

**STATE, FOREIGN OPERATIONS, AND RELATED
PROGRAMS APPROPRIATIONS FOR FISCAL
YEAR 2017**

WEDNESDAY, FEBRUARY 24, 2016

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

The subcommittee met at 2:05 p.m., in room SD-124, Dirksen Senate Office Building, Hon. Lindsey Graham (chairman) presiding.

Present: Senators Graham, Kirk, Blunt, Boozman, Moran, Lankford, Daines, Leahy, Mikulski, Durbin, Coons, and Murphy.

U.S. DEPARTMENT OF STATE

OFFICE OF THE SECRETARY

STATEMENT OF HON. JOHN F. KERRY, SECRETARY

OPENING STATEMENT OF SENATOR LINDSEY GRAHAM

Senator GRAHAM. The subcommittee will come to order. We are here to receive testimony from Secretary Kerry about the Department of State and foreign operations budget request.

I am glad Senator Mikulski is here. She will make an opening statement, but I will start.

The Secretary has a hard stop in 2 hours, so we will make sure everybody can ask questions. I want to thank the members of the subcommittee on both sides for being so active, so involved.

I want to thank those who serve in the diplomatic corps. You do not get the recognition you deserve. You are an instrument of power as much as anybody in the military. You serve in very dangerous environments, and I just want to let you know that the soft power aspect of American foreign policy is just as important as hard power.

This account is 1 percent of the Federal budget, give or take a bit. We have had a 12 percent cut since 2010. The world has not justified us spending less, in terms of engaging the world.

Sequestration relief is much appreciated, but we need to get this behind us, because this account gives us options.

If you do not want to bomb everybody, and you do not want to be in a constant state of war, you need tools in the toolbox. So the progress we made with AIDS and malaria, and engaging the world, particularly in Africa, has been astonishing. I want to thank all the

members of the Republican Party and Democratic Party for seeing this account in a new light.

I want to thank Secretary Kerry for his tireless work.

I am going to quickly inventory the world as I see it.

It is a very dangerous world. There have been over 60 million refugees displaced in the last 5 to 6 years. In Syria alone, 4.7 million; 2.6 million in Turkey; over 1 million in Lebanon; 640,000 in Jordan, and it is probably actually more than that; 245,000 in Iraq; 117,000 in Egypt; Libya is becoming a failed state; and there is the Syrian conflict. I hope we can get a ceasefire, but we will hear more about that.

I just want the world to know, and those who are seeking the highest office in the land, you better understand what is going on out there. Syria is a cancer for the region, and I very much worry that the next President needs to have a vision of the world consistent with the dangers that we face, and this account is an essential tool.

The Iranian agreement whether you like it or not, the behavior since the agreement by the Iranians outside their nuclear compliance has been disturbing, to say the least.

There are just multiple fronts, multiple friction points.

Russia's involvement in Syria, along with the Iranians, is of great concern to me.

North Korea seems to be marching down the road of developing missile technology that can reach out and strike the homeland. Five years, on March 15, is the anniversary of the Syrian conflict. When the people in Syria marched in the streets to demand a better life, I would say the world, in general, did not respond. There is no use blaming any one group.

Secretary Kerry's speech when Assad crossed the redline, I think was your high point, certainly one of them, where you laid out the case of why Assad should be dealt with forcibly after he used chemical weapons on his own people and what he had done prior to that point.

We are where we are, and I have never been more worried about a strike on the homeland than I am today. There are more terrorist organizations with weapons capability and safe havens to hit the homeland than any time since 9/11.

This account is very important, in terms of trying to bring stability to the world, so I hope we can find a way to plus-up this account. If you do not look at it as national security in another form, you are making a huge mistake.

Senator Leahy has been a joy to work with. I really appreciate our collaboration. And with that, I will turn it over to him.

STATEMENT OF SENATOR PATRICK J. LEAHY

Senator LEAHY. Thank you, Mr. Chairman. You and I have worked closely together for years on this budget. Obviously, as members of different parties, there will be some things we disagree about. But the vast majority of things in this budget we do agree about. That is why it always passes.

Secretary Kerry, it is good to have you here. You have one of the most difficult jobs in the Government and in the most difficult time that I can remember.

The world is on fire either literally or figuratively in so many places, it is hard to keep track. I do not think there is anybody who works harder than you do to put them out. I think of the times you and I will be talking here or at the White House or State Department, and a few hours later you are on the news in another capital, another part of the world, representing the United States.

Our job is to give you the resources you need. Senator Graham and I will work hard on that. I appreciate also the fact that Senator Graham's staff and mine can work so closely together.

I look at some of the problems we face.

Afghanistan, 14 years after 9/11, what is happening there is appalling. Despite all the sacrifices of our soldiers, and hundreds of billions of dollars spent, much of that country today is under Taliban control. The opium business is booming. The government is widely regarded as ineffective and corrupt. And very little of the investment of American taxpayers in Afghanistan can be sustained by the Afghans.

In Iraq, I believe the American people were misled about the justification for the war. They were assured that our troops would be greeted as liberators and promised Iraq would spend its own oil revenues to rebuild. None of that turned out to be remotely true. We alienated our friends. We wasted hundreds of billions of dollars while critical needs here at home were ignored.

Today, Iraq's ability to survive as a nation is far from certain. The corruption and chaos there spawned the Islamic State of Iraq and the Levant (ISIL). They were able to walk away with a lot of our equipment, because the Iraqis let them. The American people will be paying to care for thousands of wounded veterans from that war for a lifetime, certainly even beyond mine.

Meanwhile, Syria is the world's biggest humanitarian catastrophe. It seems the strategy of arming the so-called moderate opposition is largely based on wishful thinking.

And Libya, Egypt, Yemen, Somalia, Nigeria, and other parts of North Africa, are dealing with their own terrorist threats. Our global war on terrorism that began against Osama bin Laden and a small number of Al Qaeda fighters in Afghanistan appears to be succeeding about as well as our decades' old so-called war on drugs.

I do not say this to cast blame on the administration, but to emphasize the colossal price the American people continue to pay for the hubris and naiveté of some of our past leaders.

Some of today's candidates for President who blame Congress and the Federal Government want the American people to believe the solution is simply to listen to the lobbyists and defense contractors and buy more weapons and cut the budgets of everything else.

They have learned very little from Iraq and Afghanistan. There, some of the defense contractors got rich. American soldiers, though, paid with their lives and limbs.

Mr. Secretary, you served in the military. And you know, having been in combat, what they went through. The taxpayers lost 1,000 billion dollars, and those countries are plagued by violence and misery.

So there is a lot that should be done and a lot that we should learn from those experiences.

On the positive side, I am among those who applaud the agreement with Iran. I applaud the restoration of diplomatic relations with Cuba.

Mr. Secretary, I was moved when I saw the Cubans standing not just inside our Embassy, but outside on the street when you had the American flag raised at our Embassy for the first time in over 50 years. I will never forget, and I do not think you will either, the cheers and the applause that came from the average Cubans.

Now, none of those things are more than steps in a long process in resolving big differences. But they are historic achievements and steps long overdue.

I feel the same way about the Paris climate change agreement. I commend you for not giving up, for sticking with it. Unless we work together to stop climate change we are going to recklessly go down the path that scientists overwhelmingly agree would be catastrophic for life on Earth.

Now, your fiscal year 2017 budget looks a lot like last year. For the most part, that is not a bad thing, except for the \$1 billion cut in humanitarian.

I think it is safe to say I also speak for the chairman that we would like to move quickly on this. We know it is important. You have an important job. The State Department has an important job and the two of us will do our best.

Thank you, Mr. Chairman.

STATEMENT OF SENATOR BARBARA A. MIKULSKI

Senator MIKULSKI. Mr. Chairman, I will be very brief, because we want to get to the testimony. And given such excellent attendance, I know we want to get to Q&A.

I just want to say, first of all, we welcome Secretary Kerry. This will be the last time he will be testifying before this committee at the same time I will be sitting here in this chair, so it is a poignant time as we look back on where we have served over the years, and we look ahead to the challenges we have.

You have a difficult job. The world seems to be getting smaller because of technology, but larger in terms of problems. While you have a difficult job, so do the men and women who work at the State Department, for the State Department, but they are really working for the United States of America.

As I review the President's budget, it once again shows that the defense of our country lies not only in the Department of Defense, but others who exercise other levers of power and presence, power and presence that really helps advocate the values and security needs of our country, whether it is a treasured allies like Israel, or whether it is desperate refugees seeking help.

We look forward to hearing the issues related also to not only ISIL but also other important issues like global health, what is happening to women in the world, and what also is undermining the stability of countries, like climate change, and so on.

So we look forward to this testimony. I wanted to come personally to thank you publicly for your service, and I think the way we thank you is to just move our agenda and not engage in any delays.

Thank you very much, Mr. Chairman.

Senator GRAHAM. Mr. Secretary. We look forward to your testimony, assuming that you are not chosen by Trump to be Secretary of State this will be your last appearance. [Laughter.]

With that in mind, please proceed.

Senator MIKULSKI. Welcome back from another troubled spot.

Secretary KERRY. I am going to leave that one alone, Mr. Chairman. [Laughter.]

Senator GRAHAM. I have asked the Inspector General for the U.S. Department of State and the Broadcasting Board of Governors, the Special Inspector General for Afghanistan Reconstruction, and the Chief Executive Officer of the Broadcasting Board of Governors to submit written testimony on their respective fiscal year 2017 budget requests, which will appear in the record following Secretary Kerry's opening statement.

SUMMARY STATEMENT OF HON. JOHN F. KERRY

Secretary KERRY. First of all, Mr. Chairman and Ranking Member Leahy and Senator Mikulski, Chair, let me just thank all of you profoundly for the bipartisanship and the seriousness of purpose with which each and every one of you approach these issues.

And I know, Mr. Chairman, you were angling, as I did, for a different seat in a different house, but I am personally glad you are back here, and you are a terrific steward of this enterprise with some complications in your own party with respect to some of these issues. But I personally really respect and appreciate your leadership on a lot of this.

And, Senator Leahy likewise through the years, we have done a lot and you have been a leader on so many of these things, demining and human rights, and run the list.

And, Senator Mikulski, you are just a tour de force, and we are all going to miss you very, very much.

So I am going to try and cut through this pretty quickly if I can, because I know you want to ask questions, but I do want to put into perspective what we are trying to do here.

