facilities.

Although the unique conditions at each post dictate a specific approach to providing security for facilities and personnel, such as a post-specific travel policy, there are a number of programmatic commonalities that apply worldwide, regardless of threat levels and local security environments, including:

- The need for construction of hardened, secure facilities with setback where older facilities fall short;
- The use of appropriate technical and physical security technologies and countermeasures;
- The development and maintenance of a well-trained, well-equipped and flexible cadre of security professionals across a variety of disciplines;
- Training to deal with enhanced-risk environments: the Foreign Affairs Counter Threat (FACT) course will be required for all Chief of Mission employees serving overseas by January 1, 2019;
- The deployment of a wide range of technical security equipment needed to protect our facilities and people;
- Close cooperation with interagency partners and host country security agencies to detect, deter and disrupt threats directed against U.S. interests abroad; and
- Soft target funding for physical and technical security improvements at international schools.

While risk can never be completely eliminated from our diplomatic duties, we work to constantly mitigate it, regardless of the threat level. The Bureau of Diplomatic Security is also fortunate to retain no-year availability authority on Worldwide Security Protection funding. Continuation of this authority provides the Department essential flexibility to sustain complex, global security programs, and to adjust mitigation responses as security threats evolve, not only at high threat posts, but at all diplomatic locations.

Additionally, the Department prioritizes the construction of safe and secure embassy and consulate facilities to replace those that are most vulnerable. Under the direction of the Bureau of Overseas Building Operations, 129 projects have been completed since the 1999 enactment of the Secure Embassy Construction and Counterterrorism Act—moving more than 35,000 people into safer and more secure facilities. Funding in FY 2013–2015 has allowed us to move forward with the following projects:

- FY 2013—New Embassy Compounds (NEC) in N'Djamena, Chad; Nouakchott, Muaritania; Paramaribo, Suriname; and The Hague, Netherlands; as well a new office annex in Amman, Jordan and new housing in Karachi, Pakistan; and

- FY 2014—NECs in Ankara, Turkey; Ashgabat, Turkmenistan; Harare, Zimbabwe; Maputo, Mozambique; and Pristina, Kosovo; as well as New Consulate Compounds (NCC) in Erbil, Iraq and Nuevo Laredo, Mexico. In addition, Marine Security Guard Residences were funded in Belmopan, Belize; Guayaquil, Ecuador; and Tijuana, Mexico.

Question 16. The State Department requested more funds than were actually needed for Ebola response in FY 2015, and my understanding is that some of those funds are still floating around the State Department. Budget documents suggest that the proposed boost in malaria program funding would come in part from unobligated emergency funds to counter Ebola, if authorized by Congress.

- Could you discuss the $1.3 billion in unobligated Ebola funds?
- Why are these funds no longer needed to address Ebola?

Answer. The Department of State and USAID were appropriated $2.5 billion in Ebola emergency funds. As of January 1, $1.2 billion in foreign assistance funding and $34.3 million in diplomatic engagement funding has been obligated for the State-USAID Ebola emergency response and recovery efforts. $2.1 million in diplomatic engagement and nearly $1.3 billion in foreign assistance Ebola funding is unobligated. The bulk of this unobligated funding is, however, planned for critical ongoing Ebola response and recovery efforts in West Africa, including ensuring our ability to rapidly and effectively respond to new Ebola cases as well as addressing the needs of the survivor population, and activities to support the Global Health Security Agenda over the next five years.

While the height of the Ebola epidemic is over, a majority of the unobligated Ebola funds are, in fact, still needed to sustain our ability to support Ebola recovery efforts and maintain our readiness to respond to flare-ups as they occur. While we do plan to maintain some resources to ensure we can meet ongoing Ebola needs, we anticipate some availability with remaining Ebola funds to address other critical health threats.

Malaria remains a major cause of morbidity and mortality in sub-Saharan Africa, with a number of high burden countries in West and Central Africa. Malaria globally infects over 200 million people and kills over 400,000 people annually. As such, the FY 2017 Budget proposes to allocate approximately $129 million from remaining USAID Ebola funds to fight malaria. The administration believes that this is an appropriate use of remaining Ebola emergency funds because malaria is a dangerous infectious disease that continues to kill many, particularly children under the age of five, including in the Ebola-affected countries of West Africa.

Question 17. Do you anticipate that the outbreak of the Zika virus in Latin America, which came to international attention after this budget request was formulated, will impact plans for global health assistance allocations in FY 2017?

Answer. At this time, there are no changes to the FY 2017 Global Health request. The response to Zika requires immediate action. The FY 2016 emergency supplemental appropriations request would be our primary response to Zika. We are also exploring additional authorities to use available funds, including remaining funds in the Ebola supplemental appropriations.

We should not divert funding from other important Global Health challenges for Zika. This would undermine our ability to achieve important global goals—such as ending child and maternal deaths and protecting communities from infectious diseases, including completing the response to Ebola, building global health security capacity, and addressing tuberculosis. These issues currently claim millions of lives each year—and most of these deaths are preventable, and doing so has been a priority of the U.S. government for many years. The experience over the last several years with outbreaks of Ebola, SARS, MERS-CoV, avian influenza and Zika has underscored the point that infectious disease outbreaks will happen and they can have devastating impacts locally and globally if they are not prevented and mitigated.

Ensuring effective prevention, detection and response of such outbreaks is at the heart of global health security. If Zika continues to spread around the world, and response needs exceed the emergency funding capacity we have requested, we will have to explore and review the options available to address the changing epidemic.

Question 18. If unobligated funds are not necessary for Ebola programs, why did the Department choose not to apply them to addressing the Zika virus instead of seeking an emergency supplemental? Since the State Department has so much transfer authority, coupled with the unobligated funds, is a Zika supplemental really necessary?

Answer. While we anticipate some availability with remaining Ebola funds to address other critical health threats, a majority of the funds are still needed to sustain

our ability to support Ebola recovery efforts and maintain our readiness to respond to flare-ups as they occur. The FY 2016 Zika supplemental request of $376 million reflects our best estimate, given current information, of potential Department of State and USAID needs for the Zika response at this time; however, there remains significant uncertainty around the scope of the Zika challenges we will face. As such, the President's FY 2017 Budget and the FY 2016 Zika supplemental request authority to use unobligated Ebola funds for other infectious diseases, such as Zika, in addition to Ebola. This authority would allow us to consider the use of Ebola funds to address Zika and other future infectious disease outbreaks, if needed, beyond the currently identified needs. We should not short-change our ability to address either of these important health challenges.

We should not divert funding from other important challenges, particularly Global Health, for Zika. This would undermine our ability to achieve important global goals—such as ending child and maternal deaths and protecting communities from infectious diseases, including completing the response to Ebola, building global health security capacity, and addressing tuberculosis. These issues currently claim millions of lives each year—and most of these deaths are preventable, and doing so has been a priority of the U.S. government for many years. The experience over the last several years with outbreaks of Ebola, SARS, MERS-CoV, avian influenza and Zika has underscored the point that infectious disease outbreaks will happen and they can have devastating impacts locally and globally if they are not prevented and mitigated. Ensuring effective prevention, detection and response of such outbreaks is at the heart of global health security. If Zika continues to spread around the world, and response needs exceed the emergency funding capacity we have requested, we will have to explore and review the options available to address the changing epidemic.

Question 19. Given the challenges the Ebola outbreak presented, how do you know that you've requested the right amount for the Zika virus response? Isn't this the type of contingency that State should normally be able to handle in your regular and OCO budgets?

Answer. The Zika supplemental request reflects our best estimate given current information of potential needs to address Zika at this time, primarily in the Global Health Programs account. However, we continue to face significant uncertainty around the scope of the Zika challenges we will face.

As such, the President's Budget and the Zika supplemental request expanded authority to use unplanned Ebola funds for "other infectious diseases" so we can consider the appropriateness of using Ebola contingency funds for Zika if needed beyond the needs identified.

Similarly, Section 7058(c) of the Department of State, Foreign Operations, and Related Appropriations Act, 2015 (Div.J, P.L.113–235) potentially gives us another route to respond if Zika needs outpace what we have requested in the supplemental. But while we appreciate the flexible authority Congress provided to meet urgent health crises, we cannot keep diverting funds from other important health and development priorities to respond to outbreaks. We need to balance taking limited funds appropriated for other purposes with the needs of the current crisis.

Question 20. The FY 2017 budget repeats the administration's FY 2016 request for deep budgetary cuts to a number of State Department-funded institutions. In your budget request, "related programs" decreases 35 percent from last year. This includes the Asia Foundation and the National Endowment for Democracy. According to the State Budget Justification, "the mission entrusted to NED by Congress more than 30 years ago remains as urgent and as important as it has ever been." If the NED's mission is as urgent and as important as it has ever been, please provide the department's rationale for requesting significantly lower funding for these organizations, as has been done in prior years.

- Is this a signal that these organizations are less important or impactful than they historically have been?

Answer. The Department of State recognizes the importance of both the National Endowment of Democracy (NED) and the Asia Foundation. However, given the Bipartisan Budget Agreement constraints on the enduring "base" funding for the Department of State and other agencies, the FY 2017 request required difficult tradeoffs among competing priorities, such as the normalization of Iraq, Afghanistan, and Pakistan ongoing operations into the base budget, and has necessitated constraints to other program and management priorities. The annual Department of State budget is spread across missions and programs worldwide, requiring trade-offs during the budgeting process. As a result, the FY 2017 request for both accounts was straight-lined from the President's FY 2016 request. While lower than FY 2016, the

requested funding would be sufficient to maintain each organization's principal mission. Further both organizations have been successful in securing additional program funds income from other Federal and non-Federal sources. In FY 2015, the Asia Foundation secured $68.7 million in other funding, and NED secured $1.8 million.

Question 21. In the fiscal year 2014 omnibus appropriations bill, Congress told the administration that no less than $2.85 billion dollars should be spent on democracy programs, yet when the actual totals came in, only $1.9 billion had been spent.

- Can you please explain why democracy programs were underfunded by nearly one billion dollars in FY 14?

Answer. The U.S. government believes that Democracy, Human Rights and Governance (DRG) programs are essential to achieving and sustaining global development goals, as well as U.S. foreign policy objectives.

As part of the annual budget process, and pursuant to Section 653a of the Foreign Assistance Act of 1961, USAID and the Department of State must provide a report to the Committees on Appropriations that details what our planning levels will be for all sectors and countries. Once there is agreement, the administration seeks to meet the Congressionally directed requirements, while supporting administration and Congressional priorities. In the end, in FY 2014, it was not possible to meet all Congressional directives and still fulfill these shared priorities.

There are several reasons why we did not meet the suggested level for DRG in FY 2014. First, the amount of funding in a number of Congressionally directed sectors in the enacted bill were higher than requested, as such, tradeoffs were required to balance Congressional and administration priorities. Second, emerging opportunities or closing spaces required us to revise our planning and move some programming outside of where it was initially allocated or requested. Finally, there were account level reductions from the President's budget request and the FY 2013 enacted levels in FY 2014 that made it difficult to meet all of the shared priorities.

The FY 2017 request for DRG programs for USAID is $2.3 billion, and we will continue to work towards meeting our highest priority goals in this sector, even when we face constraints.

Question 22. Because democracy, human rights, and governance (DRG) funding was so hard hit in FY 2014 and again in FY 15, Congress for the first time included a hard protection for DRG funding in the FY 2016 omnibus, stating that the administration "shall" spend no less than $2.308 billion on democracy programs. This was to prevent, for example, funds being diverted to clean water or climate programs that also happen to build good governance.

- How will the administration ensure that during the remainder of FY 2016 the full amount of this funding truly goes to DRG programs and is not used for other programs that have merely a secondary democracy or governance benefit?

Answer. USAID appreciates Congress's support of Democracy, Human Rights and Governance (DRG) programs, which are an essential aspect of U.S. foreign policy and sustainable, global development.

The $2.3 billion earmark in FY 2016 will be allocated to core democracy, human rights and governance programs. In addition, USAID and the Department of State will continue to measure and invest in the integration of DRG principles and practices into programming outside of the DRG sector. This responds to USAID's commitment to improve development outcomes through the integration of DRG principles in the 2015 Cross-Sectoral DRG Integration Action Plan and is responsive to the 2015 Quadrennial Diplomacy and Development Review (QDDR), which contends that "accountable, democratic governance is the surest way to expand social and economic opportunities" and "societies that allow citizens a say and a stake in their success are more stable, prosperous, and secure."

For example, an agriculture project that uses a community-based development approach to engage historically marginalized groups in the design and implementation of community development plansintegratesDRGprinciples, but would not fall within theDRG earmark set by the FY 2016 Appropriations bill.

Question 23. In Africa, for example, DRG funding has decreased by almost 50 percent since FY 12, and between FY 12-FY 15, five countries (South Sudan, Liberia, DRC, Zimbabwe, and Kenya) received more than 60 percent of the DRG funding for the entire region.During this same time frame, in Latin America and the Caribbean, four countries (Mexico, Colombia, Cuba, and Haiti) received 58 percent of the region's total DRG funding. In South and Central Asia, Afghanistan and Pakistan receive 98 percent of this funding.

- In the FY 2017 budget request, which countries receive democracy, human rights, and governance funding and which do not?
- Why were the countries that are not receiving DRG funding under this budget excluded?

Answer. The 81 countries that would receive Democracy, Human Rights, and Governance (DRG) funding in the FY 2017 request, in addition to central and regional allocations, are noted in the summary tables of the of the Congressional Budget Justification. Several factors are used to determine the countries that will receive DRG funding:

- We consider the need for DRG assistance in a country based on the specific country context.
- We assess whether DRG programs are likely to be effective, including the willingness of the host government to permit such programs to operate.
- We factor in U.S. government foreign policy and development priorities, and prioritize countries based on the availability of assistance resources after taking into account legislative directives. In some cases, regional DRG funding is considered to be a more effective approach than bilateral funding.
- In most cases, countries where we do not request DRG funding are places where the need for DRG assistance is lower than elsewhere, where it may be more difficult to conduct programs; or where the likelihood of having an impact is very low.

Question 24. How is the FY 2017 budget request reflective of the 2015 Quadrennial Diplomacy and Development Review's (QDDR) conclusions?

- The QDDR is mentioned only in passing in the budget summary. How is the budget investing in improving the Department's use of data and diagnostics, a key theme of the QDDR?

Answer. The FY 2017 budget request supports new initiatives in the 2015 Quadrennial Diplomacy and Development Review's (QDDR) Implementation Plan with $6.4 million focused on the administration's diversity priority, cost saving opportunities pertaining to securing clearances for eligible family members as they move from post to post, our focus on countering violent extremism and data analytics and strategic planning efforts. Not all of the QDDR conclusions require additional FY 2017 resources to implement; rather, the Department is realigning resources to address these 2015 QDDR recommendations, specifically $4.7 million in FY 2016 resources are focused on QDDR initiatives.

- The over $12 million requested in the FY 2017 budget invests in strengthening the Department's use of data analytics. This funding supports: 1) the Global Engagement Center's efforts to counter extremist groups' messaging; 2) the Department's focus on rightsizing overseas staffing; 3) ensuring data is accurate and up-to-date, particularly in Post Personnel, eCountry Clearance (eCC), Active Directory, and the Real Property applications; 4) analyzing public diplomacy data to advance our U.S. foreign policy priorities and American interests, and; 5) streamlining the budget and planning processes at the Department.

Question 25. The QDDR called for a broad discussion on physical risk with Congress and the American people, as well as adapting to a culture that supports programmatic risk to encourage innovation. Where do you believe we stand today in the discussion on these two sets of issues?

Answer. Secretary Kerry has raised the issue of the risks and dangers inherent in conducting diplomacy in many parts of the world today. The Secretary has highlighted this issue in remarks to public audiences—including his October 2015 speech at Indiana University—and in conversations with Congress. In line with the Quadrennial Diplomacy and Development Review (QDDR) recommendation, we are currently planning to intensify our engagement with Congress, the private sector, NGOs partners and others about the realities of our work and the way we manage risk.

In March of last year, the Department published a formal Risk Management Policy that emphasized that advancing U.S. foreign policy objectives involves diverse types of risk and requires employees to engage in risk management for the decisions and activities within the scope of their duties. A central goal of the new risk management policy is to guide employees as they identify, manage, and mitigate risks in developing policy and implementing programs. Since the guidance was published the Department has worked to institutionalize the new policy, and implement a standard approach for managing and mitigating risk across our work.

Question 26. In the 2015 Quadrennial Diplomacy and Development Review (QDDR), the State Department pledged to enhance the use of data and diagnostics in decision-making. Can you tell us where these efforts stand, and what is included in the FY 2017 budget request to improve data collection and analysis?

Answer. The Department remains committed to enhancing its data and its data analytics capacity. We recognize the importance that data and its analysis should play in policy and decision-making as well as in operations, planning, monitoring, and evaluation. The Department has recently chartered a small group of qualified data science officers and researchers, led by a senior Foreign Service Officer (FSO) who has been assigned as the Director of Data Analytics. This group aims to serve as a hub for data analytics by creating a community of practice dashboard that connects analytical offices. It is also performing limited data analytics functions for the Department and supporting other bureaus and offices that do not have analytical capability. Furthermore, per the 2015 Quadrennial Diplomacy and Development Review (QDDR), the Department continues to expand on the foundation of its Enterprise Data Quality Initiative and build a common data platform for Department use.

On a broader scale, over $12 million was requested in the FY 2017 budget to further build the Department's broader data analytics capacity. This funding would support:

- The Global Engagement Center's efforts to counter extremist groups' messaging;
- The Department's focus on rightsizing overseas staffing;
- Ensuring data is accurate and up-to-date, particularly in Post Personnel, eCountry Clearance (eCC), Active Directory, and the Real Property applications;
- Analyzing public diplomacy data to advance our U.S. foreign policy priorities and American interests; and
- Streamlining the budget and planning processes at the Department.