Mr. Chairman, you mentioned that the budget is about 1 percent of the budget of the United States of America, \$50 billion. I would say to everybody here that is about the minimum price that we should be paying for our leadership and for what we accomplish with this in terms of the security of our people, the advancement of our interests, the advancement of our values and ideals.

And I will tell you bluntly and flatly, after spending 28 full years on the Foreign Relations Committee and in the Senate, and a little more into the 29th, never have I seen the country more engaged in more places all at the same time with more issues of consequence. And the scope of that engagement obviously is to protect our citizens and protect our interests.

But we are confronted today with a combination of perils as old as nationalist aggression and as new as cyber warfare, by dictators who run roughshod over global norms, and by violent extremists who combine modern media with medieval thinking to wage war on civilization itself.

And despite the dangers, I really believe that we Americans have every reason for confidence. In recent years, our economy has added more jobs than the rest of the industrialized world combined.

Our Armed Forces are second to none in the world, and it is not even close.

Our alliances in Europe and Asia are vigilant and strong, and the budget reflects the plussing-up of our effort to strengthen Europe.

Our citizens are unmatched in their generosity and commitment to humanitarian causes and to civil society.

Now, frankly, we hear—I hear it, I hear it sometimes in my travels; I certainly hear it in this country—a lot of handwringing about what is going on. But I have to tell you, I have the greatest respect for my colleagues, my counterparts around the world, and I have built strong friendships and relationships with them, but I would not switch places, with all due respect, with one foreign minister in the world. And nor do I want our country to retreat to some golden age that is illusionary about the past.

Here and now, I believe we have just enormous opportunities staring us in the face: the energy transformation; young people thirsty for opportunity, people who really brought us some of the unrest in the Middle East in their desire to share some of the prosperity and opportunity of the world.

In the past year, we did reach a historic agreement with Iran. Some people opposed it; some people were for it. And that is the way our country works.

But the fact is that just the other day, the commanding general of the Israeli Defense Forces announced in a speech to a security conference in Israel that because of that agreement, Israel no longer faces an existential threat from Iran in the way that it did.

In Paris in December, we joined governments from more than 190 nations in approving a comprehensive agreement to curb greenhouse gas emissions and limit the most harmful consequences of climate change. And now we are determined to implement that.

We also believe, and the evidence is there in economies that are transforming, that this is one of the greatest economic opportunities of all time: 4.5 billion users today, going up to 9 billion users in the next 20, 30 years, for an economy that will be at least six to larger trillions of dollars in size, and some \$50 trillion is going to be spent in the next 20 or 30 years in this energy transformation.

Those are jobs. That is opportunity. And that is an enormous marketplace, bigger than the technology marketplace of the 1990s, which created the greatest wealth this Nation has seen since the 1920s.

Just this month, we signed the Trans-Pacific Partnership, which will ensure a level playing field in the Pacific for American businesses and workers, and it will reassert our leadership in a region that is vital to our interests. And obviously, we are asking Congress to approve this pact, so we can begin to accrue its benefits as quickly as possible.

In Europe, we are increasing support for our security initiative, the reassurance initiative. We are increasing it fourfold, and we are giving Russia a clear choice between continued sanctions and meeting its obligations to a sovereign and democratic Ukraine.

In our hemisphere, we are helping Colombia to try to end the war, the longest-running civil war on the planet. And we are aiding

our partners in Central America to implement new procedures to prevent the flow of migrants, and particularly young children across the border. And we are seeking supplemental funds to minimize the danger to public health from the Zika virus.

In Asia, we are standing with our allies in opposition to the threats posed by a belligerent Democratic People's Republic of Korea (DPRK). We are helping Afghanistan and Pakistan to try to counter violent extremism. We are deepening our strategic dialogue with India. We are supporting democratic gains in Sri Lanka and Burma. And we are encouraging the peaceful resolution of competing maritime claims in the South China Sea.

And we are doing things in Africa, obviously, with the African Union Mission in Somalia (AMISOM), with efforts in Nigeria to fight back against Boko Haram, al-Shabaab, and others. And we can talk about that in the course of this morning.

We obviously have an enormous challenge with violent extremism that is growing among young people who make up the majority of almost every country where there are problems today. Look at every country—Northern Africa, Middle East, South-Central Asia, Asia—65 and 70 percent under the age of 35 or under the age even of 30; 50 percent of the population is under the age of 18, 21.

And they do not have jobs. They do not have the promise of a future. So if their minds are not going to be twisted by people who are willing to go out and lie about a religion, and if we are not going to find them in one extremist movement or another somewhere in the world, or in one failing state or another because of corruption or other problems, we need to understand the security value for our country of investing through this kind of process.

My final comment, because I want to leave time for questions, is, just quickly, the United States and Russia chair this effort to try to achieve a cessation of hostilities. And President Obama and President Putin agree the cessation of hostilities should begin on Saturday morning, including all the groups who are willing to cooperate, with the exception of Daesh and al-Nusra and any other terrorist group designated by the U.N. Security Council.

Now, I have to tell you, my friends, I cannot sit here and tell you I know this is going to work, but I know this: If it does not work, the potential is there that Syria will be utterly destroyed, that Europe will be flooded with even more migrants, and the nature and character and culture of that entity will be challenged beyond belief; that the unrest and dislocation will become even worse of what is already the greatest humanitarian challenge since World War II.

So we have our work cut out for us, and the fact is that we need to make certain that we are exploring and exhausting every option of diplomatic resolution, of peaceful resolution at the table.

Ultimately, people are going to have to come to the table to resolve whatever the aftermath is going to be. We are trying to prevent that from being disastrous. And I hope that, in the days ahead, we can make this cessation work, get to the table, where we will test—I repeat, test—not provide certainty, but test the seriousness of Russia and Iran and others to find a political solution, which provides Syria with a road ahead without an Assad, because you cannot end the war with him, that is going to provide a choice for the Syrian people.

So we seek your support to stay at the forefront of the international challenges—humanitarian response, the worldwide refugee challenge, global health, the President’s Emergency Plan for AIDS Relief (PEPFAR), the President’s Malaria Initiative, other things, most importantly on behalf of democracy, freedom of the press, human rights, and the rule of law. We are launching a new initiative to try to protect adolescent girls, to adequately fund the people and the platforms that help America to effectively protect our interests.

As you have remarked, this is the last budget of the Obama administration, and I ask for its full consideration. I welcome your questions. I appreciate your counsel, and I seek your backing.

But above all, let me just say to all of you how profoundly privileged I feel to have had the chance to work with all of you on support of an agenda that reflects not only the most fundamental values of our country, but I believe, in the end, the hopes of the world. And that is the leadership privilege that we have, and we need to exercise it.

[The statements follow:]

PREPARED STATEMENT OF HON. JOHN F. KERRY

Mr. Chairman, Senator Leahy, thank you. I appreciate the chance to testify on behalf of the administration’s budget request for the State Department and related agencies for fiscal year 2017.

Our request this year is roughly level with last year’s—right around fifty billion dollars. That amount, though substantial, is equal to only about 1 percent of the Federal budget. We seek these resources to sustain America’s international engagement, which is deeper and more wide-ranging today than ever before in our history.

The unprecedented scope of our leadership is warranted by the mix of opportunities and challenges we face. We are confronted by dangers as old as excessive nationalism and as new as cyber warfare, by dictators who run roughshod over international norms, by failing and fragile states, by infectious disease and by violent extremists who combine modern media with medieval thinking to murder, enslave, and wage war on civilization itself.

In the face of such challenges, the United States and its citizens remain firmly committed to the pursuit of international peace, prosperity, and the rule of law. The administration’s fiscal year 2017 budget request embodies every aspect of that commitment. It is a reflection of our country’s wide-ranging interests, of what we are against—and most important—what we are for.

There’s a reason why most people in most places still turn to the United States when important work needs to be done. It’s not because anyone expects or wants us to shoulder the full burden—but because we can be counted on to lead in the right direction and toward the right goals.

Make no mistake, we live at a moment filled with peril and complexity, but we Americans also have ample grounds for confidence. In recent years, our economy has added more jobs than the rest of the industrialized world combined. Our armed forces are by far the world’s strongest and best. Our alliances in Europe and Asia are energized. We have reached historic multilateral accords on Iran’s nuclear program, climate change, and trans-Pacific trade. We have witnessed important democratic gains in, among other places, Sri Lanka, Nigeria, and Burma. We helped facilitate what we hope will be a landmark peace agreement in Colombia. We have enhanced our position throughout the hemisphere by resuming diplomatic relations with Cuba. We marshalled a global campaign to save lives by containing the Ebola virus; and we are the leader in championing the empowerment of women and respect for the full range of internationally recognized human rights. We have also taken the lead in mobilizing international solidarity in the fight against such terrorist groups as Daesh, al-Qa’ida, Boko Haram, and al-Shabab—groups that have absolutely nothing to offer anyone except destruction and death.

From the vantage point of America’s national security, we begin 2016 with a long agenda focused on key priorities but understanding the potential for emergencies to arise at any moment. We think it essential to make full use of every available foreign policy tool—from carrots to coercion—but with an emphasis on persuading gov-

ernments overseas not just to do what we want, but to want what we want. We will act alone when we must, but with allies, partners and friends when possible on every continent and in every situation where our interests are at risk. We will respond to immediate needs, but with long-term requirements in mind. And we will always be conscious that the State Department's principal responsibility is not to interpret and justify foreign perspectives to the United States, but to defend and advance America's well-being in a fast-changing world.

I will turn now to the specifics of the administration's budget request for the coming fiscal year.

The funding we seek is in two parts; the first consists of a base amount of \$35.2 billion. These resources will deepen cooperation with our allies and regional partners and bolster American leadership at the U.N. and other multilateral organizations. They will protect U.S. diplomatic personnel, platforms, and information, while also helping us to mitigate the harmful consequences of climate change, promote human rights, combat trafficking in persons, and continue valuable educational exchanges. Worldwide, they will furnish life-saving humanitarian assistance, foster growth, reduce poverty, increase access to education, combat disease, and promote democratic governance and the rule of law.

The Overseas Contingency Operations portion of our budget is \$14.9 billion and will improve our ability to prevent, respond to, and recover from crises abroad; contribute to new and ongoing peacekeeping and U.N. special political missions; help allies and partners such as Afghanistan and Pakistan counter threats; step up our efforts to counter terrorist organizations; and sustain security programs and Embassy construction at high risk posts.