Question 27. Evaluation of progress and effectiveness should be driving the budget conversations in every federal agency.

- Can you provide any examples of how evidence and evaluation were used to drive changes in programs, and ultimately, budget decisions?

Answer. In implementing the Department of State's evaluation policy, bureaus have launched a number of types of evaluations including program evaluations, process evaluations and organizational assessments. As seen in the examples below, these assessments and research have helped refine strategies and increase efficiencies.

The Bureau of International Information Programs (IIP) conducted an evaluation of its American Centers that has provided senior staff with quantitative and qualitative information they can use to consider programmatic choices. A number of the evaluation recommendations—or key considerations—touch on the issue of strategy and focus. This material has supported or informed the IIP's current approach of focusing the majority of American Spaces funding on a smaller number of strategically important centers.

The Bureau of African Affairs conducted an organizational assessment this past year examining how the bureau was organized, how workload compared to that of peer-bureaus, and how staff skillsets fulfilled requirements for their position. Findings indicated that the operational tempo of the bureau had increased relative to its staffing structure, and led to a reorganization of bureau structure and plans to augment certain skillsets in existing staff so that the bureau could fulfill mission requirements.

The Bureau of Budget and Planning conducted an evaluation of its foreign currency exchange management in the past year. Benchmarking current processes helped identify options to better integrate post-level exchange rate adjustments into budgeting, accounting, and reporting process. These recommendations provide guidance for designing a new foreign currency management system.

The President's Emergency Plan for AIDS Relief (PEPFAR) in the Office of the Global AIDS Coordinator is an example of using multiple evaluations to shift the way a large program operates. As stated in the PEPFAR Blueprint for Creating an AIDS-free Generation, we must go where the virus is and put our resources where we can achieve the greatest impact. PEPFAR used data from evaluations to strategically target populations at greatest risk in geographic areas with the highest HIV-burden. Expanding site-level data collection and analyses across the entire PEPFAR initiative permitted improved geographic mapping of the HIV epidemic and supported decision-making to strengthen programmatic impact and efficiency.

A mid-term evaluation of a program by the Office of Global Women's Issues to provide new and expectant mothers with information, education, and support to im-

prove maternal and child health found the implementer needed more empowered local staff, more local collaboration, and better ties to the Ministries of Health and Education in country. Lower literacy rates than the implementer had previously dealt with required a different design and approach to dissemination. Recommendations were used to correct the project course by providing solutions to meet the goal of a replicable, locally owned program. In addition, plans were made to use data from the mid-term evaluation to perform an end-of-project impact evaluation.

In USAID's Mozambique mission, findings from an impact evaluation showed that pairing reading instruction interventions with school management support improved reading outcomes more than reading instruction alone. This shaped the implementation model and led to the government requesting that the activity be scaled up from 120 schools to 1,060 new schools, while expanding from grades two and three into grade one. The evaluation findings are also guiding the design of an early grade reading activity and recommendations on galvanizing community participation have been incorporated into the design of a new Mission-wide civil society advocacy activity. Other donors and the Ministry of Education have used the findings and recommendations to launch new early grade reading programs, community mobilization efforts, and applied research studies.

In another example, USAID refocused health programming in the Latin America and Caribbean Region following baseline assessments and resulting criteria development. As part of strategic efforts to focus and concentrate on ending preventable child and maternal deaths, USAID reallocated resources from lower need, middle income countries to higher need, low income countries. Between FY 2008 and FY 2015, USAID graduated or phased out health programs in Honduras and El Salvador among other Latin American countries, following a family planning baseline assessment and established graduation criteria.

Question 28. U.S. development assistance should foster long-term self-sufficiency and ultimately support partner countries transition from foreign aid. The FY 2016 Omnibus Appropriations bill included an important provision requiring all future country development strategies to include a plan for transitioning over time away from foreign assistance.

- How are you approaching these transition plans?
- Have you considered developing clear, measurable, and realistic benchmarks for country transition, such as benchmarks for social and economic progress across social groups, public sector capacity, or the enabling environment for civil society and the private sector?

Answer. Transition planning is already being incorporated into USAID's Country Development Cooperation Strategies (CDCS). Decisions about the necessary scope of transition planning for a particular mission are made during the early stages of strategy development, including the type of transition a mission is planning and over what timeframe. For example, transition could include phasing out of a particular sector, planning to transition assistance from programmatic to advisory, or phasing out of a country entirely. Development strategies, including any transition planning, are cornerstones of our whole-of-government Integrated Country Strategies (ICS) and we will be requiring all of our missions to consider foreign assistance transition planning more broadly in ICS development going forward.

As part of its efforts to transition away from historic levels of assistance, USAID recently has reduced its full mission presence to either a non-presence status or a smaller office in the following countries: Mongolia, Namibia, Benin, Albania, and Macedonia.

Setting end goals for foreign assistance and benchmarks towards achievement of those goals is integral to our approach to transition planning for development. These goals and benchmarks will be dependent on particular country contexts, rather than set at a corporate level. Given the variety of contexts in which we work, and the range of U.S. government interests in those countries, our approach is to develop broad guidelines while preserving adaptability so that it may be responsive to local and U.S. government realities.

Question 29. Some U.S. policymakers, including some members of Congress, have disagreed with the U.S. peacekeeping assessment level set by the U.N. General Assembly. Since FY 1992, with few exceptions, Congress has enacted a cap on U.S. payments to U.N. peacekeeping at levels below the established U.N. assessment. Your budget request this year is based on the U.N. peacekeeping assessment for the U.S. of 28.56 percent, rather than the amount recognized by U.S. law, which is 27.14 percent.

- What is the administration's position on this issue?

- How has the cap impacted recent budget requests and appropriations?
- More broadly, what impact, if any, has this issue had on U.N. peacekeeping operations?

Answer. The United States' role as a global leader demands that we continue to pay our U.N. peacekeeping assessments in full, at the rate assessed, so U.N. peacekeeping missions have appropriate resources available to carry out their life-saving mandates. While Congress passed legislation in 1994 (P.L. 103–236) capping our use of appropriated funds for peacekeeping assessments at a rate of 25 percent, Congress also raised the cap for calendar years (CY) 2001 through 2012 to authorize the use of appropriated funds to pay U.S. assessed peacekeeping expenses in full.

The current U.S. peacekeeping assessment rate for CY2016 is 28.57 percent. However, the Department only has the authority for FY 2016 to make payments from appropriated funds at the CY 2012 assessed rate of 27.14 percent. Because of the administration's commitment to paying U.S. treaty obligations in full and on-time, the President's request is based on the current U.N. peacekeeping assessment rate, and accordingly requests raising the statutory cap so that the United States can pay our assessments in full.

If the funds are appropriated without an associated cap lift, the United Nations may apply U.N. peacekeeping credits to pay the difference to the extent such credits are available. If there are not adequate credits to address the difference, the cap will cause the United States to accrue new arrears. The reliance on credits is not a sustainable practice as there may not be sufficient peacekeeping credits to address future shortfalls caused by the statutory cap.

The gap between the actual U.S. assessment rate and the amount of the U.S. payment will deprive the United Nations of the full amount of funding that the General Assembly appropriated for peacekeeping missions. Reductions in U.S. payments can strain important U.N. peacekeeping operations or cause delays in reimbursements to troop contributing countries that can affect future troop rotations. Timely and full U.S. payment has helped to solidify the U.N.'s ability to attract and retain peacekeeping forces, strengthened U.S. leverage with troop contributing countries, and allowed us to more effectively shape and reform peacekeeping operations to deliver maximum impact. For example, in September 2015, President Obama convened the Leaders' Summit on Peacekeeping, which resulted in new and significant pledges of troops, police, and enabling capabilities to U.N. peacekeeping from over 50 countries and regional organizations. Paying late and accruing arrears undermines U.S. credibility and influence at the U.N., particularly on matters dealing with budget, finance, and management reform. In the past, this has affected world opinion regarding U.S. commitment to multilateral engagement and respect for the role of multilateral organizations, and has diminished U.S. influence even with our closest allies.

Question 30. Roughly 10 percent, or $310 million, of State's Development Assistance program budget is going to support the Global Climate Change initiative (GCCI). With all of the development challenges in the world today, do you think it is appropriate to be spending 10 percent of the overall on climate change?

Answer. Climate change represents a substantial threat to U.S. national security interests and development objectives. The 2014 Quadrennial Defense Review (QDR) completed by the Department of Defense states that:

> Climate change poses another significant challenge for the United States and the world at large. As greenhouse gas emissions increase, sea levels are rising, average global temperatures are increasing, and severe weather patterns are accelerating. These changes, coupled with other global dynamics, including growing, urbanizing, more affluent populations, and substantial economic growth in India, China, Brazil, and other nations, will devastate homes, land, and infrastructure. Climate change may exacerbate water scarcity and lead to sharp increases in food costs. The pressures caused by climate change will influence resource competition while placing additional burdens on economies, societies, and governance institutions around the world. These effects are threat multipliers that will aggravate stressors abroad such as poverty, environmental degradation, political instability, and social tensions—conditions that can enable terrorist activity and other forms of violence.

In late 2015, CIA Director John Brennan said the following while addressing the Center for Strategic and International Studies' Global Security Forum:

> Mankind's relationship with the natural world is aggravating these problems and is a potential source of crisis itself. Last year was the warmest on record, and this year is on track to be even warmer. Extreme weather,

along with public policies affecting food and water supplies, can worsen or create humanitarian crises. Of the most immediate concern, sharply reduced crop yields in multiple places simultaneously could trigger a shock in food prices with devastating effect, especially in already-fragile regions such as Africa, the Middle East and South Asia. Compromised access to food and water greatly increases the prospect for famine and deadly epidemics.

U.S. leadership is essential to addressing these broad and wide-reaching challenges. The Global Climate Change Initiative (GCCI) is the principal U.S. tool for providing technical assistance to developing countries confronting those challenges, and it serves a compelling U.S. national security interest. GCCI programs not only benefit our efforts to protect our climate system, they promote our broader development objectives. Virtually all GCCI programs have important benefits for food security, health, sustainability, economic development, poverty reduction, and regional stability, all of which benefit the U.S. and global economy.

Question 31. Do you intend to come to Congress for a specific authorization of the Green Climate Fund? Do you believe it is appropriate for Congress to have oversight over U.S. participation in the Green Climate Fund?

Answer. The Green Climate Fund (GCF) has been established as a multilateral trust fund—much like other multilateral funds, such as the Climate Investment Funds—and has approved its first round of projects. The Department issued a grant to support the GCF from resources provided in the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2016 (Div. K, P.L. 114–113) (SFOAA). Specifically, in the SFOAA, Congress provided $4.3 billion in funding for the Economic Support Fund (ESF), an account that is used to fund environmental programs and many other foreign assistance programs. The ESF account is a primary account through which the administration requested funding to support the Green Climate Fund (GCF) in the President's FY 2016 budget request. While over one-half of the account is earmarked for specific programs or activities, the remainder is available for other programs to carry out the ESF authority in the Foreign Assistance Act. The administration is using a portion of those unallocated funds for the GCF under the ESF authority and section 7060(c) of the SFOAA. While the SFOAA did not earmark funds specifically for the GCF, it also did not contain any restrictions on the use of FY 2016 funds for the GCF. Provision of ESF for environmental programs, including through grants to multilateral trust funds, is consistent with long standing practice.

This administration takes its GCF oversight role seriously and we are working hard to ensure that GCF funding is used responsibly through our role on the GCF Board and our participation on two committees which oversee matters pertaining to oversight, the Ethics and Audit Committee and the Accreditation Committee. To that end, the GCF requires fiduciary standards and social and environmental safeguards that are among the strongest of all multilateral funds today. The Fund will have independent evaluation and integrity units, and Board proceedings and documents are among the most transparent of any multilateral mechanism.

Question 32. I understand that USAID is often tasked with on-the-ground implementation of certain State Department plans and initiatives, and in order for USAID to carry out these implementation efforts, State grants USAID a portion of its programmatic funding. However, these specific proportions transferred from State to USAID are not reflected in State's Congressional Budget Justification. As a matter of fact, in preparing for this hearing, I had to rely on "guess-timates" from the Congressional Research Service on how much funding State transfers to USAID for different line items in the budget.

- In the interest of broader monitoring and evaluation, as well as public transparency, why are these funds not clearly delineated in either State or USAID's budget?
- Would it be feasible for State and USAID to begin disclosing these amounts?

Answer. The joint Department of State and USAID budget includes the resources needed by both agencies to advance national security priorities related to diplomacy and development. The Department and USAID work closely both in developing budget requests, and in implementing programs in the year of appropriation. Decisions about implementing mechanisms and implementing partners are made in the year of appropriation, based on assessed needs on the ground, evolving circumstances (which USAID and the Department monitor), priorities, implementation capacity, and available implementation mechanisms. There are times in the field where Department of State often relies on USAID to program and assist in planning

the programming of resources, so the distinction of ownership over funding can play a relatively small role in how projects are designed and implemented.

While there can be differences from year to year, historically USAID generally administers all of the Development Assistance, Global Health Programs-USAID, Food for Peace Title II, International Disaster Assistance, and Transition Initiatives accounts. In most years, USAID has fully administered funding in the Complex Crisis fund account as well. In addition, USAID fully implements the USAID Administrative Expense accounts: USAID Capital Investment Fund, USAID Development Credit Authority Admin Expenses, USAID Inspector General Operating Expenses, and USAID Operating Expenses accounts. USAID has historically administered 93 percent of the Economic Support Fund, 70 percent of Assistance for Europe, Eurasia, Central America, and 60 percent of the Global Health Program-State accounts.

Question 33. As this administration contemplates the way forward in Afghanistan, I hope that we have learned the lessons of Iraq, and don't find ourselves with another power vacuum. The intelligence community testified earlier this month that, quote, "Afghanistan is at serious risk of a political breakdown in 2016."

- To what extent does the aid request (of $1.25 billion) for FY 2017 seek to prevent or mitigate the effects of such a potential breakdown?
- What criteria will the administration use to determine whether the Afghan government is meeting the conditions to receive the total amount of the aid?

Answer. The FY 2017 foreign assistance request and already-appropriated resources at work in Afghanistan are essential to the success of our strategy to help Afghanistan build sustainable stability. At a strategic level, the Government of Afghanistan works closely with and greatly values the engagement and financial support provided by the international community. During the protracted election process in 2014, the United States, in coordination with our international partners, emphasized to Afghan leaders that continued financial and political support depended on a peaceful, constitutional handover of power from President Karzai to his democratically elected successor. Shortly after the formation of the Government, President Ghani and Chief Executive Officer Abdullah, presented their "Realizing Self-Reliance" strategy paper to international donors at a major conference on Afghanistan in London.

As part of our policy to support Afghan reform and greater self-sufficiency, the Department of State and USAID employ incentive programs linked to Afghan government actions in a wide array of policy areas. These incentive programs include conditions that the Afghan government must meet to receive additional on-budget assistance. President Ghani and CEO Abdullah encouraged the development of these programs, which include the U.S.-Afghan New Development Partnership (NDP), the counternarcotics-related Good Performers Initiative, and multilateral mechanisms like the Afghanistan Reconstruction Trust Fund's (ARTF) Incentive Program, as a means of demonstrating accountability for the performance of the Afghan government.

In 2017, we expect to continue the innovative NDP that was initiated during the visit of President Ghani and Chief Executive Abdullah in 2015. The NDP reserves a portion of our appropriate assistance funds for Afghanistan, and links the provision of those funds to the Afghan Government's achievement of specific, pre-determined reforms and development results. The NDP conditions the provision of U.S. assistance on Afghan government progress in addressing corruption, improving the government's fiscal sustainability and management, reducing poverty, and empowering women. Incentive funds are released only after the government has demonstrated that they have met pre-determined benchmarks established at the outset of the partnership.

Each incentive program is continuously monitored and reviewed at least annually to determine if the program is having the intended reform results. For instance, under the terms of the NDP, U.S. and Afghan officials consult at least once a year to review progress on the current set of targets and to determine if changes need to be made to future targets. The NDP target results are focused on countering corruption, improving fiscal sustainability, reducing poverty, and empowering women. In 2015, the Afghan government achieved 90 percent of its annual reform targets and qualified for $180 million out of the $200 million available in on-budget assistance. The ARTF incentive program, which is partially funded by the United States, works similarly to the NDP and links the disbursement of on-budget assistance to Afghan government performance on revenue targets, and the implementation of policy reforms related to governance, civil service reform, public financial management, investment climate, and trade facilitation.

To further sustainability and reinforce the reforms required, our assistance programs focus on improving the functioning and effectiveness of the Afghan government. For example, we are implementing programs focused on improving the Afghan government's delivery of education and health services, which has an immediate impact on all Afghans and impacts local perceptions of the credibility of the government. We are working in a similar fashion to improve the functioning of the Afghan justice and correctional systems.

Our assistance helps build a constituency for a stable government by providing Afghans with improvements and services that meet the needs of citizens and de-legitimize extremism. For example:

- According to The Asia Foundation, in 2015, two-thirds of Afghans were satisfied with the quality of education their children received.
- On average, nearly one million people per month are treated at USAID-supported facilities; of these, 76 percent are women and children younger than five. USAID has and will continue to support the Ministry of Public Health in their efforts to provide access to basic health care across Afghanistan. Women and children have particularly benefitted from USAID's decade long commitment to Afghanistan's health sector. Since 2002, USAID has trained more than 12,000 community health workers and over 2,500 midwives - half of the entire population of midwives in the country. Furthermore, the Government of Afghanistan—in conjunction with the Department of State—reaches approximately 28,000 patients per year in more than 100 drug treatment centers.
- In 2015, women held 28 percent of seats in Parliament and four cabinet positions, and 165 judicial positions.
- In 2015, after years of targeted assistance from USAID, the Afghan government successfully acceded to the World Trade Organization, and the Parliament is on track to ratify the accession agreement.
- USAID recently completed the last segment of paved highway in eastern Afghanistan from Gardez to Khost. This road will link to the Pakistan border and open a strategic trade route.

Question 34. With the U.S. presence in Afghanistan diminishing, how is the use of U.S. economic assistance monitored?

- What programs have been most successful in promoting governance reform and economic growth?
- How flexible are U.S. programs to augment those that are working and phasing out those that are not?

Answer. U.S. agencies recognize the importance of program monitoring in Afghanistan to ensure the appropriate and effective use of our assistance funding. Due to the especially difficult operating environment in Afghanistan, the Department of State, USAID, and others have developed an innovative, multi-tiered monitoring approach for civilian assistance programs that allows for real-time assessment of how programs are functioning and whether they are achieving their intended results.

This monitoring program draws on information from multiple sources, using independent monitors and various communications technologies to query recipients, local governments, and civil society on program performance. This monitoring information allows the United States to expand programs that are working well and to terminate programs that are not achieving results. When appropriate, we have changed course to refocus resources on more productive programs that have a greater demonstrated impact on Afghanistan's development.

Both the Department of State and USAID are contracting with independent, experienced organizations to verify program performance in areas of Afghanistan that are not regularly accessible to U.S. oversight officials. The organizations that monitor and verify the implementation of our programs employ mostly Afghan staff to operate in areas less accessible to foreigners.

- USAID has a Monitoring Support Program in place to monitor project activities, and has also developed technical monitoring contracts to help oversee programs that require specialized expertise, such as construction. The Department of State is implementing a Flexible Implementation and Monitoring Team contract that will provide monitoring services in locations around Afghanistan. In a number of cases, smaller implementing partners have bought into monitoring contracts administered by larger agencies to augment available oversight tools.

Below are a few examples of progress in Afghanistan attributable to U.S. assistance. We continue to review and analyze our current and past programs to assess

impact and sustainability to help ensure we are supporting the most successful programs in promoting governance reform and economic growth:

- After years of targeted assistance from USAID, the Afghan government successfully acceded to the World Trade Organization in December 2015, and the Afghan Parliament is on track to ratify the accession agreement by summer 2016. WTO membership will anchor Afghanistan in a rules-based trading system, and foster regional trade.
- The U.S.—Afghan New Development Partnership has focused Afghan government attention on tackling corruption, improving fiscal sustainability, reducing poverty, and empowering Afghan women. In the first year of the partnership, the Afghan government met 90 percent of its targets and qualified for $180 million of the $200 million available for disbursement. Moreover, the achievements under the program directly contributed to a 20 percent increase in government revenues, re-establishment of the Afghan relationship with the International Monetary Fund, anti-corruption measures in customs collection, and the establishment of a new procurement review commission.
- The average number of years that Afghan children attend school has risen from 2.5 years to 9.3 years since 2000, and 67 percent of Afghans are satisfied with the education that their children receive. In 2002, roughly 900,000 boys and zero girls were enrolled in school; by 2014, nearly eight million children attended school, with girls comprising one-third of the student population.
- With help from USAID and other donors, the government provides basic health services to 2.3 million Afghan citizens a month. Since 2002, infant mortality has decreased 53 percent; child mortality rate has decreased 62 percent; and maternal mortality has decreased 77 percent. Furthermore, the Government of Afghanistan—in conjunction with the Department of State—reaches approximately 28,000 patients per year in more than 100 drug treatment centers.
- Women hold 27 percent of seats in Parliament, three cabinet positions, and 165 judicial positions.
- We have also helped the Afghan government and private sector spur a communications revolution with nearly 90 percent of Afghan households owning a cell phone, and fostered the birth of a vibrant, free media.
- The Department of State helped the government establish the Counter Narcotics Justice Center (CNJC), which tries all high-level and government official narcotics cases. With support from specialized enforcement units mentored by the Drug Enforcement Administration, and operations and maintenance support from the Department of State and the Government of Britain, the Afghan government has arrested and the CNJC has successfully prosecuted a U.S- designated drug king pin and provincial officials implicated in the drug trade.

The United States has established an innovative, multi-tiered monitoring approach for assistance programs in Afghanistan that draws on information from multiple sources (including implementing partners, the Government of Afghanistan, other international donors, Afghan civil society, and third-party monitors) and allows us to assess in real-time how our programs are functioning and whether they are achieving intended results. This monitoring information allows the United States to adjust programs when they are not achieving results. When necessary, we have changed course to refocus our resources on more productive programs or to have greater impact on Afghanistan's development. As we fine tune our development activities, we also recognize that progress on many issues takes long-term, sustained work, and we employ multi-year, national-scale projects to maximize impact.

The review and monitoring of individual programs feeds into a broader, bi-annual portfolio review that helps assess whether our developmental priorities support our broader objectives and are able to be implemented given budgetary and other operational and strategic constraints.

The following are examples of when USAID/Afghanistan identified problems in implementation through monitoring and evaluation processes, and changed its programmatic approaches:

- *Democracy and Governance in Afghanistan:* Computer-based video calls (e.g., Skype) are one of the tools USAID uses to remotely monitor democracy and governance training activities in Afghanistan. In 2015, USAID monitored over 600 events. Thanks to this process, USAID has been able to observe events even when not physically present and take quick action to resolve any identified problems. For example, during one municipal budget training activity, it was observed that no females were involved in the training program. USAID dis-

cussed their observation with the implementing partner, which led the implementer to increase its efforts to include females in training activities.

- *Infrastructure in Afghanistan:* USAID committed to building a critical, 101-kilometer road from Gardez to Khost in Western Afghanistan to enable the transport of goods between Afghanistan and Pakistan. USAID originally contracted with an international construction company on the project; however, after monitoring efforts revealed the contractor was struggling to build community support for the project, which was causing delays, USAID turned the project implementation over to a local firm. As a result, the project proceeded much faster and was recently completed.
- *Education in Afghanistan:* In August 2013, USAID/Afghanistan signed an implementation letter with the Ministry of Education to fund a community-based education program. The budget for the program was $56 million over five years; this funding was intended to be direct government-to-government assistance, provided to the ministry based on achievement of key milestones. However, as the Ministry of Education did not meet key targets in the beginning of implementation, USAID/Afghanistan did not disburse these funds through the direct government-to-government mechanism. Instead, USAID worked with UNICEF to implement the program. UNICEF has since partnered with the Ministry of Education, as well as provincial and district education offices, to improve community-based education in Afghanistan.

Question 35. We are seeing some troubling developments in Ukraine. Earlier this month, Ukraine's economic minister and his full team resigned citing ingrained corruption as their reason for stepping down. A major focus of our assistance to Ukraine has been centered around countering this rampant corruption.

- Are we failing in Ukraine? Is Ukraine making sufficient efforts to fight corruption and enhance the rule of law? If so, how?

Answer. The Ukrainian government is implementing an ambitious anti-corruption and rule of law reform agenda. Although Kyiv has made tremendous progress, much more must be done to root out corruption and advance democratic reforms. Our highest priorities for rule of law reforms are focused on improving the effectiveness of the operations of the new anti-corruption institutions; reform of the prosecutorial and judicial system; and police reform.

Regarding the new anti-corruption institutions, the National Anti-Corruption Bureau (NABU) has been established, along with a special anti-corruption prosecutor under the umbrella of the Prosecutor General's Office (PGO), and the two entities are working together to conduct investigations.

In 2015, the Rada passed legislation to reform judicial self-governance, and to change the processes for appointments, discipline, qualifications, and training for judiciary members. Constitutional amendments required to bolster judicial independence are moving through the Rada now.

The most visible and celebrated reform has been the establishment of the new openly recruited patrol police that replaced the notoriously corrupt traffic police. In 2016, the new patrol police will be expanded to all oblast capitals. Our efforts to support Ukraine as it addresses anti-corruption focuses on greater government transparency that will be enhanced by new laws on e-procurement, public officials' asset disclosures, and transparency on media companies' ownership.

These reforms will be critical to Ukraine's future and have been valiantly fought for by ordinary Ukrainians. The United States will continue to work with the Ukrainian government, civil society, and media to encourage further reforms during this critical time in Ukraine's history.

Question 36. Ukraine is still facing constant Russian aggression—both militarily and via propaganda. Is U.S. aid helping Ukraine's armed forces enhance its capabilities? Is non-lethal aid sufficient to help deter Russian aggression, or is some level of lethal aid needed?

Answer. Through the $266 million in training and equipment the United States has committed since the start of the crisis, we are helping Ukraine's forces enhance their capabilities to monitor and secure their borders, operate more safely and effectively, and defend Ukraine's sovereignty and territorial integrity. Our security assistance has saved lives while helping to build Ukraine's long-term defense capacity.

We have delivered non-lethal defensive equipment, including counter-battery radars, secure communications equipment, Humvees and up-armored civilian SUVs, medical equipment, and many other related items to help Ukraine protect its forces while defending against Russian aggression. We have stood up a multinational joint commission to better understand Ukraine's defense requirements and have sent ad-

visors to promote long-term defense reform. In November 2015, we completed a training program for Ukraine's National Guard and are now training its conventional and Special Forces to increase their defense capabilities and institutional training capacity.

We continue to work closely with Ukraine to identify requirements for security assistance. With your support, we intend to continue our efforts in FY 2016 to increase the defense capacity of Ukraine's conventional and Special Operations forces, State Border Guard Service, and National Guard.

We have not ruled out sending lethal weapons to Ukraine. The United States continues to believe that there is no military resolution to the crisis, but Ukraine has the right to defend itself. We remain committed to supporting full implementation of the Minsk agreements, and our diplomatic efforts focus on supporting discussions in the Normandy format and in the Trilateral Contact Group to expedite their full implementation. We have provided significant non-lethal security assistance to Ukraine to help address the crisis, but our current focus is on finding a diplomatic solution.

Question 37. What is the U.S. doing to help Georgia to hold free and fair elections later this year? Are there concerns about Georgia's democracy and adherence to the rule of law?

Answer. In FY 2015, the U.S. government allocated more than $20 million to promote democracy in Georgia. Funded programs seek to advance democratic political processes, strengthen civic participation, bolster independent media, and support the rule of law.

The October 2016 parliamentary elections will represent a key moment in the transformation and consolidation of Georgia's democracy, which has made significant progress since independence. We are currently assessing the electoral environment to identify any unmet needs in advance of the elections. We will fund observation missions by international and local NGOs and plan to contribute observers to the OSCE observation mission. Electoral reform and safeguarding media freedom, civil society and political pluralism during the election season will be a key focus of the upcoming U.S.-Georgia Democracy Working Group.

In FY 2015, the U.S. government allocated more than $20 million to promote democracy in Georgia. Funded programs seek to advance democratic political processes, strengthen civic participation, bolster independent media, and support the rule of law in an effort to reinforce government transparency, accountability, and responsiveness.

Georgia has made significant progress since independence towards becoming a fully democratic state and is unique in the region in its commitment to democracy. Its 2012 and 2013 national elections resulted in the first constitutional change of power in a post-Soviet state, with the exception of the Baltics. The October 2016 parliamentary elections will represent another key moment in the consolidation of Georgia's democracy. It will be important for Georgia to maintain media freedom, promote political pluralism, and ensure independence of the judiciary as it moves toward these elections.

Question 38. Could you describe the department's public diplomacy strategies in countering Russian propaganda efforts in Europe?

- How do you measure the success or failure of these strategies?
- To what extent do the BBG's broadcasting efforts contribute to their success?
- Is the budget request adequate to ensure the strategy's success?

Answer. The Kremlin is rapidly disseminating disinformation, part of a concerted effort to undermine trust in Western institutions and erode freedom of the press. Research shows that despite Moscow's efforts and resources devoted to this objective, they have limited effectiveness abroad: less than a third of Europeans polled outside of Russia are confident that Putin will do the right thing in world affairs or see Russia favorably. In these same European countries, views of the United States are much more positive; 69 percent viewed the U.S. favorably.

Capitalizing on this public goodwill, the Department of State is leading a coordinated effort to support the free flow of information, expand independent media, root out corruption, and refute Russian government disinformation. Our efforts extend across a range of diplomatic tools as we proactively amplify key U.S. Government messages, correct disinformation, engage opinion leaders, encourage independent voices, and forge and maintain people-to-people ties.

The Department employs a combination of short-term messaging strategies with medium- and long-term programs to boost resilience and build capacity to recognize and reject Russian government disinformation. The Department of State supports

our overseas posts in times of heightened Kremlin messaging. Armed with the facts, our missions abroad are able to adapt the content and materials we supply to their own audiences and rapidly amplify the truth. We have also increased our capacity to deliver our messages proactively in Russian by forming a cadre of Russian-speaking officers to engage with the media and introducing a Russian-language, policy-oriented Twitter handle. We augment this messaging activity by providing foreign audiences with opportunities to engage directly with experts, opinion leaders, and third party groups.

The Department of State is implementing programs that support independent media and investigative journalists in countries throughout the region, including Azerbaijan, Georgia, Macedonia, Moldova, Serbia, Ukraine, and the Baltics. We have developed exchanges to encourage independent media voices, including workshops on digital skills and investigative journalism, and support for a Digital Communicators Network of more than 1,000 members who bring accurate, objective information to regional audiences.

At the same time, we are supporting efforts to engage ethnic Russian populations by expanding our English language training programs and professional exchanges. These cost-effective programs create lasting educational and professional linkages and increase English proficiency of students and educators, helping remove language as a barrier for thought leaders to understand U.S. policy and culture.

U.S. public diplomacy also includes NATO and U.S. military outreach and media engagement. These high visibility engagements help dispel the Russian government's anti-NATO messages and serve as opportunities to explain our security partnerships. Last year the Under Secretary for Public Diplomacy and Public Affairs provided a new fund to support embassy public affairs teams in developing new, innovative public outreach projects pegged to U.S. military exercises in Europe. These interactions between people are the cornerstone of our strategy and absolutely essential in refuting disinformation.

We continue to use our public diplomacy tools to deepen people-to-people ties in an admittedly challenging political environment. In the past year, the Department of State designed and implemented a range of programs in the region that build relationships based on common interests and perceptions. Based on participant feedback, we know these programs are having a positive net effect. In addition to anecdotal evidence, we also conduct evaluations of our programs to ensure impact.

The Broadcasting Board of Governors (BBG) receives steady input from the Undersecretary of State for Public Diplomacy and Public Affairs, who serves on the BBG to ensure its strategic planning is aligned with broader U.S. foreign policy goals. The BBG is an active participant in an ongoing working group at State, through which it apprises the Department of its efforts and provides analysis of current media trends. In its own work, the BBG maintains a robust response to Russian disinformation through the combined work of Voice of America and Radio Free Europe/Radio Liberty, which employ flexible, innovative, and cross-platform programming around the world to counter the Kremlin's strident anti-American messaging with fact-based journalism.

The bureaus undertaking this important work ensure that our limited resources are directed, in the most effective way, toward implementing priority programs focused on countering Russian government disinformation.

RESPONSES TO QUESTIONS FOR THE RECORD SUBMITTED TO HARI SASTRY BY SENATOR DAVID PERDUE

Questions 1–5. Based on our discussion, I would like to ask a few more questions on recent broader trends in the State Department's budget. Looking at your overall budget request for the International Affairs budget for FY 2017, it represents a 25 percent increase since FY 2008 in constant dollars.

- What accounts for this increase in the budget since FY 2008?
- What accounts caused this increase?
- What were your biggest drivers of increased spending?

Overall, this budget request appears to have some shifting priorities since FY 2016. While the overall request has gone down by about 1 percent, the request for diplomatic engagement has gone up 4 percent. However, the overall foreign assistance request has decreased by 3 percent.

- Is that the right direction we should be going in?

- How do you account for spending more here in Washington, D.C. and less on foreign assistance?

Answer. Increases in spending by the Department of State and USAID since 2008 are primarily due to a greater investments in humanitarian aid and the rising costs of maintaining the safety of our employees stationed overseas.

The Department and USAID have expanded foreign assistance programs in recent years to address increasing global challenges, including addressing conflict and insecurity in Syria, Iraq, South Sudan, Central African Republic, the Democratic Republic of the Congo, and elsewhere. As part of this effort, humanitarian assistance needs have greatly increased, and we have responded robustly. In recent years, we have also expanded resources to address global health needs, the underlying causes of the migration crisis in Central America and to invest in Asia, as part of the administration's Asia Rebalance effort.

The increase in the Diplomatic Engagement portion of the Department of State budget from FY 2008 to the FY 2017 request is largely attributable to an increase in funding for security projects over this timeframe. Authority for non-security spending has remained essentially flat, while security related spending has more than doubled.

There are three major factors that have contributed to the increase in security related authority:

- The Department's priority on maintaining a presence in conflict areas has required funding to protect our persons and assets in those areas. The Department sees great value in having Americans observing at the ground level in conflict areas worldwide. This is true of our missions in Iraq, Afghanistan, and Pakistan. It is also true of missions that the United States maintained in conflict areas such as Libya and Yemen. America needs a diplomatic presence in conflict areas to counter terrorism, sectarian violence, and the spread of conflicts beyond borders.
- The military draw-down in Iraq and Afghanistan has required that security of American persons and assets be provided by Department of State resources. As the military presence has been reduced in these two vital missions, the Department has taken on the role of maintaining a secure environment from which United States government personnel can operate. The security situation in these two countries is not only very different now than it was in 2008, but the number of military personnel is smaller than in 2008.
- Internal reorganizations have moved security related spending to a handful of accounts, increasing these security accounts and reducing the administrative accounts from which the funds were moved. In FY 2008 much of the funding for Diplomatic Security was in the Diplomatic and Consular Programs (D&CP) ongoing operations account. Over time this funding has been moved to the Worldwide Security Protection (WSP) account. Similarly, security related funds in the Embassy Security, Construction, and Maintenance (ESCM) account have moved into the Worldwide Security Upgrades (WSU) account.