The number one goal of U.S. foreign policy is to keep Americans safe. To that end, this year's budget seeks resources to enhance our Nation's leadership of the 65-member global coalition to degrade and destroy the terrorist group Daesh. Our strategy is to combine our power—and the power of our partners—to degrade Daesh's command structure, shrink the territory under its control, curb its financing, hammer its economic assets, discredit its lies, slow its recruitment, and block any attempt to expand its networks. As President Obama has made clear, the murderous conduct that Daesh is trying to foment must be opposed with unity, strength, and a determination on our part to persist until we prevail. That determination has several dimensions:

- Militarily, we are intensifying pressure through coalition air strikes backed by local partners on the ground, a stepped-up training and supply effort, the deployment of Special Forces advisers, improved targeting, the systematic disruption of enemy supply lines, and coordinated planning of future actions.
- To consolidate the important territorial gains made thus far, we are stressing the importance of stabilizing communities freed from Daesh in Syria and Iraq.
- We are helping the government in Baghdad as it seeks to broaden and professionalize its security forces and to liberate portions of the country still occupied by Daesh.
- We continue to strengthen our regional partners, including Jordan and Lebanon, and to provide humanitarian assistance to people impacted by the conflict inside Syria, in neighboring countries, and beyond.
- We are supporting a broad-based diplomatic initiative, chaired by U.N. Special Envoy Staffan de Mistura, and aimed at achieving a political solution to the Syrian civil war that will de-escalate the conflict, isolate the terrorists, provide for a transition in governance, and make possible the kind of peaceful, inclusive, pluralist, and fully sovereign country that most Syrians want. To that end, on February 11, we announced a plan to ensure access to humanitarian supplies for all Syrians in need, and to arrange a cessation of hostilities that we hope will evolve into a durable and nationwide ceasefire. The full and good faith implementation of these measures—to ensure humanitarian access and end violence against civilians in Syria—is a top foreign policy priority of the United States.
- Finally, we believe it essential that America speak with a single voice in its resolve to defeat Daesh. Congressional approval of a new and more specific authorization to use military force against that terrorist organization would be welcomed by the administration and help to demonstrate our unity and commitment.

In the 17 months since the Counter-Daesh coalition was formed, its aircraft have launched more than 10,000 air strikes. The combination of air support and ground assaults by local partners has reversed Daesh's momentum; driven the terrorists from such key cities as Kobani, Tikrit, and Ramadi; and weakened their position on the Syria-Turkish border. All told, Daesh has been forced to abandon almost a

third of the populated territory it had previously controlled in these countries, and many of their fighters—faced by a deep cut in wages and no new towns to plunder—have either deserted or been executed trying to escape.

The threat posed by violent extremism extends far beyond the Middle East and the particular dangers spawned by Daesh. Those threats cannot effectively be addressed solely—or even primarily—by military means. Our approach, therefore, is comprehensive, long term, and designed to enhance the capacity of countries and communities to defeat terrorist groups and prevent new ones from arising. To that end, our new Center for Global Engagement is helping partner nations to promote better governance, strengthen democratic institutions, expand access to a quality education, and foster development, especially in the most vulnerable parts of the world. On the diplomatic side, we are striving with the U.N. and our allies to solidify a new Government of National Accord in Libya, and to bring an end to the violence and political unrest that has plagued Yemen.

Last year, with our P5+1 partners, we negotiated the Joint Comprehensive Plan of Action, cutting off each of Iran's potential pathways to a nuclear weapons capability, requiring it to take thousands of centrifuges offline, pour concrete into the core of its heavy water reactor, and ship abroad 98 percent of its stockpile of enriched uranium. Because of these steps and the rigorous inspection and verification measures to which Tehran has also agreed, the threat of a nuclear-armed Iran has receded, our allies are safer, and so are we. In months to come, we will continue our close consultations with Congress as we monitor Iran's compliance with the Joint Plan, and as we stand with our allies and friends against Iran's destabilizing policies and actions in the region.

In part because of the challenges posed by Iran and other threats, we continue to engage in a record level of military, intelligence, and security cooperation with Israel. We remain committed to helping our ally confront its complex security environment and to ensure its qualitative military edge. Each day, we work with Israel to enforce sanctions and prevent terrorist organizations such as Hamas and Hizballah from obtaining the financing and weapons they seek. Since 2009, we have provided more than \$23 billion in foreign military financing to Israel, which constitutes the majority of what we have given to nations worldwide. Diplomatically, our support for Israel also remains rock solid as we continue to oppose efforts to delegitimize the Jewish state or to pass biased resolutions against it in international bodies.

The Transatlantic partnership remains a cornerstone of American security and prosperity. We are in constant communication with our NATO and EU Allies and partners about a vast array of issues, including our steadfast backing for a democratic Ukraine, full implementation by every side of the Minsk protocols, and an increase in European Reassurance Initiative funding that will support the persistent presence of a brigade's combat team for 12 months out of the year and allow us to preposition warfighting equipment for a division headquarters and other enablers in Europe. This year's budget includes \$953 million to enhance stability, prosperity, energy independence, and good governance in Ukraine and other partner countries facing direct pressure from Russia, in addition to fighting HIV/AIDS and countering violent extremism in the region.

Closer to home, the fiscal year 2017 budget will continue our investment in Central America to fight corruption and crime and to attack the root economic causes of illegal migration to the United States, including by unaccompanied minors. Our Strategy for Engagement in Central America, with its whole-of-government approach, emphasis on building effective and accountable institutions and leveraging of private capital, will make it easier for our regional neighbors to live securely and with steadily increasing prosperity in their own countries.

In addition, we are supporting Colombia as it seeks to finalize an agreement that will end the world's longest ongoing civil conflict. During President Santos's visit to Washington earlier this month, President Obama announced his intention to seek support for "Peace Colombia," a successor to Plan Colombia that will spur recovery in communities ravaged by the many years of fighting. This project will highlight assistance to the victims of conflict, and aid in reinforcing security gains, clearing mines, demobilizing rebel fighters, and curbing trade in illegal narcotics. Our citizens may be proud that, in his remarks at the White House, President Santos attributed many of his country's advances "to the fact that 15 years ago, when we were in serious straits, the Colombians received a friendly hand. That friendly hand came from here in Washington, from both sides of the aisle, Democrats and Republicans."

In Cuba, we have resumed diplomatic relations after 54 years. Although we continue to have sharp differences with the government in Havana regarding human rights, political prisoners, and other issues; we remain determined to support the

aspirations of the Cuban people to plug into the global economy and live in greater freedom. We call on Cuban authorities to remove obstacles to participation by their citizens online and in commercial enterprises; and we urge Congress to lift the economic embargo, which has for decades been used as an excuse by the Castro regime to dodge blame for its own ill-advised policies.

As evidenced by last week's ASEAN Summit hosted by President Obama at Sunnylands in California, the United States is an indispensable contributor to stability, prosperity, and peace in the Asia Pacific. Dangers in that region include North Korea's provocative nuclear and ballistic missile programs and tensions stemming from contested maritime claims in the South China Sea. United States policy is to encourage security cooperation and dialogue aimed at building confidence and ensuring that disputes are settled in keeping with international obligations and law. Our modernizing alliances with Japan, the Republic of Korea, Australia, and the Philippines—in addition to our partnership with New Zealand and close ties with ASEAN—provide a firm foundation for our strategy, as does our multi-dimensional relationship with China. Our diplomatic priorities include support for human rights and the continued evolution of an open and democratic political process in Burma, where a freely-elected parliament has been seated for the first time, and where we have called for an end to discrimination and violence directed at the Rohingya Muslim minority.

Our fiscal year 2017 budget includes \$1.25 billion in assistance to the national unity government of Afghanistan to strengthen its institutions, bolster its security capabilities, repel attacks by violent extremists, implement economic reforms, preserve gains made over the last decade (including for women and girls), and move forward with a wide range of social programs. We are requesting \$742 million in aid to Pakistan to support its citizens as they seek security, build democracy and sustain economic growth and development—even as the country continues to suffer from terrorist attacks. Last October, I traveled to every state in Central Asia to reaffirm America's friendship with the people in that part of the world and to discuss shared concerns in such areas as security, energy policy, development, and human rights. Also in 2015, we strongly endorsed democratic progress in Sri Lanka, while elevating our important strategic dialogue with India to include a commercial component, reflecting the five-fold increase in bilateral trade over the last decade.

In Africa, our budget request reflects our emphasis on partnership—with civil society, with the private sector and with key allies. Our request of \$7.1 billion will support democratic institutions, spur growth, promote gender equity, and protect human rights through such mechanisms as the Africa Growth and Opportunity Act, the Feed the Future initiative, Power Africa, and the President's "Stand with Civil Society Initiative." Our assistance also undergirds regional stability through the African Peacekeeping Rapid Response Partnership, the Security Governance Initiative, and strategically important international peace operations in, among other countries, the Central African Republic, the Democratic Republic of Congo, Mali, South Sudan, Sudan, and Somalia. Diplomatically, the United States continues to work closely with regional leaders to prevent crises—whether caused by outbreaks of disease, the threat of famine, or political controversy, as has recently been the cause of urgent concern in Burundi.

American leadership is on display and making a positive difference in every part of the world including the far north, where the United States last year assumed chairmanship of the Arctic Council, a platform we are using to forge united action on the environment, fisheries conservation, and economic opportunity for local populations. But in addition to bilateral and regional issues, the United States is at the forefront of a host of efforts that address global challenges and uphold universal ideals.

For example, the administration's fiscal year 2017 budget request reaffirms our country's premier role in the world economy. Each day, the men and women in our embassies and consulates work closely with representatives of the American private sector to identify new markets for our goods and services, ensure fair competition for foreign contracts, protect intellectual property, and advocate for U.S. interests under the law. This budget will advance U.S. engagement on global information and communications technology policy, encourage innovation, and protect the interests of our citizens in Internet freedom and digital privacy. Through our contributions to international financial institutions like the World Bank, we help to lift the economies of low-income countries and expand the global middle class.

With the Trade Representative and others in the administration, the State Department works to conclude forward-looking agreements such as the recently signed Trans-Pacific Partnership (TPP) to ensure a level playing field for American businesses and workers and raise labor and environmental standards. The TPP is a landmark 12 nation pact that will lower trade barriers and advance American lead-

ership in the Asia Pacific region, ensuring that the rules of the road for trade in this critical region are written by the United States and our partners, rather than others who do not share our interests and values. In asking Congress to approve the agreement, President Obama has pointed out that the TPP will cut 18,000 taxes on products that are made in America, boost U.S. exports, and support high-paying jobs, and he has expressed his interest in working closely with Congress to get the agreement approved as soon as possible. We are also working with USTR to pursue a similar high-standard approach to trade with Europe in the Transatlantic Trade and Investment Partnership, which is still being negotiated.