The table below groups Diplomatic Engagement budget authority into four categories:

FOUR CATEGORIES OF DIPLOMATIC ENGAGEMENT BUDGET AUTHORITY

D&CP Ongoing Operations	The non-security portions of the D&CP (19-0113) account
Other Diplomatic Engagement	All other non-fee, non-security appropriated accounts except International Organizations (IO)
Security Programs	WSP, WSU, Protection of Foreign Missions and Officials
International Organizations	Contributions to International Organizations (CIO), Contributions to International Peacekeeping Activities (CIPA)

COMPARISON OF APPROPRIATED BUDGET AUTHORITY FOR DIPLOMATIC ENGAGEMENT

FY 2008 Actual Versus FY 2017 Request (Non-Adjusted Dollars in Millions)

	FY 2008 Actual	FY 2017 Request	Percent Change (Non-Adjusted)	Percent Change (Constant Dollars)[1]
Diplomatic and Consular Programs	5,639	4,957	–12	–21
Other Non-Security Diplomatic Engagement	1,439	1,852	29	16
Security Related Programs	1,949	5,332	174	146
Worldwide Security Protection	1,179	3,715	215	183
Worldwide Security Upgrades	747	1,587	112	91
Protection of Foreign Missions and Officials	23	30	30	17
International Organizations	3,473	3,932	13	2
Contributions to International Organizations	1,409	1,387	–2	–12
Contributions to International Peacekeeping Activities	2,064	2,545	23	11
Total Administration of Foreign Affairs	12,500	16,073	29	15

[1] Dollars adjusted using CPI-U BLS full year average for CY 2008 and OMB President's Budget FY 2017 Assumptions for FY 2017.

Questions 6, 7, and 8. Some U.S. policymakers, including some members of Congress, have disagreed with the U.S. peacekeeping assessment level set by the U.N. General Assembly. Since FY 1992, with few exceptions, Congress has enacted a cap on U.S. payments to U.N. peacekeeping at levels below the established U.N. assessment. Your budget request this year is based on the U.N. peacekeeping assessment for the U.S. of 28.56 percent, rather than the amount recognized by U.S. law, which is 27.14 percent.

- What is the administration's position on this issue?
- How has the cap impacted recent budget requests and appropriations?
- More broadly, what impact, if any, has this issue had on U.N. peacekeeping operations?

Answer. The U.S. role as a global leader demands that we continue to pay our U.N. peacekeeping assessments in full, at the rate assessed, so U.N. peacekeeping missions have appropriate resources available to carry out their life-saving mandates. While Congress passed legislation in 1994 (P.L. 103-236) capping our use of appropriated funds for peacekeeping assessments at a rate of 25 percent, Congress also raised the cap for calendar years 2001 through 2012 to authorize the use of appropriated funds to pay U.S. assessed peacekeeping expenses in full.The current U.S. peacekeeping assessment rate for calendar year 2016 is 28.57 percent. However, the Department only has the authority for fiscal year 2016 to make payments from appropriated funds at the calendar year 2012 assessed rate of 27.14 percent. Because of the administration's commitment to paying U.S. treaty obligations in full and on-time, the President's request is based on the current U.N. peacekeeping assessment rate, and accordingly requests raising the statutory cap so that the United States can pay our assessments in full.

If the funds are appropriated without an associated cap lift, the United Nations may apply U.N. peacekeeping credits to pay the difference, to the extent such credits are available. If there are not adequate credits to address the difference, the cap will cause the United States to accrue new arrears. The reliance on credits is not a sustainable practice as there may not be sufficient peacekeeping credits to address future shortfalls caused by the statutory cap.

The gap between the actual U.S. assessment rate and the amount of the U.S. payment will deprive the United Nations of the full amount of funding that the General Assembly appropriated for peacekeeping missions. Reductions in U.S. payments can strain important U.N. peacekeeping operations or cause delays in reimbursements to troop contributing countries that can affect future troop rotations. Timely and full U.S. payment has helped to solidify the U.N.'s ability to attract and retain peacekeeping forces, strengthened U.S. leverage with troop contributing countries, and allowed us to more effectively shape and reform peacekeeping operations to deliver maximum impact. For example, in September 2015, President Obama convened the

Leaders' Summit on Peacekeeping, which resulted in new and significant pledges of troops, police, and enabling capabilities to U.N. peacekeeping from over 50 countries and regional organizations. Paying late and accruing arrears undermines U.S. credibility and influence at the U.N., particularly on matters dealing with budget, finance, and management reform. In the past, this has affected world opinion regarding U.S. commitment to multilateral engagement and respect for the role of multilateral organizations, and has diminished our own U.S. influence even with our closest allies.

Question 9. The world is facing unprecedented humanitarian crises where conflict and disaster have displaced millions of people. In June 2015, the U.N. High Commissioner for Refugees (UNHCR) reported that worldwide, nearly 60 million persons were forcibly displaced—the highest number on record. Despite these record highs, the total U.S. humanitarian assistance request is $6.156 billion—that's 20 percent less than FY 2016. Further, the amount in the Migration and Refugee Assistance account in this year's request decreased by $267 million.

- What accounts for this significant decrease? Particularly when the causes of this mass migration have yet to be solved?

Answer. The administration remains dedicated to providing strong support for humanitarian programs worldwide. The President's FY 2017 request reflects the administration's ongoing commitment to these programs. The FY 2017 request level includes $1.957 billion for the International Disaster Assistance Account, $1.35 billion for Food for Peace Title II, $2.799 billion for the Migration and Refugee Assistance Account, and $50 million for the Emergency Refugee and Migration Assistance Fund. The overall FY 2017 request for humanitarian assistance is $511 million higher than the FY 2016 request. In concert with FY 2016 resources, the request will enable the U.S. government to respond to the dire humanitarian situation resulting from the conflicts in Syria, South Sudan, Iraq, Ukraine, Yemen, as well as the humanitarian needs resulting from El Niño.

Thanks to generous support from Congress, the U.S. government is the largest humanitarian donor in the world, including to the crisis in Syria. We plan to continue our robust support in FY 2016 and FY 2017 while urging other donors, including the Gulf nations, to contribute to these ongoing emergencies. We will continue to ensure that we are using funds as efficiently as possible in order to meet current and unforeseen needs.

Question 10. Is responding to humanitarian needs brought on by political crisis, such as in Syria and Iraq, different from those brought on by a natural disaster, such as the earthquake in Nepal or typhoon in Micronesia?

Answer. In conflict-related humanitarian crises, parties to the conflict, which often include the government, may openly refuse access to humanitarian aid operations. By comparison, the most common barrier to access in natural disasters often involves bureaucratic bottlenecks. Governments closely coordinate relief activities with the international community in responding to natural disasters, while in conflict-related crises governments do not necessarily take the same approach. Conflict-related crises may also result in protracted, long-term displacement, while displaced people in natural disasters tend to stay closer to home and have fewer barriers to return, necessitating different responses to these two types of crises.

Question 11. Does the cause of the suffering come into play when the United States prioritizes recipients of humanitarian assistance?

Answer. The United States prioritizes humanitarian assistance only on the basis of need, and does not consider the cause of suffering in determining assistance packages.

Question 12. How do you respond to critics who argue that humanitarian assistance may actually prolong political crisis?

Answer. The United States believes that provision of humanitarian assistance reduces the suffering caused by war. Humanitarian assistance is provided to non-combatants, is impartial and neutral, and provides no benefit to parties to a conflict.

Question 13. How does the current allocation of foreign assistance, both regionally and by sector, reflect larger U.S. foreign policy priorities?

Answer. The President's FY 2017 Request for the Department and USAID includes $34.0 billion for foreign assistance programs. This request supports key national security, foreign policy, and development mission objectives. Regionally, the request includes $4 billion to counter Da'esh, respond to the crisis in Syria, and support humanitarian needs in the region. It requests $750.6 million to bolster the U.S.

Strategy for Engagement in Central America and $873.0 million to support economic development and security efforts as part of the Asia Rebalance effort. It also requests $7.1 billion to support our goals in Africa, including advancing democracy, health, education, economic growth and security throughout the region.

As part of these regional efforts, the Department and USAID are also requesting funds to support important investments in critical sectors across the globe. The request includes $2.7 billion for democracy, human rights and governance programming, one of the core strategic goals of this administration. It also includes $983.9 million to support the Global Climate Change Initiative and $561.8 million for basic education. These are just examples of the important cross-cutting programs requested as part of the FY 2017 request. All of these investments, plus many others, are critical to ensuring the success of our broader foreign policy and development goals.

Question 14. How could aid, as a tool for foreign policy, be allocated to more effectively address strategic priorities?

Answer. The Department of State and USAID always work to ensure the funds are allocated to address strategic priorities. The development of the President's annual budget request for the Department of State and USAID begins at embassies and USAID missions around the world. These requests are based on country-specific priorities and strategies and are organized by mission objectives when they are submitted to the Department of State and USAID in Washington, DC. Department and USAID leadership then review the submissions from the embassies and missions overseas, and make tough decisions to ensure the request supports the most critical regional and global strategic priorities. In coordination with the Office of Management and Budget this results in a final budget request that advances the U.S. government's most important foreign policy, national security, and development objectives. The President's request reflects these priorities when it is submitted to Congress each year.

Once an appropriation bill is passed, the allocation of funds must abide by funding directives included in the bill as well as the Statement of Managers, as required. Within these guidelines, the Department and USAID work to ensure the best allocation of resources in support of strategic foreign policy priorities.

Question 15. How will you manage foreign assistance programs differently, if at all, in the absence of congressional directives?

Answer. The Department of State and USAID have many shared priorities with Congress. While many congressional funding directives support these shared goals, including advancing democracy or education across the globe, we must be able to respond to changing circumstances and adapt as needed. Often times the world looks different from the time we submit our request until the time we receive our final appropriation. We need to remain nimble.

In the absence of congressional directives, we would allocate funding according to the President's request, which sustains projects, programs, and activities supported by Congress, taking into account changing circumstances, prior year funding availability, and any new needs that have emerged since the request was submitted. This would reduce our dependence on transfer authorities, which, while incredibly valuable, can be time consuming to execute and thus hinder our ability to move funds and respond quickly.

Question 16. The U.N. estimates that there are 13.5 million people in need of assistance inside Syria. Meanwhile, large parts of Syria are controlled by non-government forces, including ISIS, while other areas have controls put in place by the Assad government, limiting the delivery of humanitarian assistance.

- Can you describe State's strategies for delivering assistance to these areas?

Answer. Since the cessation of hostilities in Syria came into effect on February 27, humanitarian access has significantly improved for many of the hard-to-reach and besieged locations prioritized by the International Syria Support Group (ISSG).Interagency convoys have provided emergency relief assistance to over 200,000 people in besieged and hard-to-reach areas throughout the country. A year earlier, the U.N. had not been able to provide aid to any people in besieged areas.

Approximately 500 U.N. interagency trucks crossed into northern Syria via the Bab al Salaam and Bab al Hawa border crossings, providing emergency relief supplies to people in Afrin, Azaz, and Mar'a sub-districts in Aleppo, as well as Harim and Idlib sub-districts, Idlib Governorate. The Turkish Red Crescent, which facilitates non-governmental organization (NGO) utilization of the humanitarian lanes at the borders, also reported an uptick in NGO cross-border deliveries, noting that an

estimated 800 trucks passed through the Atmeh, Bab al Hawa, Bab al Salaam, Kobane, and Yamadiah border crossings in February.

Question 17. Approximately, in what percentage of the country have State and USAID been able to operate?

Answer. Non-humanitarian assistance provided through the Syria Transition Assistance Response Team (START) and the Southern Syria Assistance Platform (SSAP) reaches 10 of Syria's 13 provinces, including: Aleppo, Idlib, Lattakia, Hama, and Homs in the north/west and Suwayda, Damascus, Qunaytrah, and Dar'a in the south. Non-humanitarian assistance has also been provided to al-Hasakeh province in east Syria.

We cannot provide an exact percentage of Syria in which State and USAID can deliver assistance. However, we work closely with countries in the region, mainly Turkey and Jordan, the United Nations, and our NGOs partners to get assistance into Syria through all possible means. Approximately, half of the more than $5.1 billion of humanitarian assistance that we have provided has gone to humanitarian needs inside Syria.

Our International Organization and NGO partners hope that the cessation of hostilities in Syria will allow for more systematic access to the besieged areas and hard-to-reach locations. As the cessation of hostilities holds we continue to work with the U.N. and members of the International Syria Support Group (ISSG), particularly Russia, to expand access and assistance to more priority areas inside the country

Question 18. What requirements or specific policies does State and USAID have in place to vet volunteers or networks that assist in the delivery of this humanitarian aid?

Answer. The Department of State and USAID vet beneficiaries of Syria assistance as part of our strategy to mitigate the risk that U.S. government non-lethal assistance could benefit groups or individuals associated with terrorism. Further, the vetting process is intended to ensure that U.S. government assistance is not provided to individuals or entities that are human rights violators:

- Vetting coordinators from each implementing office coordinate with the intelligence community to identify derogatory or potentially derogatory information.
- In addition to vetting, we closely monitor and evaluate our assistance through a network of Syrian in-country monitors who interface directly with beneficiaries to ensure assistance is delivered, hand receipts, photographs, and tracking devices.

Question 19. What types of monitoring activities do State and USAID implement to ensure accountability of assistance delivery?

Answer. *Department of State*. There are unique challenges to working in Syria, given the ongoing conflict, range of actors on the ground including designated terrorist organizations and the lack of U.S. presence on the ground. However, we have a range of monitoring procedures in place to help mitigate the risk that assistance falls into the wrong hands and ensure that the assistance is used appropriately by recipients. These efforts include:

- Meetings with the recipients of Department of State assistance in Turkey or Jordan to ensure they know the responsibilities of accepting U.S. assistance.
- Having recipients sign a letter of assurance before receiving support that details the responsibilities of accepting U.S. assistance and declares that they will not use the assistance for any other than its intended purpose or divert equipment to DTOs.
- Follow up meeting with beneficiaries to assess the usefulness of the assistance to further refine their needs assessments and target the appropriate assistance.
- Survey reports from recipients via email/phone to report on the use of the assistance.
- Syrian field monitors are contracted to observe and survey beneficiaries for the provision of heavy equipment. When security allows, photographs are taken of in kind assistance. When the security situation cannot allow monitors, phone calls are used to query the recipients on the current location and status of equipment.

USAID. USAID works closely with partners to ensure that our assistance is reaching the intended beneficiaries. We exercise considerable oversight over our programs, and our partners have developed a variety of multi-layered monitoring and tracking mechanisms to make sure that our assistance gets to those it is intended to reach.

- Partners are required to provide prompt, regular updates on the progress of their activities and any security concerns. USAID staff closely and systematically track the reports, are in regular direct communication with partners, and immediately follow up on any reported issues.
- USAID works closely with all its partners to collect performance and situational data to monitor activities and gather enough information from different sources to verify assistance is reaching targeted areas and beneficiaries, including through geo-tagged photos and videos of distributions, independent field monitors, and feedback hotlines for beneficiaries. Partners are required to provide regular program updates on the progress of their activities and any security concerns, and we require them to report any diversions, seizures, or losses immediately, without exception, for immediate follow-up and investigation.
- The USAID Disaster Assistance Response Team (DART) in Jordan and Turkey meets regularly with partners to discuss programming, issues that impede humanitarian activities, and partners' risk mitigation mechanisms. The DART also meets with the broader humanitarian community, and communicates directly and indirectly with Syrian organizations that provide added layers of ground-truth to partner reporting. The DART also attends cluster and donor coordination meetings, which provide an opportunity to triangulate information about partners' performance.
- In addition, USAID utilizes a third-party monitoring system to verify and provide independent confirmation of a number of USAID programs. By providing independent, field-based monitoring of activities and verification of outputs, as well as monthly progress reporting, third party mechanisms supply USAID with the level of assurance that comes from field visits that are the basis of USAID monitoring in more stable environments, but also contribute to program learning.
- USAID staff in Washington also maintains regular contact with all humanitarian partners, including U.N. agencies, other international organizations, and NGOs, concerning their assistance activities in Syria. The U.S. government humanitarian response inside Syria is coordinated by the Middle East Crisis Response (MECHR) Management Team, which is inclusive of both USAID's Office of Food for Peace and USAID's Office of U.S. Foreign Disaster Assistance. USAID leadership also regularly engages with U.N. agency emergency directors and other senior U.N. staff in a variety of forums, including Emergency Directors Group meetings, Syria Top Donor Group meetings, and other events.
- As part of its mandate, the OIG write a quarterly Operation Inherent Resolve (OIR) report detailing out events of the quarter. The investigators explore a variety of issues to help understand and review USAID/OFDA and USAID/FFP operating principles, methods for ensuring accountability of funding, and efficacy of programming.

Question 20. What percentage of deliveries in Syria has been affected by fraud or diversion? How does the U.S. track this?

Answer. Known losses comprise less than four percent of Department of State non-humanitarian assistance provided through the Syria Transition Assistance Response Team (START) and Southern Syria Assistance Platform (SSAP) platforms.

To date, less than 0.05 percent of USAID program funds for the Syria humanitarian crisis response have been lost to fraud or diversion.

Approximately .04 percent of total Office of Transition Initiatives funded non-humanitarian assistance is known to be lost or diverted.

We take all battlefield losses of U.S.-provided equipment very seriously and have a range of risk mitigation steps in place to limit these losses. However, given that Syria is an active war zone, some losses are unavoidable. It is important that we maintain our commitment to supporting the moderate opposition in Syria as they seek to counter extremists and defend against the regime, with the goal of ultimately creating the conditions for a negotiated political solution. Losses accounting is a joint effort between START and SSAP, USAID and the Department of State, implementing partners, and grantees. As losses come to light, START and SSAP staff work closely with implementing partners and grantees to confirm all relevant details, which are then tracked in Washington.

Question 21. ISIS's branch in Libya is expanding its reach across a broadening area of Africa. They are taking advantage of the chaos and security vacuum in Libya to expand territory, and grow. CIA Director John Brennan told the Senate earlier this month that quote, "Libya has become a magnet for individuals not only inside Libya, but from the African continent as well as from outside," in terms of

terrorist recruitment. This year's budget request focuses most of its counter-ISIS measures at Iraq and Syria, as well as immediately neighboring countries like Jordan and Lebanon. While ISIS in Iraq and Syria is certainly the more immediate threat, we should work to prevent this emerging threat in Libya from getting out of hand.

- Could you outline for me what State plans to do to counter this developing threat in Libya?

Answer. The United States remains committed to supporting the Libyan people in their fight against Da'esh. We are actively supporting the U.N.-facilitated Libyan political process to finalize formation of the Government of National Accord, putting Libya on the path to regaining control of the country's ungoverned space. We and our international partners will work together with the Government of National Accord to counter the growing threat from Da'esh-aligned groups and other violent extremists and rebuild a national security force to restore stability in Libya. To that end, we are committed to providing the Government of National Accord technical, economic, humanitarian, security, and counter-terrorism assistance, as requested. We are pursuing our counterterrorism and governance efforts so that they proceed in parallel and are mutually reinforcing. A unified, capable national government is our best hope for a sustainable effort to counter Da'esh and other extremists.

At the same time, we will not ignore immediate threats from Da'esh or other extremists. As President Obama has made clear, we will not hesitate when it comes to defending U.S. national security interests and to taking direct action when necessary. Actions like the U.S. strike on a Da'esh facility in Sabratha, Libya, which we announced on February 19, are part of our comprehensive approach to degrading and ultimately destroying Da'esh. Last November, the United States conducted an airstrike against Abu Nabil, an Iraqi, who was at the time the leader of Da'esh in Libya. These actions show our commitment to dislodging Da'esh from Libya.

Question 22. Do you anticipate that the outbreak of the Zika virus in Latin America, which came to international attention after this budget request was formulated, will impact plans for global health assistance allocations in FY 2017?

Answer. At this time, there are no changes to the FY 2017 Global Health request. The response to Zika requires immediate action. The FY 2016 emergency supplemental appropriations request would be our primary response to Zika. We are also exploring additional authorities to use available funds, including remaining funds in the Ebola supplemental appropriations.

We should not divert funding from other important Global Health challenges for Zika. This would undermine our ability to achieve important global goals, such as ending child and maternal deaths and protecting communities from infectious diseases, including completing the response to Ebola, building global health security capacity, and addressing tuberculosis. These issues currently claim millions of lives each year—and most of these deaths are preventable, and doing so has been a priority of the U.S. government for many years. The experience over the last several years with outbreaks of Ebola, SARS, MERS-CoV, avian influenza and Zika has underscored the point that infectious disease outbreaks will happen and they can have devastating impacts locally and globally if they are not prevented and mitigated. Ensuring effective prevention, detection and response of such outbreaks is at the heart of global health security. If Zika continues to spread around the world, and response needs exceed the emergency funding capacity we have requested, we will have to explore and review the options available to address the changing epidemic.

Question 23. Budget documents suggest that the proposed boost in malaria program funding would come in part from unobligated emergency funds to counter Ebola, if authorized by Congress. Is that true?

Answer. Yes, the President's budget for the Department of State and USAID in FY 2017 proposes to allocate approximately $129 million from unobligated Ebola funds as part of a $200 million increase for the President's Malaria Initiative (PMI) to fight malaria.

Malaria globally is a dangerous infectious disease that kills over 400,000 people annually, particularly children under five. Malaria remains a major cause of morbidity and mortality in sub-Saharan Africa, with a number of high burden countries in West and Central Africa.

Question 24. Could you discuss the $1.3 billion in unobligated Ebola funds? What is the status of emergency Ebola funds?

Answer. As of December 1, $1.2 billion in foreign assistance and $34.3 million in diplomatic engagement funding has been obligated for the Department of State ? USAID Ebola emergency response and recovery efforts. There is approximately $2.1

million unobligated diplomatic engagement Ebola funding and nearly $1.3 billion in unobligated foreign assistance. The bulk of this unobligated funding is, however, planned for critical ongoing Ebola response and recovery efforts in West Africa, including ensuring our ability to rapidly and effectively respond to new Ebola cases as well as addressing the needs of the survivor population, and activities to support the Global Health Security Agenda over the next five years.

STATE AND USAID EBOLA EMERGENCY FUNDING—BY ACCOUNT

As of January 1, 2016

	Total Appropriated	Obligated	Unobligated
Foreign Assistance Funding			
IDA	1,436,273,000	893,841,504	542,431,496
GHP-USAID	312,000,000	164,024,524	147,975,476
ESF	711,725,000	128,687,073	583,037,927
NADR	5,300,000	5,300,000	0
OE	19,037,000	3,873,012	15,163,988
OIG	5,626,000	2,195,352	3,430,648
Total	2,489,961,000	1,197,921,465	1,292,039,535
Diplomatic Engagement Funding			
D&CP	36,420,000	34,300,000	2,120,000
Total	36,420,000	34,300,000	2,120,000

Question 25. Why are these funds no longer needed to address Ebola?

Answer. While the height of the Ebola epidemic is over, a majority of the unobligated Ebola funds are, in fact, still needed to sustain our ability to support Ebola recovery efforts and maintain our readiness to respond to flare-ups as they occur. While we do plan to maintain some resources to ensure we can meet ongoing Ebola needs, we anticipate some availability with remaining Ebola funds to address other critical health threats.

Questions 26 and 27. If not necessary for Ebola programs, why did the Department choose not to apply them to addressing the Zika virus instead of seeking an emergency supplemental?

- Since the State Department has so much transfer authority, coupled with the unobligated funds, is a Zika supplemental really necessary?

Answer. While we anticipate some availability with remaining Ebola funds to address other critical health threats, a majority of the funds are still needed to sustain our ability to support Ebola recovery efforts and maintain our readiness to respond to flare-ups as they occur. The FY 2016 Zika supplemental request of $376 million reflects our best estimate, given current information, of potential State and USAID needs for the Zika response at this time; however, there remains significant uncertainty around the scope of the Zika challenges we will face. As such, the President's FY 2017 Budget and the FY 2016 Zika supplemental request authority to use unobligated Ebola funds for other infectious diseases, such as Zika, in addition to Ebola. This authority would allow us to consider the use of Ebola funds to address Zika and other future infectious disease outbreaks, if needed, beyond the currently identified needs. We should not short-change our ability to address either of these important health challenges.

We should not divert funding from other important challenges, particularly Global Health, for Zika. This would undermine our ability to achieve important global goals—such as ending child and maternal deaths and protecting communities from infectious diseases, including completing the response to Ebola, building global health security capacity, and addressing tuberculosis. These issues currently claim millions of lives each year—and most of these deaths are preventable, and doing so has been a priority of the U.S. government for many years. The experience over the last several years with outbreaks of Ebola, SARS, MERS-CoV, avian influenza and Zika has underscored the point that infectious disease outbreaks will happen and they can have devastating impacts locally and globally if they are not prevented and mitigated. Ensuring effective prevention, detection and response of such outbreaks is at the heart of global health security. If Zika continues to spread around the

world, and response needs exceed the emergency funding capacity we have requested, we will have to explore and review the options available to address the changing epidemic.

Question 28. Given the challenges the Ebola outbreak presented, how do you know that you've requested the right amount for the Zika virus response?

Answer. The recent increase in Zika virus cases around the world has had a significant impact on the medical evacuation operations of the Department of State. There have been a number of health concerns surrounding the impact of the Zika virus on those infected. However, a key concern has been the protection of the unborn child in our pregnant employees or family members. The Office of Medical Services has spent a considerable amount of time reviewing the latest published medical literature on the subject and information sent out from the applicable Federal and International organizations. As a result of our review and in keeping with our mission statement to safeguard and promote the health of our population, a decision was made to offer voluntary departure from posts under the Centers for Disease Control and Prevention (CDC) level 2 travel advisory for Zika for women who are pregnant at any time during their pregnancy.

The majority of additional funds requested are to support our medical evacuation program with a smaller amount needed to support additional full-time equivalent positions (FTEs) for our infectious diseases and epidemiology staff. The amount of additional funds requested was determined by using historical data on the number of obstetrical patients under the medical program for the past five years in the affected countries. A cost analysis was then undertaken to determine the projected amount of funds that would be required above and beyond normal operations to meet the medical evacuation needs of this population. We do not expect that all women who are authorized these funds will take advantage of the early medical evacuation option.

However, we also expect that other countries in the near future will be added to those under this medical evacuation program. Therefore, we believe that the funds requested neither under or overestimate our additional funding needs. The nature of the Zika virus including its transmission, virulence and overall impact on an individual's health is quite different than the Ebola virus. Although there are lessons learned from the Ebola response, the approach to Zika and its impact on our population is quite different making it difficult to draw parallel approaches.

Question 29. The State Department requested more funds than were actually needed for Ebola response in FY 2015, and my understanding is that some of those funds are still floating around the State Department.

- Isn't this the type of contingency that State should normally be able to handle in your regular and OCO budgets?

Answer. The Zika supplemental request reflects our best estimate given current information of potential needs to address Zika at this time, primarily in the Global Health Programs account. However, we continue to face significant uncertainty around the scope of the Zika challenges we will face.

As such, the President's Budget and the Zika supplemental request expanded authority to use unplanned Ebola funds for "other infectious diseases" so we can consider the appropriateness of using Ebola contingency funds for Zika if needed beyond the needs identified.Similarly, Section 7058(c) of the Department of State, Foreign Operations, and Related Appropriations Act, 2015 (Div.J, P.L.113-235) potentially gives us another route to respond if Zika needs outpace what we have requested in the supplemental. But while we appreciate the flexible authority Congress provided to meet urgent health crises, we cannot keep diverting funds from other important health and development priorities to respond to outbreaks. We need to balance taking limited funds appropriated for other purposes with the needs of the current crisis.

Question 30. In the fiscal year 2014 omnibus appropriations bill, Congress told the administration that no less than $2.85 billion dollars should be spent on democracy programs, yet when the actual totals came in, only $1.9 billion had been spent.

- Can you please explain why democracy programs were underfunded by nearly one billion dollars in FY 2014?

Answer. The U.S. government believes that Democracy, Human Rights and Governance (DRG) programs are essential to achieving and sustaining global development goals, as well as U.S. foreign policy objectives.

As part of the annual budget process, and pursuant to Section 653a of the Foreign Assistance Act of 1961, USAID and the Department of State must provide a report

to the Committees on Appropriations that details what our planning levels will be for all sectors and countries. Once there is agreement, the administration seeks to meet the Congressional directed requirements, while supporting administration and Congressional priorities. In the end, in FY 2014, it was not possible to meet all Congressional directives and still fulfill these shared priorities.

There are several reasons why we did not meet the suggested level for DRG in FY 2014. First, the amount of funding in a number of Congressional directed sectors in the enacted bill were higher than requested, as such, tradeoffs were required to balance Congressional and administration priorities. Second, emerging opportunities or closing spaces required us to revise our planning and move some programming outside of where it was initially allocated or requested. Finally, there were account level reductions from the President's budget request and the FY 2013 enacted levels in FY 2014 that made it difficult to meet all of the shared priorities.

The FY 2017 request for DRG programs for USAID is $2.3 billion, and we will continue to work towards meeting our highest priority goals in this sector, even when we face constraints.

Question 31. Because democracy, human rights, and governance (DRG) funding was so hard hit in FY 2014 and again in FY 2015, Congress for the first time included a hard protection for DRG funding in the FY 16 omnibus, stating that the administration "shall" spend no less than $2.308 billion on democracy programs. This was to prevent, for example, funds being diverted to clean water or climate programs that also happen to build good governance.

- How will the administration ensure that during the remainder of FY 16 the full amount of this funding truly goes to DRG programs and is not used for other programs that have merely a secondary democracy or governance benefit?

Answer. USAID appreciates Congress's support of Democracy, Human Rights and Governance (DRG) programs, which are an essential aspect of U.S. foreign policy and sustainable, global development.

The $2.3 billion earmark in FY 2016 will be allocated to core democracy, human rights and governance programs. In addition, USAID and the Department of State will continue to measure and invest in the integration of DRG principles and practices into programming outside of the DRG sector. This responds to USAID's commitment to improve development outcomes through the integration of DRG principles in the 2015 Cross-Sectoral DRG Integration Action Plan and is responsive to the 2015 Quadrennial Diplomacy and Development Review (QDDR), which contends that "accountable, democratic governance is the surest way to expand social and economic opportunities" and "societies that allow citizens a say and a stake in their success are more stable, prosperous, and secure."

For example, an agriculture project that uses a community-based development approach to engage historically marginalized groups in the design and implementation of community development plansintegratesDRGprinciples, but would not fall within theDRG earmark set by the FY 2016 appropriations bill.

Questions 32 and 33 . In Africa, for example, DRG funding has decreased by almost 50 percent since FY 2012, and between FY 2012-FY 2015, five countries (South Sudan, Liberia, DRC, Zimbabwe, and Kenya) received more than 60 percent of the DRG funding for the entire region.During this same time frame, in Latin America and the Caribbean, four countries (Mexico, Colombia, Cuba, and Haiti) received 58 percent of the region's total DRG funding. In South and Central Asia, Afghanistan and Pakistan receive 98 percent of this funding.

- In the FY 2017 budget request, which countries receive democracy, human rights, and governance funding and which do not?
- Why were the countries that are not receiving DRG funding under this budget excluded?

Answer. The 81 countries that would receive Democracy, Human Rights, and Governance (DRG) funding in the FY 2017 request, in addition to central and regional allocations, are noted in the summary tables of the of the Congressional Budget Justification. Several factors are used to determine the countries that will receive DRG funding:

- We consider the need for DRG assistance in a country based on the specific country context.
- We assess whether DRG programs are likely to be effective, including the willingness of the host government to permit such programs to operate.
- We factor in U.S. government foreign policy and development priorities, and prioritize countries based on the availability of assistance resources after taking

into account legislative directives. In some cases, regional DRG funding is considered to be a more effective approach than bilateral funding.

- In most cases, countries where we do not request DRG funding are places where the need for DRG assistance is lower than elsewhere, where it may be more difficult to conduct programs; or where the likelihood of having an impact is very low.

Questions 34 and 35 . U.S. development assistance should foster long-term self-sufficiency andultimately support partner countries transition from foreign aid. The FY 16 Omnibus Appropriations bill included an important provision requiring all future country development strategies to include a plan for transitioning over time away from foreign assistance.

- How is the State Department approaching these transition plans?
- Have you considered developing clear, measurable, and realistic benchmarks for country transition, such as benchmarks for social and economic progress across social groups, public sector capacity, or the enabling environment for civil society and the private sector?

Answer. Transition planning is being incorporated into USAID's Country Development Cooperation Strategies (CDCSs). During the first phase of CDCS development, decisions will be made regarding the necessary scope of transition planning for a particular mission, including the type of transition (e.g., phasing out of a particular sector, planning to transition assistance from programmatic to advisory, or phasing out of a country entirely) and over what time frame.

Transition planning will be further developed and informed by analyses undertaken during subsequent phases of CDCS development. In the final phase of CDCS development, the Mission will complete a transition plan for inclusion in its CDCS submission. These decisions should be reflected in all CDCSs developed after January 1, 2016.

Establishing goals for foreign assistance outcomes that would allow for USAID to transition its relationship with a country, and benchmarks towards achievement of those goals, is integral to USAID's approach to transition planning. Given the variety of contexts in which USAID works, and the range of U.S. government interests in those countries, USAID's approach is to develop broad guidelines for these benchmarks while preserving adaptability to local contexts so that our foreign assistance goals remain responsive to shifting realities.

Benchmarks identified for transition may include indicators of democratic and socioeconomic progress as well as a consideration of levels of inequality and particular development needs or priorities (e.g., education, citizen security, etc.). Other benchmarks include major foreign policy and strategic considerations. Additionally, a Mission should identify resources and levels of capacity of local partners, host country government, the private sector and other donors to continue development progress once USAID transitions its role.

One example of this approach has been USAID's transition out of development assistance in Croatia. In March 2007, the Europe and Eurasia Bureau's Monitoring Country Progress (MCP) team conducted a rigorous empirical analysis of Croatia's progress in its transition to a market-oriented democracy, with a focus on the country's prospects and timeline for transitioning from U.S. government assistance. The analysis centered on four MCP indices comparing economic reform, democratic reform, economic performance, and human capital trends in Croatia against those of several other key countries in the region whose degree of progress had earned them North Atlantic Treaty Organization membership and positive indication from Western Europe that European Union accession was likely.

The MCP benchmarking exercise found that Croatia exceeded transition thresholds in most cases and particularly in terms of human capital, which takes into account per capita income, life expectancy, child mortality, secondary school enrollment, and public expenditures on education and health. Based on these findings, USAID determined that Croatia was soon likely to achieve a degree of progress upon which the path to political and economic reform had become irreversible.

The decision to transition USAID/Croatia from a Mission to a non-presence country soon followed on June 30, 2008. First approved by the Department of State/USAID Joint Policy Council in 2004, these MCP indices are still utilized and adapted to inform planning and strategic direction.

Question 36. Roughly 10 percent, or $310 million, of State's Development Assistance program budget is going to support the Global Climate Change initiative (GCCI).

- With all of the development challenges in the world today, do you think it is appropriate to be spending 10 percent of the overall on climate change?

Answer. Climate change represents a substantial threat to U.S. national security interests and development objectives. The 2014 Quadrennial Defense Review (QDR) completed by the Department of Defense states that:

> Climate change poses another significant challenge for the United States and the world at large. As greenhouse gas emissions increase, sea levels are rising, average global temperatures are increasing, and severe weather patterns are accelerating. These changes, coupled with other global dynamics, including growing, urbanizing, more affluent populations, and substantial economic growth in India, China, Brazil, and other nations, will devastate homes, land, and infrastructure. Climate change may exacerbate water scarcity and lead to sharp increases in food costs. The pressures caused by climate change will influence resource competition while placing additional burdens on economies, societies, and governance institutions around the world. These effects are threat multipliers that will aggravate stressors abroad such as poverty, environmental degradation, political instability, and social tensions—conditions that can enable terrorist activity and other forms of violence.