In Paris last December, the United States joined governments from more than 190 nations in approving a comprehensive agreement to curb greenhouse gas emissions and limit the most harmful consequences of climate change. This historic pact represents the first time the world has declared that all countries have a responsibility to join in what must truly be a global commitment—through arrangements marked by transparency, a mandatory standard of review, and the flexibility a framework for successive and ambitious nationally determined climate targets. Our budget request of \$983.9 million for the Global Climate Change Initiative and includes \$500 million for the Green Climate Fund, which will help low income countries leverage public and private financing to reduce carbon pollution and bolster resilience to climate change.

Our request for fiscal year 2017 allocates \$4.7 billion for assessed dues and voluntary contributions to international organizations and peacekeeping efforts and to help other countries participate in such missions. The request includes contingency funding for new or expanded peace operations that may emerge outside the regular budget cycle. Tragically, the demand for peacekeeping assistance remains at an all-time high; and the United States neither can, nor should, take the lead in most cases. It serves both our interests and our values when U.N. agencies and regional organizations are able—with our encouragement and support—to quell violence, shield civilians from harm, promote reconciliation among rival groups, and ensure that women are fairly represented in all aspects of peacemaking and recovery projects.

In fiscal year 2017, we are requesting \$8.6 billion for bilateral and multilateral health programs. These funds support the President's Emergency Plan for AIDS Relief (PEPFAR); the Global Fund to Fight AIDS, TB, & Malaria; Gavi, the Vaccine Alliance and other critical maternal and child health programs; the Global Health Security Agenda; and an intensified campaign, launched by the White House, to end the scourge of malaria. We have also sought emergency funding to aid in an international effort to minimize the public health threat posed by the Zika virus.

This year, we are asking for \$6.2 billion to address humanitarian imperatives, including support for internally displaced persons, refugees, those affected by conflict or natural hazards and communities working to increase preparedness and resilience to disasters.

To date, with backing from Congress, the United States has provided over \$4.5 billion in humanitarian assistance—more than any other country—to assist victims of the catastrophic civil war in Syria. In London, earlier this month, I announced a further pledge of \$600 million in humanitarian aid as well as \$325 million in development funds that includes support for the education of 300,000 refugee youth in Jordan and Lebanon. In September, at the U.N., President Obama will host a summit on the global refugee crisis. This will be the culmination of a vigorous diplomatic effort to rally the world community to increase the global response to humanitarian funding appeals by at least 30 percent, and to add significantly to the number of countries that donate regularly to these appeals or that are willing to accept refugees for admission within their borders.

Our budget request allocates \$2.7 billion for Democracy, Human Rights and Governance—a modest amount compared to the steep costs of the civil strife and political extremism that often thrive in the absence of effective and democratic governing institutions. Programs carried out by the State Department and USAID can play a pivotal role in enabling countries to make governance more accountable, electoral systems more professional, and judicial systems more independent. By supporting civil society and the rule of law, these programs contribute to a range of important goals, among them freedom of speech, religion and the press; respect for the rights of persons with disabilities; equitable treatment for members of the LGBTQ community; and an end to human trafficking.

In addition, I am pleased to announce that the administration, led by the Department of State and in cooperation with USAID, the Peace Corps, and the Millennium Challenge Corporation, will soon launch a strategy to advance the empowerment of adolescent girls. This strategy will be holistic in nature and address key issues facing adolescent girls today, including equal access to secondary education and cul-

tural practices that deny girls a fair chance to participate in the economic and political life of their societies. Our budget also underscores the State Department's decades-long commitment to scholarship programs and educational exchanges that help Americans to learn about the world and young leaders from around the world to learn about America. Meanwhile, our energetic and innovative activities in the field of public diplomacy are essential to convey the truth about U.S. policies and actions at a time when some—including terrorist organizations—lie continually about what Americans believe and do.

To achieve our country's international objectives, we must give State Department and USAID employees the tools and resources they need to do their jobs well. That's why our request includes a \$169 million net increase for Diplomatic and Consular Programs, reflecting heightened requirements in such areas as Freedom of Information Act processing, cyber security, counterterrorism, intelligence, and research. This proposal will support increased diversity through expanded recruitment and fellowship opportunities, and will provide more competitive wages for the locally employed personnel who make up the majority of our overseas workforce. I also ask you to support the restoration of full Overseas Comparability Pay for State Department personnel who are deployed abroad. This reform is essential to our effort to retain highly-skilled individuals in a competitive international jobs market, and to ensure fair treatment for those serving our country in relatively high-risk locations. The budget also includes a \$122 million increase for USAID's Operating Expense account to maintain the Agency's workforce and sustain on-going global operations to meet foreign policy objectives, implement Presidential initiatives, and expand global engagement.

Finally, we are asking \$3.7 billion to ensure the security of our diplomatic platforms, protect our IT network and infrastructure, meet special medical needs at select posts, and carry out emergency planning and preparedness. Our \$2.4 billion request for diplomatic facility construction and maintenance will be used for repairs at our overseas assets, and to continue implementing the security recommendations of the Benghazi Accountability Review Board.

My colleagues, a little more than a quarter century ago, when the Berlin Wall fell, there were those who suggested that we Americans could now relax because our core ideas had prevailed and our enemy had been defeated. But we have long since learned that although the particular demands on our leadership may vary from one decade to the next; our overall responsibilities neither vanish nor diminish.

The challenge for today's generation is to forge a new security framework that will keep our country strong and our people safe. We are under no illusions about how difficult that task is. We face determined adversaries and many governments whose priorities do not match our own. The old plagues of excessive nationalism and tribalism retain their grip in many regions. Technology is a two-edged sword, simultaneously bringing the world closer and driving it apart. Non-state actors have arisen, often for the best, but others are at war with all we have ever stood for—and with the modern world itself.

In this complex environment, some setbacks are inevitable. Persistent and creative engagement will be required on all fronts. But we are guided by the same values and supported by the same democratic institutions that enabled our predecessors to succeed. We are bolstered by a citizenry that is earning respect for our country every day through its contributions to technological innovation and global prosperity; through its activism on behalf of humanitarian causes and civil society; through its brave service on the battlefield, in air and on sea; and through its commitment to a system of governance that will allow our country this year to elect a president—peacefully and fairly—for the 58th time. We are sustained, as well, by one of the true touchstones of America's greatness—the willingness on the part of Congress and the executive branch to work together for the common good.

Thank you, and now I would be pleased to respond to your questions.

PREPARED STATEMENT OF STEVE A. LINICK, INSPECTOR GENERAL FOR THE U.S.
DEPARTMENT OF STATE AND THE BROADCASTING BOARD OF GOVERNORS

Chairman Graham, Ranking Member Leahy, and Members of the Senate Appropriations Subcommittee on State, Foreign Operations, and Related Programs, thank you for the opportunity to submit a written statement to the subcommittee on behalf of the Office of Inspector General (OIG) for the U.S. Department of State (Department) and Broadcasting Board of Governors (BBG). It is my honor to have led OIG for the past 29 months, and I want to express my appreciation for the confidence the Appropriations Committee has shown in our oversight efforts by supporting an increase in the OIG budget in fiscal year 2016. We used our fiscal year 2015 appro-

priation to continue providing effective and efficient oversight of the Department and BBG. With the fiscal year 2016 appropriation and the increase included in the President's fiscal year 2017 budget request, I am confident we will continue to improve the Department's and BBG's programs and operations while identifying new challenges. I would like to outline what OIG considers to be the Department's major management challenges; highlight some of our recent work, including our efforts that are part of the coordinated interagency oversight of overseas contingency operations (OCO's); update you on the results of ongoing work that I referenced in my testimony last year; and address OIG's budget environment.

I. STATE OIG'S MISSION AND OVERSIGHT EFFORTS

OIG's mandate is broad and comprehensive, involving oversight of the full scope of Department and BBG programs and operations, including more than \$41 billion in funding and more than 75,000 staff at more than 270 locations around the world. OIG's global mandate is demanding and includes a unique, statutorily imposed responsibility to audit and inspect every domestic and overseas operating unit once every 5 years. Since August 2014, when Congress amended the Inspector General Act to include provisions requiring the designation of a Lead Inspector General (LIG) for each OCO, OIG's mandate has expanded even further. I am the designated Associate IG for two OCOs: Operation Inherent Resolve, to degrade and defeat the Islamic State of Iraq and the Levant (ISIL), and Operation Freedom's Sentinel, to train, advise, and assist Afghan security forces and defeat the remnants of Al-Qaeda in Afghanistan.

Central to OIG's effective oversight is my annual responsibility to identify the most serious management and performance challenges the Department faced in the previous year and target OIG's oversight accordingly. For fiscal year 2015, these challenges included:

- Protection of people and facilities
- Management of posts and programs in conflict areas
- Management of contracts and grants
- Information security and management
- Financial management

As in the past, OIG will continue focusing its oversight in these critical areas by identifying vulnerabilities and recommending positive, meaningful actions that the Department can take to mitigate these risks. I will now elaborate on our efforts to improve the Department's programs and operations.

Protection of People and Facilities

Protecting our people and facilities overseas continues to be a top priority for both the Department and OIG. It is also a major management challenge for the Department because its personnel often must perform their duties in dangerous or unstable environments far from home. Since the September 2012 attack on U.S. personnel and facilities in Benghazi, Libya, OIG has conducted several reviews related to the Benghazi Accountability Review Board (ARB), which was convened to examine the facts and circumstances surrounding the attack. During fiscal year 2015, we conducted additional oversight, including a compliance follow-up review to our September 2013 *Special Review of the Accountability Review Board Process*. In that review, OIG recommended that the Department develop minimum security standards that must be met before occupying facilities in Department-designated high-threat, high-risk locations.¹ Additionally, OIG's classified review of the implementation of the Benghazi ARB recommendations found that the Department completed almost half of the 29 recommendations, and was continuing to work on those that were still outstanding.²

In addition, OIG reviewed the Vital Presence Validation Process (VP2), in which the Department assesses whether posts in high-threat, high-risk locations should be opened, closed, or re-opened, and whether staffing levels are appropriate.³ OIG found that establishing VP2 met the intent of the ARB recommendation. VP2 did not, however, explicitly address the ARB recommendation that this process also assess whether the posts' missions were attainable or their goals achievable.