In late 2015, CIA Director John Brennan said the following while addressing the Center for Strategic and International Studies' Global Security Forum:

> Mankind's relationship with the natural world is aggravating these problems and is a potential source of crisis itself. Last year was the warmest on record, and this year is on track to be even warmer. Extreme weather, along with public policies affecting food and water supplies, can worsen or create humanitarian crises. Of the most immediate concern, sharply reduced crop yields in multiple places simultaneously could trigger a shock in food prices with devastating effect, especially in already-fragile regions such as Africa, the Middle East and South Asia. Compromised access to food and water greatly increases the prospect for famine and deadly epidemics.

U.S. leadership is essential to addressing these broad and wide-reaching challenges. The Global Climate Change Initiative (GCCI) is the principal U.S. tool for providing technical assistance to developing countries confronting those challenges, and it serves a compelling U.S. national security interest. GCCI programs not only benefit our efforts to protect our climate system, they promote our broader development objectives. Virtually all GCCI programs have important benefits for food security, health, sustainability, economic development, poverty reduction, and regional stability, all of which benefit the U.S. and global economy.

Questions 37 and 38 . Do you intend to come to Congress for a specific authorization of the Green Climate Fund?

- Do you believe it is appropriate for Congress to have oversight over U.S. participation in the Green Climate Fund?

Answer. The Green Climate Fund (GCF) has been established as a multilateral trust fund—much like other multilateral funds, such as the Climate Investment Funds—and has approved its first round of projects. As I stated during my testimony before the Senate Foreign Relations Committee, the Department issued a grant to support the GCF from resources provided in the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2016 (Div. K, P.L. 114-113) (SFOAA). Specifically, in the SFOAA, Congress provided $4.3 billion in funding for the Economic Support Fund (ESF), an account that is used to fund environmental programs and many other foreign assistance programs. The ESF account is a primary account through which the administration requested funding to support the Green Climate Fund (GCF) in the President's FY 2016 budget request.

While over one-half of the account is earmarked for specific programs or activities, the remainder is available for other programs to carry out the ESF authority in the Foreign Assistance Act. The administration is using a portion of those unallocated funds for the GCF under the ESF authority and section 7060(c) of the SFOAA. While the SFOAA did not earmark funds specifically for the GCF, it also did not contain any restrictions on the use of FY 2016 funds for the GCF. Provision of ESF for environmental programs, including through grants to multilateral trust funds, is consistent with long standing practice.

This administration takes its GCF oversight role seriously and we are working hard to ensure that GCF funding is used responsibly through our role on the GCF

Board and our participation on two committees which oversee matters pertaining to oversight, the Ethics and Audit Committee and the Accreditation Committee. To that end, the GCF requires fiduciary standards and social and environmental safeguards that are among the strongest of all multilateral funds today. The Fund will have independent evaluation and integrity units, and Board proceedings and documents are among the most transparent of any multilateral mechanism.Questions for the Record Submitted toDirector Hari Sastry bySenator David Perdue (#39)Senate Committee on Foreign RelationsMarch 1, 2016

Question 39. As this administration contemplates the way forward in Afghanistan, I hope that we have learned the lessons of Iraq, and don't find ourselves with another power vacuum. The intelligence community testified earlier this month that, quote, "Afghanistan is at serious risk of a political breakdown in 2016."

- To what extent does the aid request (of $1.25 billion) for FY 2017 seek to prevent or mitigate the effects of such a potential breakdown?

Answer. The FY 2017 foreign assistance request and already-appropriated resources at work in Afghanistan are essential to the success of our strategy to help Afghanistan build sustainable stability. A main focus of our assistance programs is to improve the functioning of the Afghan government. It is in our interests that the Afghan government be able to meet the needs of the people who elected it. Our programming enhances the effectiveness of Afghan governance in many ways. For example, we are implementing programs focused on improving the Afghan government's delivery of education and health services, which has an immediate impact on all Afghans and impacts local perceptions of the credibility of the government. We are working in a similar fashion to improve the functioning of the Afghan justice and correctional systems.

In 2017, we expect to continue the innovative New Development Partnership (NDP) that was initiated during the visit of President Ghani and Chief Executive Abdullah in 2015. The NDP will provide up to $800 million to the Afghan government through 2018 if it meets specific, pre-determined reforms and development results. The NDP conditions the provision of U.S. assistance on Afghan government progress in addressing corruption, improving the government's fiscal sustainability and management, reducing poverty, and empowering women. Incentive funds are released only after the government has demonstrated that they have met pre-determined benchmarks established at the outset of the partnership. In 2015, the government achieved most of the NDP result targets agreed upon for the calendar year and qualified for $180 million of the $200 million that was available.

Our assistance helps build a constituency for a stable government by providing Afghans with improvements and services that meet the needs of citizens and de-legitimize extremism. For example:

- According to The Asia Foundation, in 2015, two-thirds of Afghans were satisfied with the quality of education their children received.
- On average, nearly one million people per month are treated at USAID-supported facilities; of these, 76 percent are women and children younger than five. USAID has and will continue to support the Ministry of Public Health in their efforts to provide access to basic health care across Afghanistan. Women and children have particularly benefitted from USAID's decade long commitment to Afghanistan's health sector. Since 2002, USAID has trained more than 12,000 community health workers and over 2,500 midwives - half of the entire population of midwives in the country. Furthermore, the Government of Afghanistan—in conjunction with the Department of State—reaches approximately 28,000 patients per year in more than 100 drug treatment centers.
- In 2015, women held 28 percent of seats in Parliament and four cabinet positions, and 165 judicial positions.
- In 2015, after years of targeted assistance from USAID, the Afghan government successfully acceded to the World Trade Organization, and the Parliament is on track to ratify the accession agreement.
- USAID recently completed the last segment of paved highway in eastern Afghanistan from Gardez to Khost. This road will link to the Pakistan border and open a strategic trade route.

Question 40. What criteria will the administration use to determine whether the Afghan government is meeting the conditions to receive the total amount of the aid?

Answer. As part of our policy to support Afghan reform and greater self-sufficiency, the Department of State and USAID employ incentive programs linked to Afghan government actions in a wide array of policy areas. These incentive pro-

grams include conditions that the Afghan government must meet to receive additional on-budget assistance. President Ghani and CEO Abdullah encouraged the development of these programs, which include the U.S.—Afghan New Development Partnership (NDP), the counternarcotics-related Good Performers Initiative, and multilateral mechanisms like the Afghanistan Reconstruction Trust Fund's (ARTF) Incentive Program, as a means of demonstrating accountability for the performance of the Afghan government.

Each incentive program is continuously monitored and reviewed at least annually to determine if the program is having the intended reform results. For instance, under the terms of the NDP, U.S. and Afghan officials consult at least once a year to review progress on the current set of targets and to determine if changes need to be made to future targets. The NDP target results are focused on countering corruption, improving fiscal sustainability, reducing poverty, and empowering women.

In 2015, the Afghan government achieved 90 percent of its annual reform targets and qualified for $180 million out of the $200 million available in on-budget assistance. The ARTF incentive program, which is partially funded by the United States, works similarly to the NDP and links the disbursement of on-budget assistance to Afghan government performance on revenue targets, and the implementation of policy reforms related to governance, civil service reform, public financial management, investment climate, and trade facilitation.

Question 41. With the U.S. presence in Afghanistan diminishing, how is the use of USeconomic assistance monitored?

Answer. U.S. agencies recognize the importance of program monitoring in Afghanistan to ensure the appropriate and effective use of our assistance funding. Due to the especially difficult operating environment in Afghanistan, the Department of State, USAID, and others have developed an innovative, multi-tiered monitoring approach for civilian assistance programs that allows for real-time assessment of how programs are functioning and whether they are achieving their intended results.

This monitoring program draws on information from multiple sources, using independent monitors and various communications technologies to query recipients, local governments, and civil society on program performance. This monitoring information allows the United States to expand programs that are working well and to terminate programs that are not achieving results. When appropriate, we have changed course to refocus resources on more productive programs that have a greater demonstrated impact on Afghanistan's development.

Both the Department of State and USAID are contracting with independent, experienced organizations to verify program performance in areas of Afghanistan that are not regularly accessible to U.S. oversight officials. The organizations that monitor and verify the implementation of our programs employ mostly Afghan staff to operate in areas less accessible to foreigners.

USAID has a Monitoring Support Program in place to monitor project activities, and has also developed technical monitoring contracts to help oversee programs that require specialized expertise, such as construction. The Department of State is implementing a Flexible Implementation and Monitoring Team contract that will provide monitoring services in locations around Afghanistan. In a number of cases, smaller implementing partners have bought into monitoring contracts administered by larger agencies to augment available oversight tools.

Question 42. What programs have been most successful in promoting governance reform and economic growth?

Answer. Below are a few examples of progress in Afghanistan attributable to U.S. assistance. We continue to review and analyze our current and past programs to assess impact and sustainability to help ensure we are supporting the most successful programs in promoting governance reform and economic growth:

- After years of targeted assistance from USAID, the Afghan government successfully acceded to the World Trade Organization (WTO) in December 2015, and the Afghan Parliament is on track to ratify the accession agreement by summer 2016. WTO membership will anchor Afghanistan in a rules-based trading system, and foster regional trade.
- The U.S.—Afghan New Development Partnership has focused Afghan government attention on tackling corruption, improving fiscal sustainability, reducing poverty, and empowering Afghan women. In the first year of the partnership, the Afghan government met 90 percent of its targets and qualified for $180 million of the $200 million available for disbursement. Moreover, the achievements under the program directly contributed to a 20 percent increase in government revenues, re-establishment of the Afghan relationship with the International

Monetary Fund, anti-corruption measures in customs collection, and the establishment of a new procurement review commission.

- The average number of years that Afghan children attend school has risen from 2.5 years to 9.3 years since 2000, and 67 percent of Afghans are satisfied with the education that their children receive. In 2002, roughly 900,000 boys and zero girls were enrolled in school; by 2014, nearly eight million children attended school, with girls comprising one-third of the student population.
- With help from USAID and other donors, the government provides basic health services to 2.3 million Afghan citizens a month. Since 2002, infant mortality has decreased 53 percent; child mortality rate has decreased 62 percent; and maternal mortality has decreased 77 percent. Furthermore, the Government of Afghanistan—in conjunction with the Department of State—reaches approximately 28,000 patients per year in more than 100 drug treatment centers.
- In 2015, women held 28 percent of seats in Parliament, four cabinet positions, and 165 judicial positions.
- We have also helped the Afghan government and private sector spur a communications revolution with nearly 90 percent of Afghan households owning a cell phone, and fostered the birth of a vibrant, free media.
- The Department of State helped the government establish the Counter Narcotics Justice Center (CNJC), which tries all high-level and government official narcotics cases. With support from specialized enforcement units mentored by the Drug Enforcement Administration, and operations and maintenance support from the Department of State and the Government of Britain, the Afghan government has arrested and the CNJC has successfully prosecuted a U.S- designated drug king pin and provincial officials implicated in the drug trade.

Question 43. How flexible are U.S. programs to augment those that are working and phasing out those that are not?

Answer. The United States has established an innovative, multi-tiered monitoring approach for assistance programs in Afghanistan that draws on information from multiple sources (including implementing partners, the Government of Afghanistan, other international donors, Afghan civil society, and third-party monitors) and allows us to assess in real-time how our programs are functioning and whether they are achieving intended results. This monitoring information allows the United States to adjust programs when they are not achieving results. When necessary, we have changed course to refocus our resources on more productive programs or to have greater impact on Afghanistan's development. As we fine tune our development activities, we also recognize that progress on many issues takes long-term, sustained work, and we employ multi-year, national-scale projects to maximize impact.

The review and monitoring of individual programs feeds into a broader, bi-annual portfolio review that helps assess whether our developmental priorities support our broader objectives and are able to be implemented given budgetary and other operational and strategic constraints.

The following are examples of when USAID/Afghanistan identified problems in implementation through monitoring and evaluation processes, and changed its programmatic approaches:

- *Democracy and Governance in Afghanistan:* Computer-based video calls (e.g., Skype) are one of the tools USAID uses to remotely monitor democracy and governance training activities in Afghanistan. In 2015, USAID monitored over 600 events. Thanks to this process, USAID has been able to observe events even when not physically present and take quick action to resolve any identified problems. For example, during one municipal budget training activity, it was observed that no females were involved in the training program. USAID discussed their observation with the implementing partner, which led the implementer to increase its efforts to include females in training activities.
- *Infrastructure in Afghanistan:* USAID committed to building a critical, 101-kilometer road from Gardez to Khost in Western Afghanistan to enable the transport of goods between Afghanistan and Pakistan. USAID originally contracted with an international construction company on the project; however, after monitoring efforts revealed the contractor was struggling to build community support for the project, which was causing delays, USAID turned the project implementation over to a local firm. As a result, the project proceeded much faster and was recently completed.
- *Education in Afghanistan:* In August 2013, USAID/Afghanistan signed an implementation letter with the Ministry of Education to fund a community-based

education program. The budget for the program was $56 million over five years; this funding was intended to be direct government-to-government assistance, provided to the ministry based on achievement of key milestones. However, as the Ministry of Education did not meet key targets in the beginning of implementation, USAID/Afghanistan did not disburse these funds through the direct government-to-government mechanism. Instead, USAID worked with UNICEF to implement the program. UNICEF has since partnered with the Ministry of Education, as well as provincial and district education offices, to improve community-based education in Afghanistan.

Question 44. We are seeing some troubling developments in Ukraine. Earlier this month, Ukraine's economic minister and his full team resigned citing ingrained corruption as their reason for stepping down. A major focus of our assistance has been centered around countering this rampart corruption.

- Are we failing in Ukraine?

Answer. With the help of U.S. and other international donor assistance, Ukraine continues to enact tough reforms, despite enormous challenges from continued Russian aggression in the east and occupation of Crimea, the difficulties of meeting the humanitarian needs of over one million internally displaced people, and the painful economic side effects of much-needed austerity measures.

The U.S. government has provided approximately $760 million since the crisis began and $2 billion in loan guarantees. This includes a commitment of over $266 million in security training and equipment to help Ukraine's forces better monitor and secure their borders, operate more safely and effectively, and defend Ukraine's sovereignty and territorial integrity. U.S. assistance also helped advanced key anti-corruption reforms by supporting the establishment of the new anti-corruption institutions ensuring further reform of the Prosecutor General, and helping establish new patrol police in major cities throughout Ukraine, one of the most visible and publicly celebrated anti-corruption reforms so far. We will continue to dedicate funds to restructuring and professionalizing the entire police force, and to help ensure judicial and anti-corruption reforms continue.

We also are working to help Ukraine confront Russian aggression as Russia arms, trains, finances, directs, and fights alongside separatists in eastern Ukraine and occupies Crimea. We have maintained unity with our European allies in imposing sanctions on Russia for its actions in Ukraine.

These sanctions will remain until Russia fully implements the Minsk Agreements, restoring Ukrainian control over eastern Ukraine and its international borders. Crimea-related sanctions will remain in place until Russia ends its occupation of Ukraine's peninsula.We will continue to push for progress in diplomatic engagement, pressing Russia at the highest levels to honor the commitments it made when it signed the Minsk Agreements.

Question 45. Is Ukraine making sufficient efforts to fight corruption and enhance the rule of law? If so, how?

Answer. The Ukrainian government is implementing an ambitious anti-corruption and rule of law reform agenda. Although Kyiv has made tremendous progress, much more must be done to root out corruption and advance democratic reforms. Our highest priorities for rule of law reforms are focused on improving the effectiveness of the operations of the new anti-corruption institutions; reform of the prosecutorial and judicial system; and police reform.

Regarding the new anti-corruption institutions, the National Anti-Corruption Bureau (NABU) has been established, along with a special anti-corruption prosecutor under the umbrella of the Prosecutor General's Office (PGO), and the two entities are working together to conduct investigations.

In 2015, the Rada passed legislation to reform judicial self-governance, and to change the processes for appointments, discipline, qualifications, and training for judiciary members. Constitutional amendments required to bolster judicial independence are moving through the Rada now.

The most visible and celebrated reform has been the establishment of the new openly recruited patrol police that replaced the notoriously corrupt traffic police. In 2016, the new patrol police will be expanded to all oblast capitals. Our efforts to support Ukraine as it addresses anti-corruption focus on greater government transparency will be enhanced by new laws on e-procurement, public officials' asset disclosures, and transparency on media companies' ownership.

These reforms will be critical to Ukraine's future and have been valiantly fought for by ordinary Ukrainians. The United States will continue to work with the Ukrainian government, civil society, and media to encourage further reforms during this critical time in Ukraine's history.

Question 46. Is U.S. aid helping Ukraine's armed forces enhance its capabilities?

Answer. Through the $266 million in training and equipment the United States has committed since the start of the crisis, we are helping Ukraine's forces enhance their capabilities to monitor and secure their borders, operate more safely and effectively, and defend Ukraine's sovereignty and territorial integrity. Our security assistance has saved lives while helping to build Ukraine's long-term defense capacity.

We have delivered non-lethal defensive equipment, including counter-battery radars, secure communications equipment, Humvees and up-armored civilian SUVs, medical equipment, and many other related items to help Ukraine protect its forces while defending against Russian aggression. We have stood up a multinational joint commission to better understand Ukraine's defense requirements, which we have targeted for enhancement with subsequent security assistance, and have sent advisors to promote long-term defense reform. In November 2015, we completed a training program for Ukraine's National Guard and are now training its conventional and Special Forces to increase their defense capabilities and institutional training capacity.

We continue to work closely with Ukraine to identify requirements for security assistance. With your support, we intend to continue our efforts in FY 16 to increase the defense capacity of Ukraine's conventional and Special Operations forces, State Border Guard Service, and National Guard.

Question 47. Is non-lethal aid sufficient to help deter Russian aggression, or is some level of lethal aid needed?

Answer. We have not ruled out sending lethal weapons to Ukraine. The United States continues to believe that there is no military resolution to the crisis, but Ukraine has the right to defend itself. We remain committed to supporting full implementation of the Minsk agreements, and our diplomatic efforts focus on supporting discussions in the Normandy format and in the Trilateral Contact Group to expedite their full implementation. We have provided significant non-lethal security assistance to Ukraine to help address the crisis, but our current focus is on finding a diplomatic solution.

Question 48. What is the U.S. doing to help Georgia to hold free and fair elections later this year?

Answer. In FY 2015, the U.S. government allocated more than $20 million to promote democracy in Georgia. Funded programs seek to advance democratic political processes, strengthen civic participation, bolster independent media, and support the rule of law.

The October 2016 parliamentary elections will represent a key moment in the transformation and consolidation of Georgia's democracy, which has made significant progress since independence. We are currently assessing the electoral environment to identify any unmet needs in advance of the elections. We will fund observation missions by international and local NGOs and plan to contribute observers to the OSCE observation mission. Electoral reform and safeguarding media freedom, civil society and political pluralism during the election season will be a key focus of the upcoming U.S.-Georgia Democracy Working Group.

Question 49. Are there concerns about Georgia's democracy and adherence to the rule of law?

Answer. In FY 2015, the U.S. government allocated more than $20 million to promote democracy in Georgia. Funded programs seek to advance democratic political processes, strengthen civic participation, bolster independent media, and support the rule of law in an effort to reinforce government transparency, accountability, and responsiveness.

Georgia has made significant progress since independence towards becoming a fully democratic state and is unique in the region in its commitment to democracy. Its 2012 and 2013 national elections resulted in the first constitutional change of power in a post-Soviet state, with the exception of the Baltics. The October 2016 parliamentary elections will represent another key moment in the consolidation of Georgia's democracy. It will be important for Georgia to maintain media freedom, promote political pluralism, and ensure independence of the judiciary as it moves toward these elections.

Questions 50 to 53. Public diplomacy (PD) spending, including exchange programs, would see a 5.4 percent boost under the FY 2017 request, to a total of $1.21 billion. Among the administration's PD priorities is countering Russian propaganda in Europe. The FY 2017 request for the Broadcasting Board of Governors (BBG), an independent Federal agency responsible for all U.S. non-military international media programs (including Voice of America and the Office of Cuba Broadcasting), is for

$0.78 billion, a 3.8 percent increase over FY 2016 estimates. To counter Russian pressure, the requested funding would allow BBG to significantly increase Russian television and digital content.

- Could you describe the department's public diplomacy strategies in countering Russian propaganda efforts in Europe?
- How do you measure the success or failure of these strategies?
- To what extent do the BBG's broadcasting efforts contribute to their success?
- Is the budget request adequate to ensure the strategy's success?

Answer. The Kremlin is rapidly disseminating disinformation, part of a concerted effort to undermine trust in Western institutions and erode freedom of the press. Research shows that despite Moscow's efforts and resources devoted to this objective, they have limited effectiveness abroad ? less than a third of Europeans polled outside of Russia are confident that Putin will do the right thing in world affairs or see Russia favorably. In these same European countries, views of the United States are much more positive; 69 percent viewed the U.S. favorably.

Capitalizing on this public goodwill, the Department of State is leading a coordinated effort to support the free flow of information, expand independent media, root out corruption, and refute Russian government disinformation. Our efforts extend across a range of diplomatic tools as we proactively amplify key U.S. government messages, correct disinformation, engage opinion leaders, encourage independent voices, and forge and maintain people-to-people ties.

The Department of State employs a combination of short-term messaging strategies with medium- and long-term programs to boost resilience and build capacity to recognize and reject Russian government disinformation. The Department supports our overseas posts in times of heightened Kremlin messaging. Armed with the facts, our missions abroad are able to adapt the content and materials we supply to their own audiences and rapidly amplify the truth. We have also increased our capacity to deliver our messages proactively in Russian by forming a cadre of Russian-speaking officers to engage with the media and introducing a Russian-language, policy-oriented Twitter handle. We augment this messaging activity by providing foreign audiences with opportunities to engage directly with experts, opinion leaders, and third party groups.

The Department of State is implementing programs that support independent media and investigative journalists in countries throughout the region, including Azerbaijan, Georgia, Macedonia, Moldova, Serbia, Ukraine, and the Baltics. We have developed exchanges to encourage independent media voices, including workshops on digital skills and investigative journalism, and support for a Digital Communicators Network of more than 1,000 members who bring accurate, objective information to regional audiences.

At the same time, we are supporting efforts to engage ethnic Russian populations by expanding our English language training programs and professional exchanges. These cost-effective programs create lasting educational and professional linkages and increase English proficiency of students and educators, helping remove language as a barrier for thought leaders to understand U.S. policy and culture.

U.S. public diplomacy also includes NATO and U.S. military outreach and media engagement. These high visibility engagements help dispel the Russian government's anti-NATO messages and serve as opportunities to explain our security partnerships. Last year the Under Secretary for Public Diplomacy and Public Affairs provided a new fund to support embassy public affairs teams in developing new, innovative public outreach projects pegged to U.S. military exercises in Europe. These interactions between people are the cornerstone of our strategy and absolutely essential in refuting disinformation.

We continue to use our public diplomacy tools to deepen people-to-people ties in an admittedly challenging political environment. In the past year, the Department of State designed and implemented a range of programs in the region that build relationships based on common interests and perceptions. Based on participant feedback, we know these programs are having a positive net effect. In addition to anecdotal evidence, we also conduct evaluations of our programs to ensure impact.

The Broadcasting Board of Governors (BBG) receives steady input from the Undersecretary of State for Public Diplomacy and Public Affairs, who serves on the BBG to ensure its strategic planning is aligned with broader U.S. foreign policy goals. The BBG is an active participant in an ongoing working group at the Department of State, through which it apprises the Department of its efforts and provides analysis of current media trends. In its own work, the BBG maintains a robust response to Russian disinformation through the combined work of Voice of America and Radio Free Europe/Radio Liberty, which employ flexible, innovative, and cross-

platform programming around the world to counter the Kremlin's strident anti-American messaging with fact-based journalism.

The bureaus undertaking this important work ensure that our limited resources are directed, in the most effective way, toward implementing priority programs focused on countering Russian government disinformation.

RESPONSES TO QUESTIONS FOR THE RECORD SUBMITTED TO ROMAN NAPOLI BY SENATOR DAVID PERDUE

Question 1. The world is facing unprecedented humanitarian crises where conflict and disaster have displaced millions of people. In June 2015, the U.N. High Commissioner for Refugees (UNHCR) reported that worldwide, nearly 60 million persons were forcibly displaced—the highest number on record. Despite these record highs, the total U.S. humanitarian assistance request is $6.156 billion—that's 20 percent less than FY 2016. Further, the amount in the Migration and Refugee Assistance account in this year's request decreased by $267 million. What accounts for this significant decrease? Particularly when the causes of this mass migration have yet to be solved?

Answer. In concert with FY 2016 resources, the President's Fiscal Year (FY) 2017 request will enable USAID specifically and the administration broadly to respond to the dire humanitarian situation resulting from the conflicts in Syria, South Sudan, Iraq, Ukraine, Yemen, as well as the humanitarian needs resulting from El Nino. The request reflects the administration's ongoing commitment to these programs. The FY 2017 request of $6.156 billion for humanitarian assistance includes $1.957 billion for the International Disaster Assistance Account, $1.35 billion for Food for Peace Title II, as well as $2.799 billion for the Migration and Refugee Assistance Account, and $50 million for the Emergency Refugee and Migration Assistance Fund managed by the U.S. Department of State. The overall FY 2017 request for humanitarian assistance is $511 million higher than the FY 2016 request.

Thanks to generous support from the U.S. Congress, the U.S. Government is the largest humanitarian donor in the world, including to the crisis in Syria. We plan to continue our robust support in FY 2016 and FY 2017, while urging other donors, including the Gulf nations, to contribute to these ongoing emergencies. We will continue to ensure that we are using funds as efficiently as possible in order to meet current and unforeseen needs worldwide.

Question 2. In 2015, the GAO reported on $1.7 billion in USAID assistance to Haiti and found a lack of planning for the sustainability of non-infrastructure projects in Haiti and a lack of USAID-wide guidance on how missions should plan for the sustainability of their infrastructure projects. What has USAID done to address the recommendations of GAO's report and to focus on improving the sustainability of its projects? Please be specific in describing the steps being taken.

Answer. USAID has been working to address the recommendations set forth in the June 2015 GAO report (GAO-15-517).

In its first recommendation, GAO instructed USAID/Haiti to perform sustainability analyses when designing non-infrastructure activities to ensure that the results to be achieved by a project will be sustainable after donor funding ends. These analyses include, for example, recurrent cost analysis, an identification of the source of future revenues, and an assessment of institutional capacity that should be put in place or developed through the project.

Based on the GAO findings outlined in the draft report, USAID/Haiti began to incorporate sustainability analyses during the project design phase for education and health (nutrition) sector activities, and for a project to combat gender-based violence. USAID/Haiti also revised its Mission Order on Project Design to incorporate language requiring that sustainability analyses be conducted during the project design phase of the Program Cycle. This Mission Order reiterates Agency-wide guidance on sustainability analysis and is applicable to both infrastructure and non-infrastructure activities. Furthermore, USAID/Haiti made specific Agency tools available on the Mission's internal website to assist with sustainability analyses, such as a checklist of sustainability considerations and a menu of illustrative questions, issues and examples to help design teams think through the sustainability objectives of projects. This revised Mission Order was issued on October 8, 2015 and remains in effect.

The second recommendation asked USAID to provide guidance for identifying capital assistance projects, including infrastructure activities, for which USAID Missions must certify sustainability, to ensure compliance with Section 611(e) of the Foreign Assistance Act of 1961 as amended. The identification of infrastructure projects and follow-through on Section 611(e) requirements for capital investments are integral to USAID's Program Cycle, particularly at the design stage. Operating units identify infrastructure activities and confirm Section 611(e) requirements are met through completion of mandatory activity checklists and other planning requirements including initial environmental examinations.

Nevertheless, USAID recognizes that, especially where infrastructure is not the primary objective of an activity, identification and sustainability planning can fall short of reasonably expected planning levels. The recently completed USAID Construction Assessment (November 2014) broadly recommends developing further policies ″around successfully designing, implementing, and administering construction activities″ in order to more effectively and efficiently manage investments and risk around capital projects. To this end, the Agency is already taking action to address Section 611(e) compliance as follows:

- Select operating units, including the USAID/Haiti Mission, have already developed Mission Orders (operating unit specific guidance) for construction activity management, including compliance with Section 611(e) requirements.
- The Agency's Global Acquisition and Assistance System (GLAAS) was modified to allow for a simple (check box) identification of infrastructure activities in each active award. This modification allows for a search of GLAAS data fields (location, budget, contract value, etc.) for all activities that include construction across the Agency's portfolio.
- A training program on Section 611(e) compliance and best practices was delivered at the Agency's global infrastructure conference held in Washington, DC in December 2014. Attendees at the conference included Agency engineers and contracting officers. Training on the 611(e) process is a part of USAID's five-day Engineering and Construction Contracting Management course. In the past 12 months, the Agency has trained over 100 USAID staff.
- The Agency's Acquisition and Assistance Planning system now includes a field to track construction activities in planned upcoming awards. This allows the Agency to generate reports that track construction activities by location, technical sector, award value, anticipated award date, etc.

The third recommendation seeks to ensure that USAID management has access to all information necessary to certify a host government's capability to maintain and operate a capital assistance project and provides guidance specifying the types of information that missions should include in 611(e) certifications.

In USAID's effort to revise ADS 200 (Programming Policy), new language has been drafted to make the identification and screening of risk mandatory at the planning stage of all construction activities. Risk screening protocols are being piloted across USAID operating units at present. Sustainability is considered a significant category of risk for USAID construction. Risk screening protocols emphasize rigorous compliance with policy requirements, like 611(e), in order to achieve appropriate levels of risk management and mitigation. Guidance is expected to be completed and linked to the Agency's Automated Directive System in the next six to 12 months.

Question 3. In February and March of 2015, USAID suspended two of the contractors that had worked on its flagship $30-plus million Caracol-EKAM housing project in Haiti due to faulty home construction and poor drainage that resulted in flooding of the site. New contracts were required to assess and make repairs to the project. What is the current status of these repairs, including the total expected cost? What steps has USAID taken to ensure that similar issues will not occur with implementing partners in the future?

Answer. USAID/Haiti was deeply concerned to discover deficiencies detected in the housing and related site works constructed at the Caracol-EKAM site.

The Agency is working to remedy deficiencies at the Caracol-EKAM housing site—starting with the hiring of a U.S. construction firm to address the most urgent deficiencies. USAID has already reinforced the nine individual footings that support a water tower on site. Planned repairs include: site storm drainage improvements, sanitation system upgrades, water system upgrades, strengthening of roof fasteners, and structural upgrades of house walls. The current total estimated cost of repairs and needed improvements to the Caracol-EKAM site includes an estimated $4.5 million for the assessment, the design to address the deficiencies, and the construction

management to oversee the work; and an estimated $7.9 million for the actual repairs and improvements.

USAID is committed to ensuring that American taxpayer dollars are used wisely, effectively, and for their intended purpose in every place we work, including Haiti. The two contractor companies that performed the deficient work are currently excluded from competing for most federal government construction contracts, thus protecting the USG and the U.S. taxpayer from future harm. The Agency can and does exclude vendors that do not perform, helping to ensure that the federal government does business only with responsible partners. In addition, in March and July 2015, USAID terminated for default two contracts that were held by the contractors who worked on housing construction at Caracol-EKAM.

Finally, USAID's Office of the Inspector General routinely audits Agency programs, which is a standard practice for USAID programs worldwide. These audits help ensure proper financial and management control and give us the opportunity to make adjustments as warranted.

Question 4. The U.N. estimates that there are 13.5 million people in need of assistance inside Syria. Meanwhile, large parts of Syria are controlled by non-government forces, including ISIS, while other areas have controls put in place by the Assad government, limiting the delivery of humanitarian assistance. Can you describe State's strategies for delivering assistance to these areas? Approximately, in what percentage of the country have State and USAID been able to operate?

Answer. U.S. Government humanitarian assistance is provided based on need and the ability of our partners to access the populations in need of assistance. Over the past five years, the United States has contributed over $5 billion in humanitarian funds. We cannot provide a percentage of the country in which State and USAID have been able to operate in delivering humanitarian assistance, because it changes from week to week and month to month. However, our assistance reaches an estimated 5 million Syrians inside Syria and in neighboring countries every month, and U.S. Government-funded humanitarian assistance has reached all 14 governorates of Syria over the last four years. The greatest access challenges have been areas that are cut off by deliberate siege tactics—19 areas including the Damascus suburbs, Idlib, and Deir ez Zour—and areas controlled by ISIL in northern Syria, where it has become prohibitively difficult to deliver humanitarian assistance without interference.

To reach as many people as possible, we are working through all channels, including across conflict lines and crossing borders. The besieged areas mentioned above have remained a leading concern for us, but recently, as part of the International Syria Support Group (ISSG) agreement, the United Nations has been able to deliver assistance to many of those areas. We continue to advocate that more needs to be done to ensure continuous access throughout the country.

USAID exercises considerable oversight over our programs, and our partners have developed a variety of multi-layered monitoring and tracking mechanisms to make sure that assistance gets to those it is intended to reach. USAID works closely with all partners to collect performance and situational data to monitor activities and gather enough information from different sources to verify assistance is reaching targeted areas and beneficiaries. USAID staff closely and systematically track the reports, are in regular direct communication with partners, and immediately follow up on any reported issues. Partners are required to provide regular program updates on the progress of their activities and any security concerns, and we require them to report any diversions, seizures, or losses immediately, and halt activities as necessary, until the issue is resolved. Partners monitor programs through geotagged photos and videos of the distributions, multiple independent field monitors, and provide feedback hotlines for beneficiaries.

Question 5. Due to restrictions in place in Syria, aid is often delivered using networks of volunteers. What requirements or specific policies does State and USAID have in place to vet volunteers or networks that assist in the delivery of this humanitarian aid? What types of monitoring activities do State and USAID implement to ensure accountability of assistance delivery? What percentage of deliveries in Syria has been affected by fraud or diversion? How does the U.S. track this?

Answer. Diversion is never an acceptable cost of doing business. USAID takes the loss and diversion of assistance—no matter the modality—very seriously. USAID's Office of the Inspector General (OIG) has reported that, of the approximately $1.1 billion provided for the Syrian humanitarian response between FY 2015 and FY 2016 to date, roughly one-tenth of one percent has been lost to diversion.

The operating environment in Syria and the extended response to this crisis have created complexities that we have never before seen. Thus, there is acknowledged risk, but also several learning opportunities that have already been realized and improvements institutionalized into processes to prevent future occurrences.

USAID works closely with its partners to collect performance and situational data to monitor activities and gather information from different sources to verify that assistance is reaching targeted areas and beneficiaries. Agency staff closely and systematically tracks this information, and follows up promptly on any reported issues. Partners are required to provide regular program updates on the progress of their activities and any security concerns, and to report any diversions, seizures, or losses immediately. Additionally, the Agency uses a variety of approaches to verify that aid is reaching its intended beneficiaries, including geo-tagged photos and videos of distributions, multiple independent field monitors, and feedback hotlines for beneficiaries.