¹ OIG, *Compliance Followup Review of the Special Review of the Accountability Review Board Process* (ISP-C-15-33, August 2015).

² OIG, *Review of the Implementation of the Benghazi Accountability Review Board Recommendations* (ISP-S-15-34, August 2015).

³ OIG, *Audit of the Department of State Implementation of the Vital Presence Validation Process* (AUD-SI-15-37, August 2015).

OIG also continues to focus its attention on the security of all diplomatic facilities abroad and recognizes that the Department has taken steps to improve security. However, OIG's oversight efforts in fiscal year 2015 continued to identify security deficiencies at a significant number of U.S. diplomatic facilities abroad.⁴ OIG security inspectors issued 18 reports on the physical security and security programs of individual overseas missions. All of these inspections found security deficiencies significant enough to warrant a recommendation and remediation; 58 percent of the almost 220 recommendations in the reports related to physical security, emergency preparedness, or life safety. In addition to the findings of these inspections, OIG audits⁵ found physical security deficiencies at mission facilities or official residences. Although some of these deficiencies were due to mission growth and limited space, many resulted from longstanding vulnerabilities that the Department had not addressed because of limited funds or mismanagement.⁶

OIG also reported that the Department had developed new tools to identify and track physical security deficiencies; however, the Department has not fully implemented these tools. Until it does so, the Department will be unable to identify and address all physical security-related deficiencies. It also will be unable to make fully informed funding decisions because doing so requires the Department to have a complete understanding of its physical security needs.⁷

OIG's physical security oversight extended beyond physical structures. In fiscal year 2015, OIG issued a management assistance report recommending the Department implement guidance for the proper storage of weapons of opportunity, such as flammable liquids, hand and power tools, and other material that could be used as weapons during attacks on U.S. diplomatic facilities overseas.⁸ Our ongoing work in fiscal year 2016 regarding physical security issues includes audits of Embassy Tripoli's emergency action plan and the Department's process for vetting locally employed staff and employees contracted overseas. We have inspected, or will inspect, individual post security programs in Egypt, the Democratic Republic of Congo, Turkey, and Pakistan. Looking beyond, we will continue to focus on the safety of Department personnel and keep you fully informed of our findings and recommendations in this critically important area.

Management of Posts and Programs in Conflict Areas

The Department faces major challenges in responding to a broadening range of security and humanitarian crises in conflict zones. As of December 2014, more than 900 Foreign Service positions overseas were designated as unaccompanied tours of duty. Missions in countries such as Iraq, Afghanistan, and Pakistan are at the forefront of U.S. efforts to counter terrorism, stabilize fragile states, and respond to regional conflicts. The Department's fiscal year 2017 congressional budget justification requested \$14.8 billion in overseas contingency operations (OCO) funds to support critical programs and operations. These programs include efforts to shield allies and partners from potential threats; to destroy ISIL; to address other crises in the Middle East and Africa; and to sustain security programs and Embassy construction at high-risk posts.

The importance of OCO oversight led to the August 2014 amendment to the Inspector General Act of 1978, which charged me and two other IGs with additional responsibilities for overseeing current and future OCOs.

When I submitted testimony to this subcommittee last year, the Lead Inspector General for Overseas Contingency Operations (LIG-OCO) amendment had been triggered only 2 months earlier by Operation Inherent Resolve, directed against ISIL. The Department of Defense IG was appointed Lead IG for Operation Inherent Resolve, and he subsequently appointed me as Associate IG for oversight.

Over the past year, our three OIGs (Department of State, Department of Defense, and U.S. Agency for International Development) took on responsibility for two addi-

⁴ All of the reports are classified.

⁵ See, e.g., OIG, *Management Assistance Report: Residential Security Concerns at U.S. Embassy Ankara, Turkey* (AUD-CGI-15-38, July 2015); OIG, *Management Assistance Report: Residential Security Concerns at U.S. Embassy Manila, Philippines* (AUD-CGI-15-29, May 2015).

⁶ Although the Department has a process for seeking waivers or exceptions where security standards cannot be met, none of the identified security deficiencies was subject to such waivers or exceptions. Reasons for the security deficiencies at residences of overseas personnel included: the Bureau of Diplomatic Security did not notify posts about substantial revisions to the Department's residential security program requirements in a timely manner, and Regional Security Officers did not understand these requirements or provide adequate oversight of post-specific residential security programs.

⁷ OIG, *Compliance Follow-up Audit of Process to Request, Prioritize Physical Security-Related Activities at Overseas Posts* (AUD-ACF-16-20, December 2015).

⁸ OIG, *Management Assistance Report: Importance of Securing Fire Accelerants and Similar Weapons of Opportunity (aka Weapons of Opportunity)* (ISP-S-15-06, January 2015).

tional OCOs— Operation United Assistance (OUA) focused on the activities of the U.S. Government related to international Ebola response and preparedness,⁹ and Operation Freedom's Sentinel, the contingency operation encompassing our continuing efforts in Afghanistan.

To provide this joint oversight, the three OIGs implement comprehensive joint strategic plans to ensure independent and effective oversight of all programs and operations supporting the OCOs. Throughout my testimony, I refer to work that my office has done in support of the LIG-OCO. More specifically, in fiscal year 2015, we published nine oversight reports. In fiscal year 2016, my office plans to issue, among others, audits addressing vetting of contractors and recipients of non-lethal aid in Syria and Afghanistan; audits of contracts and oversight staffing in Afghanistan and Iraq; inspections of embassies in Pakistan and Turkey; and an inspection of Mission Iraq's governance and public diplomacy programs in support of the President's counter-ISIL strategy.

The Department faces significant challenges managing OCO and other funding in conflict areas. Security-related travel restrictions on U.S. direct-hire personnel and sometimes on local Foreign Service National staff complicate these critical program management and oversight activities. To take just one example, humanitarian assistance activities in Syria are operated from neighboring countries, and embassies in Libya, Syria, and Yemen have suspended operations. In these locations and others, dangerous conditions make it extremely difficult to monitor and oversee programs and humanitarian assistance efforts. Nonetheless, U.S. national security priorities, the continued substantial investment of resources in these areas, and the need for interagency collaboration require continued and close engagement in these locations. Accordingly, OIG will continue to assist the Department in these efforts. Highlighted below are some selected findings and recommendations intended to improve the Department's management of these priority programs.

As part of its LIG-OCO oversight responsibilities, OIG reviewed whether the Bureau of Population, Refugees, and Migration (PRM) had sufficient internal controls over funds for the Department's humanitarian assistance and non-lethal aid programs in response to the Syrian crisis.¹⁰ OIG's audits of almost \$450 million found problems with both the programs' performance and their financial monitoring, including PRM's failure to conduct adequate pre-award risk assessments or conduct post-award monitoring. OIG plans to inspect PRM in the spring of 2016.

As noted above, the difficult and dangerous conditions in and around conflict areas make appropriate management of resources more difficult. For example, after the 2012 Benghazi attack, Embassy Tripoli staff used 26 armored vehicles to evacuate to the U.S. Embassy in Tunis, Tunisia. Embassy Tunis had no need for the vehicles (valued at approximately \$5 million), so the vehicles remained stored and unused in a grass and dirt lot on the Embassy compound.¹¹ OIG also found that management support platforms were under stress at a number of posts where security concerns and growing workloads often drive staffing decisions. At Embassy Amman, for example, OIG recommended that the Department address these issues, because political circumstances had transformed a formerly mid-size Embassy into a large, front-line operation.¹²

Management of Contracts and Grants (Including Foreign Assistance)

Each year since 2008, OIG has identified the Department's management of contracts and grants as a management challenge. This continues to be an area of OIG focus. In fiscal year 2015, the Department spent almost \$16 billion on grants and fixed charges and almost \$15 billion in contractual services, totaling almost \$31 billion. This amount is more than 70 percent of the Department's fiscal year 2015 spending. In November 2013, OIG began issuing management alerts and management assistance reports to Department leadership to alert it to significant issues that require immediate corrective action. Over the past 2 years, OIG has issued 27 such alerts and reports to the Department, nearly half of which concerned issues with contract and grants management. Notwithstanding OIG's ongoing emphasis on this critical area, OIG continues to identify significant vulnerabilities in the management and oversight of these funds.

⁹The LIG-OCO response to OUA was initiated in February 2015 and terminated on June 30, 2015, although oversight of funding expended during OUA continues.

¹⁰OIG, *Audit of Department of State Humanitarian Assistance in Response to the Syrian Crisis* (AUD-MERO-15-22, March 2015); OIG, *Audit of Department of State's Management and Oversight of Non-Lethal Assistance Provided for the Syrian Crisis* (AUD-MERO-15-39, September 2015).

¹¹OIG, *Management Assistance Report: Embassy Tripoli Armored Vehicles Available for Redistribution and Use* (AUD-MERO-15-28, May 2015).

¹²OIG, *Inspection of Embassy Amman, Jordan* (ISP-I-15-29A, June 2015).

OIG uses its resources not only to recommend specific improvements to Department programs and operations but also to hold accountable those who misuse Federal funds. Since my arrival in OIG in 2013, I emphasized referrals of individuals and contractors to the Department's Office of the Procurement Executive for possible suspension and debarment. We also have taken steps to prosecute procurement fraud cases more quickly and effectively. We have done so by having an OIG special agent-attorney designated as a Special Assistant U.S. Attorney. This individual works full-time as a prosecutor in the U.S. Attorney's Office for the Eastern District of Virginia, and focuses exclusively on OIG criminal and civil cases. Having a dedicated prosecutor serves as a strong deterrent, and OIG will continue to emphasize criminal and civil penalties in addition to available administrative remedies.

Contract Management

In one of our earliest management alerts, issued in March 2014, we reported that Department contracts with a total value of \$6 billion had incomplete or missing contract files.¹³ Despite this and other alerts, inspection and audit teams continue to identify problems and propose recommendations¹⁴ to improve the effective use of taxpayer funds and minimize the risk of fraud, waste, or abuse.

The most recent example of the Department's ongoing challenge in properly managing contracts is detailed in the management assistance report that OIG issued last month on the use of purchase cards by Department posts.¹⁵ Although posts using purchase cards are required to prepare an annual review to ensure these cards are not being misused, OIG found that during fiscal year 2013 and fiscal year 2014, almost \$33 million¹⁶ in appropriated funds was vulnerable to fraud, waste, or abuse because posts did not do so.

OIG also found other significant weaknesses in contract administration and oversight. For example, we questioned spending on several significant contract awards, including the construction of the New Embassy Compound in London,¹⁷ the Aviation Support Services Contract in Iraq¹⁸ (\$26.9 million), and the Medical Support Services Contract in Iraq¹⁹ (\$6.8 million). Insufficient and inexperienced government oversight staff and the dangerous locations where some of the work was performed contributed to these shortcomings. In one instance, the Department had only one contracting officer's representative monitoring all 15 task orders under the Iraq Medical Support Services contract, which was valued at \$1 billion. In another instance, the contracting officer assigned to the new London Embassy compound construction contract which was valued at more than \$400 million, was not sufficiently familiar with the type of contract vehicle being used by the Department.²⁰ As a result, the contracting officer awarded the contract without requiring the contractor to provide an explanation that addressed a difference of more than \$40 million between the initial and the final proposals.

In fiscal year 2016 and beyond, OIG will continue its effort to address contracting issues, focusing particularly on LIG-OCO projects including Embassy Kabul's life-support contract (valued at \$750 million); Department compliance with critical-environment contracting policies; and additional oversight of the Baghdad Life Support Services contract. At the same time, OIG will monitor the Department's compliance with our recommendations to ensure that it mitigates vulnerabilities and protects taxpayer funds.

¹³ OIG, *Management Alert—Contract File Management Deficiencies* (MA-A-0002, March 2014).

¹⁴ See, e.g., OIG, *Inspection of Embassy Antananarivo, Madagascar* (ISP-I-15-20A, May 2015).

¹⁵ OIG, *Management Assistance Report: Annual Purchase Card Program Reviews* (ISP-I-16-04, January 2016).

¹⁶ That amount may be substantially greater (by almost \$20 million), as 24 posts for fiscal year 2013 and 45 posts for fiscal year 2014 did not respond to requests for information on their annual reviews.

¹⁷ OIG, *Audit of the Construction Contract Award and Security Evaluation of the New Embassy Compound London* (AUD-CGI-15-31, July 2015).

¹⁸ OIG, *Audit of the Bureau of International Narcotics and Law Enforcement Affairs Aviation Support Services Contract in Iraq* (AUD-MERO-15-35, July 2015).

¹⁹ OIG, *Management Assistance Report: Concerns with the Oversight of Medical Support Service Iraq Contract No. SAQMM11D0073* (AUD-MERO-15-20, December 2014); *Audit of the U.S. Mission Iraq Medical Services* (AUD-MERO-15-25, May 2015).

²⁰ AUD-CGI-15-31, July 2015.

Grants Management

OIG's work also continues to address the Department's ongoing challenge with the administration and oversight of grants.²¹

During the year, OIG audit and inspection teams repeatedly found issues with grants management at locations around the world. These problems occurred at all points in the process: OIG found insufficient training, ineffective monitoring, and poor closeout procedures. Indeed, OIG found grants management problems at more than 80 percent of the posts it inspected; and in one inspection of a domestic bureau,²² none of the 31 grant files reviewed (totaling \$38 million) had monitoring plans to ensure the funds were used for their intended purpose. Audits of other sensitive programs concerning international nonproliferation activities found problems with combined awards of nearly \$40 million.²³

Vulnerabilities extend to the Department's programs with external partners. OIG's audit of the National Endowment for Democracy (NED) found that over the course of 9 years the Department awarded more than \$960 million to NED. The Department did not, however, conduct required audits or comply with other monitoring requirements. Moreover, it did not include the audit requirement in the grant agreement.²⁴

In fiscal year 2016, OIG plans to issue audits on grant oversight staffing in Iraq and Afghanistan, as well as on the Antiterrorism Assistance program.

Information Security and Management

Another top management challenge concerns information security and management. It is imperative that the Department safeguard sensitive information, which is often targeted by multiple actors, including terrorist and criminal organizations. The Department must preserve and protect classified and other sensitive information vital to the preservation of national security. This responsibility applies not only in its Washington, DC, headquarters and other domestic facilities, but also in high-risk environments across the globe. The Department spent approximately \$1.4 billion on information technology (IT) in fiscal year 2015. The same year, cybersecurity incidents illustrated deficiencies in efforts to protect its computer networks. Malicious actors exploited vulnerabilities, potentially compromising sensitive information and delaying or halting normal business operations.

Information Security

OIG issued its first management alert in November 2013²⁵ identifying significant, recurring weaknesses in the Department's information system security program. OIG continues to identify concerns with various components of the Department's information technology and information security programs, as well as with the Department's efforts to protect its computer networks and, in turn, its information.

In my February 2015, testimony to this subcommittee, I referenced independent penetration testing that was ongoing in response to concerns I raised with the Department about the system's vulnerabilities to cyber attack. That testing, and a separate audit that documented the Department's failure to perform security assessments regularly on its wireless networks, resulted in recommendations that the Department is working to address.²⁶ These audits are in addition to OIG's annual Federal Information Security Management Act reviews, which repeatedly identify, and make recommendations to correct, the same or similar information security issues.²⁷ Many of these reports' findings and recommendations are classified, but my staff

²¹ OIG, *Audit of Department of State Oversight Responsibilities, Selection, and Training of Grants Officer Representatives* (AUD-CG-15-33, June 2015).

²² OIG, *Inspection of the Bureau of Political-Military Affairs* (ISP-I-15-27, June 2015).

²³ OIG, *Audit of the Bureau of International Security and Nonproliferation Administration and Oversight of Foreign Assistance Funds Related to the Export Control and Related Border Security Program* (AUD-SI-15-23, April 2015); OIG, *Audit of the Bureau of International Security and Nonproliferation Administration and Oversight of Foreign Assistance Funds Related to the Global Threat Reduction Program* (AUD-SI-15-41, September 2015).

²⁴ OIG, *Management Assistance Report: Oversight of Grants to the National Endowment for Democracy* (AUD-SI-15-34, June 2015).

²⁵ OIG, *Management Alert: OIG Findings of Significant and Recurring Weaknesses in the Department of State Information System Security Program* (AUD-IT-14-04, November 2013).

²⁶ OIG, *Remote and Deployed Operations Integrated Cyber Operations Red Team After Action Report—U.S. Department of State* (AUD-IT-15-15, February 2015); OIG, *Management Assistance Report—Department of State Security Program for Wireless Networks* (AUD-IT-15-27, May 2015). Both reports are classified.

²⁷ OIG, *Audit of the Department of State Information Security Program* (AUD-IT-16-16, November 2015).

and I would be happy to provide the subcommittee a separate briefing on those findings.

OIG also reported to the Department this month that the Department's IT contingency planning continues to need improvement. Instability in many regions of the world, including attacks and threats against the Department's personnel and diplomatic facilities, demonstrates the need for contingency planning. In particular, these risks illustrate the importance of having systems in place to maintain communications and continuity of business operations during periods of disruption.

OIG emphasized that the Department has yet to implement recommendations from a 2011 OIG report advising that bureaus and posts develop and test information technology contingency plans as part of their emergency preparedness activities.²⁸ Moreover, OIG identified IT contingency planning deficiencies in 69 percent of overseas inspections performed during fiscal years 2014 and 2015. The issues identified ranged from information management staff at posts not developing, updating, or testing IT contingency plans to plans that lacked appropriate key stakeholders and contact information as part of emergency preparedness.

OIG also reported this month significant weaknesses in the Department's cybersecurity incident response and reporting program.²⁹ An evaluation of the Department's efforts to respond to incidents (including denial-of-service, malicious code, and unauthorized access) showed that the Department had not complied with its own information security policies in more than 55 percent of the incidents that OIG reviewed. The Department concurred with the recommendations, and OIG will monitor implementation efforts.

IT weaknesses at home also contribute to this ongoing challenge for the Department. The Bureau of Consular Affairs' (CA) Consular Consolidated Database (CCD) experienced major system failures in the busy summer seasons of 2014 and 2015. This unreliability undermined CA's ability to provide consular services that protect U.S. citizens abroad and that facilitate the entry of legitimate foreign visitors and immigrants consistent with ensuring U.S. border security. CA is upgrading hardware and modernizing CCD's various databases and plans to launch a new system to replace the current CCD. OIG will continue to monitor CA's progress and will inspect CA's Office of Consular Systems and Technology in the spring of 2016.

Information Management

Information security is not the only IT-related challenge the Department faces. In fiscal year 2015, OIG found persistent problems in records management in almost 65 percent of the inspections that it conducted. OIG also reported on the weaknesses in the Department's decentralized records management processes,³⁰ and it determined that Department leadership had not played a meaningful role in overseeing or reviewing the quality of responses to Freedom of Information Act (FOIA) requests.³¹ OIG will continue its oversight work on records management in fiscal year 2016.

OIG's current work includes an audit of the Department's IT capital planning process. In fiscal year 2014, the Department reported that it had spent \$1.4 billion on 83 IT investments that support Department operations, ranging from property management to passport and visa systems. OIG is now auditing how the Department selects and approves IT investments, including whether the Department submits accurate and complete information to the Office of Management and Budget on those IT investments as required. We expect this work to be published in the spring.

Financial Management

Since OIG's audit of the Department's fiscal year 2009 financial statements, OIG has identified material weakness and significant deficiencies in the Department's controls over financial reporting. The fiscal year 2015 audit³² reported similar significant internal control deficiencies related to financial reporting, including prop-

²⁸ OIG, *Management Assistance Report: Continued Deficiencies Identified in Information Technology Contingency Planning* (ISP-16-05, February 2016).

²⁹ OIG, *Management Assistance Report: Department of State Incident Response and Reporting Program* (AUD-IT-16-26, February 2016).

³⁰ OIG, *Review of State Messaging and Archive Retrieval Toolset and Record Email* (ISP-I-15-15, March 2015).

³¹ OIG, *Evaluation of the Department of State's FOIA Processes for Requests Involving the Office of the Secretary* (ESP-16-01, January 2016).

³² OIG, *Independent Auditor's Report on the U.S. Department of State, 2015 and 2014 Financial Statement* (AUD-FM-16-09, November 2015).

erty and equipment; budgetary accounting; unliquidated obligations; and information technology.