The USAID Disaster Assistance Response Team (DART) in Jordan and Turkey meets regularly with partners to discuss programming, issues that impede humanitarian activities, and partners' monitoring and risk mitigation mechanisms. The DART also meets with the broader humanitarian community and communicates directly and indirectly with Syrian organizations that provide added layers of ground truth to partner reporting. The DART attends cluster and donor coordination meetings, which provide additional opportunities to triangulate information about partners' performance.

In addition, USAID uses a third-party monitoring system to verify and provide independent confirmation of a number of USAID programs. Through independent, field-based monitoring of activities, verification of outputs and monthly progress reporting, the third party mechanisms supply USAID with an additional level of assurance—similar to the role field visits provide for USAID monitoring activities in more stable environments—while also contributing to program learning.

The U.S. Government humanitarian response inside Syria is coordinated by the Middle East Crisis Response (MECHR) Management Team, which is inclusive of both USAID's Office of Food for Peace (USAID/FFP) and USAID's Office of U.S. Foreign Disaster Assistance (USAID/OFDA). USAID staff in Washington, D.C. also maintain regular contact with our humanitarian partners, including United Nations (U.N.) agencies, other international organizations, and NGOs, concerning their assistance activities in Syria. In addition, USAID leadership regularly engages with U.N. agency emergency directors and other senior U.N. staff in a variety of fora, including Emergency Directors Group meetings, Syria Top Donor Group meetings, and other events.

As with diversion, USAID has a zero tolerance policy for fraud and abuse of American taxpayer resources and will take every measure at our disposal to recover misspent funds. USAID halted several humanitarian aid activities in Turkey based on information provided by an NGO implementer and USAID's OIG. Given that these investigations are ongoing, we refer you to the OIG for any further information on their findings.

Question 6. What is the total amount of the FY 2017 request designated for assistance in Syria? How does that compare with the current funding level? How much of this is USAID anticipating on using for humanitarian assistance?

Answer. In Fiscal Year (FY) 2017, the President's request includes $1.075 billion for USAID related assistance to Syria. The humanitarian assistance request includes $898 million in International Disaster Assistance (IDA)-Overseas Contingency Operations (OCO) funding for Syria—$69 million (8 percent) above the FY 2016 request, and $32 million (5 percent) above the FY 2015 actual—in order to identify and respond to the most critical, life-saving humanitarian needs of displaced and conflict-affected families in Syria, prioritizing food assistance, basic health care, relief commodities, water, sanitation, and hygiene (WASH), and protection programming. These resources will also be used to provide emergency food assistance to Syrian refugees in Egypt, Iraq, Jordan, Lebanon, and Turkey.

The Economic Support Fund request is $175 million—$15 million (9 percent) above the FY 2016 request, and nearly $147 million (525 percent) above FY 2015 actuals. Syria also received an additional $114 million to augment the FY 2015 ESF allocation. The FY 2017 ESF request is $33 million (23 percent) above the total ESF allocation in FY 2015. These programs support moderate opposition by providing them the resources to restore essential services; improve local governance capacity through the ability to manage and deliver these essential services; support civil society organizations; and create livelihoods and other economic opportunities.

Additionally, the Office of Transition Initiatives (OTI) has provided $2.2 million of FY 2015 Transition Initiative (TI) funds, and plans for $2.2m of FY 2016 TI funds in Syria, subject to change based on the evolving needs on the ground and availability of funds. OTI has managed $35.2m in non-TI in FY 2015, and currently plans for $14m in non-TI in FY 2016. Through USAID's Office of Transition Initiatives (USAID/OTI) Syria Regional Program, we support Syrians who are building inclusive, accountable, and responsive governance institutions that address community needs.

Figures included in the request are estimated projections subject to change based on need. USAID humanitarian assistance, in particular, must retain flexibility in order to respond to humanitarian needs as they emerge, such as sudden mass displacement, infectious disease outbreaks, and potential deteriorations in food security.

Question 7. Do you anticipate that the outbreak of the Zika virus in Latin America, which came to international attention after this budget request was formulated, will impact plans for global health assistance allocations in FY 2017?

Answer. At this time, there are no changes to the FY 2017 Global Health request. The response to Zika requires immediate action. The FY 2016 emergency supplemental appropriations request would be our primary response to Zika. We are also exploring additional authorities to use available funds, including remaining funds in the Ebola supplemental appropriations.

We should not divert funding from other important Global Health challenges for Zika. This would undermine our ability to achieve important global goals—such as ending child and maternal deaths and protecting communities from infectious diseases, including completing the response to Ebola, building global health security capacity, and addressing tuberculosis. These issues currently claim millions of lives each year—and most of these deaths are preventable, and doing so has been a priority of the U.S. Government for many years. The experience over the last several years with outbreaks of Ebola, SARS, MERS-CoV, avian influenza and Zika has underscored the point that infectious disease outbreaks will happen and they can have devastating impacts locally and globally if they are not prevented and mitigated. Ensuring effective prevention, detection and response of such outbreaks is at the heart of global health security. If Zika continues to spread around the world, and response needs exceed the emergency funding capacity we have requested, we will have to explore and review the options available to address the changing epidemic.

Question 8. What is the United States doing to help developing countries take on more of a leadership role in serving their own citizens, to make sure that the countries we are trying to help have all the tools they need to manage their way to an AIDS-free generation?

Answer. USAID, as part of the President's Emergency Plan for AIDS Relief (PEPFAR), helps developing countries take on a leadership role in the HIV/AIDS response through developing capacity and ensuring sustainability, and advocating for domestic resource mobilization. USAID and PEPFAR measure progress toward sustainability in partnership with local stakeholders through the Sustainability Index and Dashboard (SID), which is required each year for bilateral programs starting in FY 2015. SID is made up of four domains: 1) Governance, Leadership, and Accountability; 2) National Health System and Service Delivery; 3) Strategic Investments, Efficiency, and Sustainable Financing; and 4) Strategic Information. Within each domain, there are indicators that are used to examine areas of strength and those in need of improvement. SID is completed through stakeholder meetings and consultations, which include civil society groups, a range of government ministries and officials, private sector representatives, multilateral partners and others, which ensures a wide range of country perspectives are reflected in the final SID findings.

In combination with other data streams, SID sustainability data is used to target the U.S. Government HIV funding (and as relevant, other donor funding) in ways that both directly link to HIV outcomes and improve the health systems and capacity of local stakeholders for the long term.

In a further effort to support developing country partner governments to take a leadership role in the HIV/AIDS response, USAID is leading efforts within PEPFAR around sustainable financing for HIV programs. In countries with growing economies, mobilizing domestic resources is critical to achieving a sustained response to the epidemic and promoting an AIDS-free generation. Under the Sustainable Financing Initiative, USAID aims to deliver an AIDS-free generation through shared financial responsibility with the partner country governments of Kenya, Tanzania, Uganda, Nigeria, Zambia, Vietnam, and Mozambique.

The portfolio of Sustainable Financing Initiative interventions to raise local resources include: 1) economic and macro-fiscal data analysis and advocacy—use of evidence and in-country finance, costing and economic analyses to increase and sustain political will by host governments to commit more resources to health and HIV; 2) tax administration and policy reform/financial management —increasing tax revenues through improving the collection of existing taxes and/ or developing new taxes; public financial management and program-based budgeting; 3) efficiency—improving technical efficiency and resource allocation through optimizations in service delivery, supply chain systems, health insurance, and other management reforms to enable countries to avoid waste of essential resources and improve HIV and AIDS outcomes within the existing set of resources; and 4) private sector and innovative financing—increasing use of private health insurance and markets, innovative financing, and corporate social responsibility to facilitate greater private sector participation.

Question 9. In the fiscal year 2014 omnibus appropriations bill, Congress told the administration that no less than $2.85 billion dollars should be spent on democracy programs, yet when the actual totals came in, only $1.9 billion had been spent. Can you please explain why democracy programs were underfunded by nearly one billion dollars in FY 2014?

Answer. The U.S. government believes that democracy, human rights and governance (DRG) programs are essential to achieving and sustaining global development goals, as well as U.S. foreign policy objectives.

As part of the annual budget process, and pursuant to Section 653a of the Foreign Assistance Act of 1961, USAID and the Department of State must provide a report to the Committees on Appropriations that details what our planning levels will be for all sectors and countries. Once there is agreement, the administration seeks to meet the Congressional directed requirements, while supporting administration and Congressional priorities. In the end, in FY 2014, it was not possible to meet all Congressional directives and still fulfill these shared priorities.

There are several reasons why we did not meet the suggested level for DRG in FY 2014. First, the amount of funding in a number of Congressional directed sectors in the enacted bill were higher than requested, as such, tradeoffs were required to balance Congressional and administration priorities. Second, emerging opportunities or closing spaces required us to revise our planning and move some programming outside of where it was initially allocated or requested. Finally, there were account level reductions from the President's budget request and the FY 2013 enacted levels in FY 2014 that made it difficult to meet all of the shared priorities.

The FY 2017 request for DRG programs for USAID is $2.3 billion, and we will continue to work towards meeting our highest priority goals in this sector, even when we face constraints.

Question 10. Because democracy, human rights, and governance (DRG) funding was so hard hit in FY 2014 and again in FY 2015, Congress for the first time included a hard protection for DRG funding in the FY 2016 omnibus, stating that the administration "shall" spend no less than $2.308 billion on democracy programs. This was to prevent, for example, funds being diverted to clean water or climate programs that also happen to build good governance. How will the administration ensure that during the remainder of FY 2016 the full amount of this funding truly goes to DRG programs and is not used for other programs that have merely a secondary democracy or governance benefit?

Answer. USAID appreciates Congress's support of Democracy, Human Rights and Governance (DRG) programs, which are an essential aspect of U.S. foreign policy and sustainable, global development.

The $2.3 billion earmark in FY 2016 will be allocated to core democracy, human rights and governance programs. In addition, USAID and State will continue to measure and invest in the integration of DRG principles and practices into programming outside of the DRG sector. This responds to USAID's commitment to improve development outcomes through the integration of DRG principles in the 2015 Cross-Sectoral DRG Integration Action Plan and is responsive to the 2015 Quadrennial Diplomacy and Development Review (QDDR), which contends that "accountable, democratic governance is the surest way to expand social and economic opportunities" and "societies that allow citizens a say and a stake in their success are more stable, prosperous, and secure."

For example, an agriculture project that uses a community-based development approach to engage historically marginalized groups in the design and implementation of community development plans integrates DRG principles, but would not fall within the DRG earmark set by the FY 2016 appropriations bill.

Question 11. How are determinations being made regarding which countries receive DRG funding and which do not? In Africa, for example, DRG funding has decreased by almost 50 percent since FY 2012, and between FY 2012-FY15, five countries (South Sudan, Liberia, DRC, Zimbabwe, and Kenya) received more than 60 percent of the DRG funding for the entire region. During this same time frame, in Latin America and the Caribbean, four countries (Mexico, Colombia, Cuba, and Haiti) received 58 percent of the region's total DRG funding. In South and Central Asia, Afghanistan and Pakistan receive 98 percent of this funding. In the FY 2017 budget request, which countries receive democracy, human rights, and governance funding and which do not? Why were the countries that are not receiving DRG funding under this budget excluded?

Answer. The 81 countries that would receive Democracy, Human Rights, and Governance funding in the FY 2017 request, in addition to central and regional allocations, are noted in the summary tables of the of the Congressional Budget Justification.

Several factors are used to determine the countries that will receive Democracy, Rights, and Governing (DRG) funding:

- We consider the need for DRG assistance in a country based on the specific country context.
- We assess whether DRG programs are likely to be effective, including the willingness of the host government to permit such programs to operate.
- We factor in U.S. Government foreign policy and development priorities, and prioritize countries based on the availability of assistance resources after taking into account legislative directives.
- In some cases, regional DRG funding is considered to be a more effective approach than bilateral funding.
- In most cases, countries where we do not request DRG funding are places where the need for DRG assistance is lower than elsewhere, where it may be more difficult to conduct programs; or where the likelihood of having an impact is very low.

Question 12. What is USAID doing to help Georgia to hold free and fair elections later this year? Are there concerns about Georgia's democracy and adherence to the rule of law?

Answer. In FY 2015, the U.S. government allocated more than $20 million to promote democracy and rule of law in Georgia. This continues in FY 2016, where USG funded programs in Georgia will seek to advance democratic political processes, strengthen civic participation, bolster independent media, and support the rule of law in an effort to support government transparency, accountability, and responsiveness, and promote Georgia's integration into the Euro-Atlantic community.

The October 2016 parliamentary elections will represent another key moment in the transformation and consolidation of Georgia's democracy. Georgia has made significant progress since independence towards becoming a fully democratic state and is unique in the region in its commitment to democracy. Its 2012 and 2013 national elections resulted in the first peaceful constitutional change of power in post-Soviet Georgia. It will be important for Georgia to maintain and strengthen media freedom, continue to promote political pluralism, and ensure independence of the judiciary as it moves toward parliamentary elections this fall.

The U.S. government is currently assessing the electoral environment to identify any unmet needs in advance of this year's elections. In addition, the U.S. government is funding observation missions by the International Republican Institute, the National Democratic Institute, and local NGOs, and plans to contribute observers to the Organization for Security and Co-operation in Europe observation mission. Pursuing electoral reform and the importance of safeguarding media freedom, civil society and political pluralism during the election season will be a key focus of the U.S.-Georgia Democracy Working Group to be held in Tbilisi this summer.

Question 13. U.S. development assistance should foster long-term self-sufficiency and ultimately support partner countries transition from foreign aid. The FY 2016 Omnibus Appropriations bill included an important provision requiring all future country development strategies to include a plan for transitioning over time away from foreign assistance. How is the State Department approaching these transition plans? Have you considered developing clear, measurable, and realistic benchmarks for country transition, such as benchmarks for social and economic progress across social groups, public sector capacity, or the enabling environment for civil society and the private sector?

Transition planning is being incorporated into USAID's Country Development Cooperation Strategies (CDCSs). During the first phase of CDCS development, decisions will be made regarding the necessary scope of transition planning for a particular mission, including the type of transition (e.g., phasing out of a particular sector, planning to transition assistance from programmatic to advisory, or phasing out of a country entirely) and over what time frame. Transition planning will be further developed and informed by analyses undertaken during subsequent phases of CDCS development. In the final phase of CDCS development, the Mission will complete a transition plan for inclusion in its CDCS submission. These decisions should be reflected in all CDCSs developed after January 1, 2016.

Establishing goals for foreign assistance outcomes that would allow for USAID to transition its relationship with a country, and benchmarks towards achievement of those goals, is integral to USAID's approach to transition planning. Given the variety of contexts in which USAID works, and the range of U.S. government interests in those countries, USAID's approach is to develop broad guidelines for these benchmarks while preserving adaptability to local contexts so that our foreign assistance goals remain responsive to shifting realities. Benchmarks identified for transition may include indicators of democratic and socioeconomic progress as well as a consideration of levels of inequality and particular development needs or priorities (e.g., education, citizen security, etc.). Other benchmarks include major foreign policy and strategic considerations. Additionally, a Mission should identify resources and levels of capacity of local partners, host country government, the private sector and other donors to continue development progress once USAID transitions its role.

One example of this approach has been USAID's transition out of development assistance in Croatia. In March 2007, the Europe and Eurasia Bureau's Monitoring Country Progress (MCP) team conducted a rigorous empirical analysis of Croatia's progress in its transition to a market-oriented democracy, with a focus on the country's prospects and timeline for transitioning from U.S. government assistance. The analysis centered on four MCP indices comparing economic reform, democratic reform, economic performance, and human capital trends in Croatia against those of several other key countries in the region whose degree of progress had earned them North Atlantic Treaty Organization membership and positive indication from Western Europe that European Union accession was likely. The MCP benchmarking exercise found that Croatia exceeded transition thresholds in most cases and particularly in terms of human capital, which takes into account per capita income, life expectancy, child mortality, secondary school enrollment, and public expenditures on education and health. Based on these findings, USAID determined that Croatia was soon likely to achieve a degree of progress upon which the path to political and economic reform had become irreversible. The decision to transition USAID/Croatia from a Mission to a non-presence country soon followed on June 30, 2008. First approved by the State/USAID Joint Policy Council in 2004, these MCP indices are still utilized and adapted to inform planning and strategic direction.

Question 14. I understand that USAID is often tasked with on-the-ground implementation of certain State Department plans and initiatives, and in order for USAID to carry out these implementation efforts, State grants USAID a portion of its programmatic funding. However, these specific proportions transferred from State to USAID are not reflected in State's Congressional Budget Justification. As a matter of fact, in preparing for this hearing, I had to rely on "guess-timates" from the Congressional Research Service on how much funding State transfers to USAID for different line items in the budget. In the interest of broader monitoring and evaluation, as well as public transparency, why are these funds not clearly delineated in either State or USAID's budget? Would it be feasible for State and USAID to begin disclosing these amounts? If no, why not?

Answer. The joint Department of State (State) and USAID budget includes the resources needed by both agencies to advance national security priorities related to diplomacy and development. State and USAID work closely both in developing budget requests, and in implementing programs in the year of appropriation. Decisions about implementing mechanisms and implementing partners are made in the year of appropriation, based on assessed needs on the ground, evolving circumstances (which USAID and State monitor), priorities, implementation capacity, and available implementation mechanisms. There are times in the field where State Department often relies on USAID to program and assist in planning the programming of resources, so the distinction of ownership over funding can play a relatively small role in how projects are designed and implemented.

While there can be differences from year to year, historically USAID generally administers all of the Development Assistance, Global Health Programs-USAID, Food for Peace Title II, International Disaster Assistance, and Transition Initiatives ac-

counts. In most years, USAID has fully administered funding in the Complex Crises fund account as well. In addition, USAID fully implements the USAID Administrative Expense accounts: USAID Capital Investment Fund, USAID Development Credit Authority Admin Expenses, USAID Inspector General Operating Expenses, and USAID Operating Expenses accounts. USAID has historically administered 93 percent of the Economic Support Fund, 70 percent of Assistance for Europe, Eurasia, Central America, and 60 percent of the Global Health Program-State accounts.

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