Providing adequate oversight and coordination of foreign assistance resources also remains a challenge for the Department because the Department's financial management systems are not designed to track and report on foreign assistance funds. This situation, in turn, creates a systemic problem for the Department, which hinders effective coordination and oversight. As we reported in a management assistance report,³³ the Department's core financial systems do not track foreign assistance funding and expenditures by program, project, country, region, or purpose (sector), even though Department and individual bureaus need this information to track and manage their foreign assistance funds and respond to external queries. For example, when OIG seeks to identify and analyze the range of the Department's foreign assistance activities in a single, given country, we must routinely consult numerous different data sources and consolidate them ourselves. Department bureaus with foreign assistance funds have spent millions of dollars and an inordinate amount of time on alternative systems and processes to fill this gap. These efforts have had, at best, limited success, and do not substitute for more systemic reforms.

OIG's current work includes a review of the Department's financial management processes and methodologies for setting the Working Capital Fund, certain visa fees, and Foreign Service allowances. We will also examine the strategic sourcing initiative to determine whether the Department has implemented the required procurement consolidation of common items to ensure the best cost.

II. IMPACT OF OIG WORK

Through its audits, evaluations, inspections, and investigations, OIG returns significant value to U.S. taxpayers. The conclusion of fiscal year 2015 marked the end of my second full year as Inspector General at the Department of State, and I am delighted to report on OIG's results over the past 2 years.

In fiscal year 2015, OIG published 113 products related to the programs and operations of the Department and BBG, a 47 percent increase over fiscal year 2014. These products included audits of annual financial statements, procurement activities, and funds management; inspections of operations and facilities across the globe; and management alerts and management assistance reports addressing vulnerabilities requiring agency leadership's prompt action. In addition, in fiscal year 2015, OIG identified nearly \$212 million in monetary benefits, including \$157 million in taxpayer funds that could be put to better use; in fiscal year 2014 the results were nearly \$122 million. OIG's fiscal year 2015 criminal, civil, and administrative investigations resulted in 43 criminal actions, including arrests, indictments and convictions, nearly double our fiscal year 2014 results. Similarly, contractor and grantee suspensions and debarments more than doubled in fiscal year 2015.

Since 2008, OIG has issued more than \$1.5 billion in audit- and inspection-related findings and investigative-related financial results. These efforts have, on average, led to more than \$3 in potential and realized monetary benefits for every dollar spent on OIG oversight.

Even though these accomplishments have resulted in significant savings to the U.S. taxpayer, such financial results do not fully measure OIG's most significant contribution—namely, OIG's efforts to improve the safety of U.S. personnel and facilities and strengthen the integrity of the programs, operations, and resources that are at the foundation of the Department's ability to help preserve national security and interests.

III. OIG RESOURCES

I am very grateful for your support and the additional financial resources that OIG has received over the past 3 years, and I would like to express my thanks to this subcommittee, the Committees on Appropriations, and both Houses of Congress. Our budget requests have been substantially supported by the administration, and we are grateful for its support as well. These resources have enabled OIG to better fulfill its mission. Nonetheless, we still face significant challenges in addressing our large and growing mandate. Just since my arrival, we have undertaken new oversight activities mandated by the DATA Act to ensure that Federal expenditures are reported accurately and transparently, and by the LIG-OCO provisions of the IG Act. Currently, more than 60 percent of OIG's oversight work is mandated, which significantly limits our ability to conduct discretionary work.

³³OIG, *Management Assistance Report: Department Financial Systems Are Insufficient to Track and Report on Foreign Assistance Funds* (ISP-1-15-14, February 2015).

The OCO mandate has had a particularly significant effect on OIG's operations. Approximately two-thirds of OIG's fiscal year 2016 appropriation increase—\$6.27 million—was designated to fund 16 positions to meet our LIG-OCO oversight responsibilities. In addition, our fiscal year 2016–2017 work plan includes 16 LIG-OCO projects and 2 supporting investigative efforts. This necessarily reduces oversight resources for other mission-critical priorities and operational needs. Other challenges we face include:

- OIG's statutory obligation to inspect and audit every bureau and post once every 5 years.³⁴ One of the most important functions of our inspection work is ensuring the safety and security of personnel and facilities overseas. We are piloting a more focused, risk-based inspection process to address the growing backlog, but our inspection mandate still absorbs approximately one-quarter of OIG's annual appropriation.
- Department contracts, particularly in high-risk, high-cost programs and operations, such as Afghanistan, have grown substantially. For example, in the last 6 years, the Department's annual procurements for contracted services and supplies have more than tripled from approximately \$4 billion to \$14.8 billion.
- OIG must strengthen the security of its sensitive electronic information that now resides on the Department's network. We will accomplish this by transitioning OIG to an independent IT network, a change that I anticipate will be complete by the end of the fiscal year.

In conclusion, Chairman Graham, Ranking Member Leahy, and members of the subcommittee, thank you for the opportunity to highlight some of our significant oversight work and for your continued strong support. We take seriously the statutory requirement to identify instances of fraud, waste, abuse, and mismanagement and to notify Congress, agency leadership, and the public of these deficiencies. My staff and I remain committed to promoting the economy, efficiency, and effectiveness of the Department and BBG, as well as to protecting the safety and security of their employees and facilities and sensitive information around the world. As always, I would be happy to answer your questions and provide more information on any of our past, present, or future work.

PREPARED STATEMENT OF JOHN F. SOPKO, SPECIAL INSPECTOR GENERAL FOR
AFGHANISTAN RECONSTRUCTION

Chairman Graham, Ranking Member Leahy, and members of the subcommittee,

This statement explains the fiscal year 2017 budget request for the Special Inspector General for Afghanistan Reconstruction (SIGAR). The statement describes SIGAR's successes, challenges to accomplishing its mission, and steps taken to overcome or mitigate these challenges. In keeping with the agency's oversight mission, this statement also touches on key management and program challenges facing State, the United States Agency for International Development (USAID), and the Department of Defense (DOD) by noting areas of high risk that SIGAR has identified.

Since fiscal year 2002, Congress has appropriated approximately \$113.1 billion to rebuild Afghanistan. That is at least \$10 billion more, adjusted for inflation, than the amount the United States committed in civilian assistance to help rebuild Western Europe after World War II.¹

For fiscal year 2017, the President has requested \$2.5 billion in Afghanistan-related funding via the State Department budget.² The President's has also requested more than \$3 billion in the Department of Defense (DOD) budget to train, equip, and sustain the Afghan National Defense and Security Forces (ANDSF). Another \$11.5 billion from previous years' reconstruction appropriations remains available for disbursement.

SIGAR's mission is to ensure that all these funds are spent as effectively and efficiently as possible, and that they are protected from waste, fraud, and abuse. Our enabling legislation also directs SIGAR to keep Congress and the Secretaries of State and Defense informed on reconstruction issues and to offer recommendations for improvement.³

³⁴ Congress routinely waives this timeframe requirement.

¹ SIGAR, *Quarterly Report to the Congress of the United States*, 7/30/2014, p. 5.

² Department of State, *Congressional Budget Justification: Department of State, Foreign Operations, and Related Programs, fiscal year 2017*, 2/9/2016, p. 3.

³ Public Law No. 110–181, § 1229.

Embedded in State's overall request is SIGAR's budget request for fiscal year 2017 of \$54.9 million. As SIGAR's request explains, these funds "will enable the organization to perform independent and objective oversight of reconstruction and security assistance programs."⁴ The amount sought is \$2 million less than provided in each of the last two fiscal years. But we have achieved some operating economies and have slightly reduced our personnel count in Afghanistan in view of increased security, travel, and logistics constraints. We therefore believe the requested funding level is adequate to continue meeting SIGAR's congressional mandate.

Like other international donors, the United States has pledged security, development, and humanitarian assistance to Afghanistan for years to come, and increasing amounts of aid are being delivered on-budget via bilateral transfers to Kabul ministries or through multilateral trust-fund disbursements. Those ministries continue to struggle with staffing, technical skills, budget-execution capacity, management, reporting, and accountability.

Meanwhile, the Taliban insurgency is still waging war, and foreign terrorist groups are making their presence felt. U.S. and Coalition military forces have been sharply reduced. Personal safety and obstacles to travel remain key concerns for foreign personnel. In other words, the risk of fraud, waste, and abuse of reconstruction funds in Afghanistan is growing, even as the ability to exercise effective oversight is increasingly constrained.

Nevertheless, SIGAR continues to provide aggressive oversight of reconstruction projects and use of U.S. funds, and has adapted to the more constrained environment by approaches such as using third-party monitors to go where SIGAR employees cannot and by checking Global Positioning System data against satellite photos.

FISCAL YEAR 2017 BUDGET REQUEST HIGHLIGHTS SIGAR'S UNIQUE AND CRITICAL ROLE IN OVERSEEING AFGHANISTAN RECONSTRUCTION FUNDS

SIGAR is the only inspector general with interagency authority to audit, inspect, and investigate the activities of *all* U.S. Government agencies and international organizations that receive U.S. funding for Afghanistan reconstruction. As a result, SIGAR can conduct cross-cutting reviews of State, USAID, DOD, and other agencies that are involved in reconstruction programs. In addition, SIGAR is the only oversight agency devoted solely to Afghanistan reconstruction, enabling it to examine reconstruction programs and issues in more depth while still producing timely and high-quality work. Further, SIGAR is truly independent. We conduct our oversight autonomously and report directly to Congress and to the Secretaries of State and Defense.

SIGAR currently has the largest oversight presence in Afghanistan, with more auditors, analysts, and investigators in country than any other agency. As of this month, SIGAR has more than 30 employees based at U.S. Embassy Kabul.⁵ These employees comprise auditors, inspectors, and investigators, plus management and support staff. Two other SIGAR employees are located at Bagram Airfield. In addition, seven Afghan citizens support SIGAR's work in Kabul.

Most of SIGAR's deployed staff serve at least 2 years in country. This practice reduces annual turnover compared to other U.S. agencies and mitigates the risk of institutional memory loss. The deployed and local staff are augmented by SIGAR personnel from our Arlington, Virginia, offices who frequently travel to Afghanistan on a 2- to 8-week temporary assignments.

When SIGAR was established in 2008, the agency created four directorates: (1) Audits and Inspections, (2) Investigations, (3) Research and Analysis, and (4) Management and Support. The Research and Analysis Directorate, originally known as Information Management, produces SIGAR's quarterly report to Congress and other publications. Management and Support provides human resources, budget, information technology, and other support to SIGAR's other directorates and to staff.

Since then, two additional units have been established. In 2012, SIGAR created its Office of Special Projects to examine emerging issues and deliver prompt, actionable reports to implementing agencies and Congress. The team conducts a variety of assessments and produces inquiry and alert letters, reviews, fact sheets, and other products.

In late 2014, SIGAR established its Lessons Learned Program, whose projects include examinations of corruption, sustainability, counternarcotics, contract management and oversight, and strategy and planning. While audits and inspections typi-

⁴Department of State, *Congressional Budget Justification: Department of State, Foreign Operations, and Related Programs, fiscal year 2017*, 2/9/2016, p. 143.

⁵Unless otherwise indicated, numbers and monetary values regarding SIGAR are as of 12/30/2015, as reported in SIGAR, *Quarterly Report to the Congress of the United States*, 1/30/2016. Copies of this and other SIGAR products are posted at www.sigar.mil.

cally focus on the planning, execution, and outcome of particular programs and projects, LLP's objective is to more broadly document U.S. reconstruction objectives, assess results, and distill this knowledge into recommendations to improve reconstruction efforts in Afghanistan and in future contingency operations. Other Federal agencies and the U.S. military also operate lessons-learned units, but SIGAR's Lessons Learned Program is the only one established and positioned to extract and frame lessons from a whole-of-government perspective.

SIGAR'S WORK CONTINUES TO IMPROVE THE EFFECTIVENESS AND EFFICIENCY OF RECONSTRUCTION PROGRAMS, AND TO REDUCE FRAUD, WASTE, AND ABUSE OF FUNDS

SIGAR's investigations, audit, and other work continues to have positive impacts on ongoing and planned reconstruction programs and agency operations. These impacts take several forms. SIGAR does more than simply *identify* waste, fraud, and abuse. It can bring malefactors to justice, and recover money. SIGAR investigators are full-fledged Federal law-enforcement officers with powers of search and arrest. Whether acting on their own or in coordination with other law-enforcement agencies, they have conducted investigations into cases of bribery, theft, smuggling, money laundering, and other offenses; have made arrests in Afghanistan and state-side; and have referred many Afghans to that country's prosecutors.

As of December 30, 2015, SIGAR had 309 ongoing investigations. At that time, the cumulative results of the SIGAR Investigations Directorate comprised 103 arrests, 137 criminal charges, 102 convictions, and 80 sentences. The cumulative total from investigations-related criminal fines, restitutions, forfeitures, civil-settlement recoveries, and savings to the Government exceeds \$946 million—the equivalent of 17 years' funding for SIGAR at current levels. Investigative work has also led to 697 referrals of companies and individuals for suspension or debarment to prevent them from receiving more U.S. contract awards; 72 percent of these referrals led to suspension or debarment, not counting a small number of special-entity designations or administrative-compliance agreements.

From 2009 through December 2015, SIGAR had made 619 recommendations in its 208 published audits, alert letters, and inspection reports. SIGAR has closed more than 83 percent of its recommendations, indicating that the subject agency has either adopted the recommendation or taken other appropriate action on the issue. These recommendations have, among other things, strengthened contract oversight, management, and compliance; assisted in building and sustaining Afghan Government capacity; and improved accountability for on-budget support. SIGAR continues to monitor agency action on 51 open recommendations from 17 performance-audit reports, 6 open recommendations from 4 inspection reports, and 41 open recommendations from 18 financial-audit reports.⁶ SIGAR audits and inspections have resulted in recovering an estimated \$36 million and in identifying some \$950 million that could be put to better use, for a combined impact approaching \$1 billion.

SIGAR's audit, inspection, and quarterly reports continue to be used by U.S. agencies, international partners, and the highest levels of the Afghan Government to improve oversight and management of reconstruction efforts. President Ashraf Ghani and key advisors have met repeatedly with SIGAR personnel, and have expressed appreciation for SIGAR's oversight work. President Ghani has said that he reads and annotates SIGAR's audit and quarterly reports, and uses them in his efforts to reform Afghan institutions.⁷ At President Ghani's invitation, and in the wake of a fuel-contract scandal that SIGAR investigated,⁸ a SIGAR staff member participates as an observer in the high-level meetings of the presidential procurement council that reviews major contract awards.

SIGAR also maintains professional and productive working relationships with the DOD and its subcomponents and commands, and with State and USAID. SIGAR also coordinates regularly with other inspectors general and the Government Ac-

⁶ SIGAR *Audits and Inspection Directorate*, internal tally, 2/22/2016.

⁷ In September 2015, President Ghani discussed his country's challenges and his reform aims in an extended interview at the presidential palace with SIGAR's director of research and analysis. See SIGAR, *Quarterly Report to the Congress of the United States*, 10/2015, section 1, pp. 3–15.

⁸ In February 2015, SIGAR and U.S. military officers briefed President Ashraf Ghani on their investigative findings that four contractors had engaged in price-fixing, bid-rigging, and bribery prior to the award of a nearly \$1 billion, U.S.-funded fuel contract for the Afghan Ministry of Defense. The criminal collusion raised the cost of the contract by at least \$214 million. After the briefing, President Ghani immediately suspended the MOD officials involved in the fuel contract award, cancelled the entire contract, warned the contractors involved of possible debarment, and assigned an independent Afghan investigator to look into the award of the MOD fuel contract and of 11 MOD contracts for other commodities. See SIGAR, *Quarterly Report to the Congress of the United States*, 4/30/2015, i.

countability Office to ensure coverage of all aspects of the reconstruction effort and avoid duplication of effort.

SIGAR HAS TAKEN STEPS TO OVERCOME CHALLENGES TO CONDUCTING ITS OVERSIGHT MISSION

In 2015, the Afghan Government took on full responsibility for security, the U.S./Coalition mission switching from combat to train/advise/assist support, and the start of Afghanistan's "Transformation Decade" aimed at achieving self-sufficiency in fiscal and security matters. In this changed setting of heightened security precautions and reduced access to program and project sites, SIGAR developed a 2014–2016 transition plan to synchronize activities with its strategic plan and with those of other U.S. agencies.

For an example of transitional adjustment, SIGAR has hired several Afghan engineers and analysts to assist with audit and inspection work. SIGAR has also signed a cooperative agreement with a well-respected Afghan nongovernmental organization, to conduct site visits, including inspections and engineering assessments of U.S.-funded projects. This Afghan organization's work will be subject to generally accepted government auditing standards (GAGAS), and to SIGAR's internal quality-control requirements. SIGAR has also expanded its use of remote monitoring and geospatial imaging through working relationships with National Geospatial Intelligence Agency and an agreement with the Army Geospatial Center.

In addition, SIGAR is continuing its financial audit program.⁹ Established in 2012, the program contracts with independent public auditing firms to perform financial audits of completed reconstruction contracts. SIGAR staff oversees the firms' conduct of these financial audits, from notification to final report. In some cases, when questioned costs are identified, SIGAR investigators review those costs and initiate criminal investigations if appropriate.

SIGAR also coordinates closely with the Afghan Attorney General's office to refer criminal and civil cases involving Afghans for prosecution in Afghanistan. Over time, and as appropriate, SIGAR will adjust its functions, methods, products, and practices, adopting new ones when necessary, to continue to provide seamless, independent oversight of the reconstruction effort. Further, SIGAR will take all measures necessary to uphold government standards of quality in carrying out its oversight.

SIGAR HAS IDENTIFIED AREAS OF HIGH RISK TO THE SUCCESS OF THE U.S. RECONSTRUCTION EFFORT IN AFGHANISTAN

Although State, USAID, and DOD have each experienced some successes in their individual reconstruction efforts, multiple challenges exist that could undermine the success of the overall U.S. reconstruction effort. In December 2014, SIGAR issued its first High-Risk List to call attention to program areas and elements of the U.S.-funded reconstruction effort in Afghanistan that are especially vulnerable to significant waste, fraud, and abuse.¹⁰

The High-Risk List highlights program areas that SIGAR believes agencies such as State, USAID, and DOD, need to focus on, and discusses whether agencies are mitigating risks in areas within their purview. The list also proposes some key questions for Congress and the agencies to consider to improve their reconstruction efforts.

SIGAR's first High-Risk List identified seven areas of vulnerability:

1. Corruption/Rule of Law
2. Sustainability
3. Afghan National Defense and Security Forces Capacity and Capabilities
4. On-Budget Support
5. Counternarcotics
6. Contract Management [and Oversight Access, now Area 8]
7. Strategy and Planning

⁹SIGAR produces two types of audits: (1) financial and (2) performance. Financial audits evaluate completed reconstruction contracts and identify questioned costs, if any, resulting from significant deficiencies in the audited entity's internal controls related to the contracts, and any instances of noncompliance with contract requirements and applicable laws and regulations. *Performance* audits provide objective analysis of the effectiveness and efficiency of reconstruction programs and make recommendations to improve performance and operations, reduce costs, and facilitate decisionmaking by parties with responsibility to oversee or initiate corrective action for public accountability.

¹⁰SIGAR, *High-Risk List*, 12/2014.

We are preparing an update of our list that will modify one existing item and add a new one. High-Risk Area 6 will become simply “Contract Management.” “Oversight Access,” while still decidedly an issue for contract management, will be treated as a broader concern as a new Area 8.

Although other areas of risk exist, SIGAR selected these areas because they are mission-critical for the success of the reconstruction campaign. In other words, a gross failure in any of these areas could imperil the entire 14-year effort and all its human and monetary costs. Our other selection filters were that (1) these areas are at significant risk of failure due to fraud, waste, or abuse; (2) they involve ongoing or planned reconstruction programs and projects; and (3) are subject to the control or influence of the U.S. Government.

SIGAR recognizes that even in peaceful venues, no reconstruction or development program or project is without risk of failure, or without exposure to fraud, waste, and abuse. But these risks are magnified in insecure and unstable conflict areas like Afghanistan. Moreover, the work of SIGAR and other oversight agencies has shown that some reconstruction efforts in Afghanistan are at unnecessarily high risk, which agencies could mitigate by taking appropriate corrective actions.

Area 1: Corruption/Rule of Law

Corruption is one of the most serious threats to the U.S.-funded Afghanistan reconstruction effort. In a February 2014 report, the DOD Joint Staff wrote—perceptively—that “Corruption alienates key elements of the population, discredits the government and security forces, undermines international support, subverts state functions and rule of law, robs the state of revenue, and creates barriers to economic growth.”¹¹

Reducing corruption and increasing accountability are important components of the U.S. reconstruction strategy in Afghanistan. However, in 2010, SIGAR reported that more than \$50 billion in U.S. assistance had been provided for reconstruction in Afghanistan since 2002 without the benefit of a comprehensive anticorruption strategy, and that U.S. anticorruption efforts had provided relatively little assistance to some key Afghan institutions.¹² SIGAR and other observers—not least of whom is President Ghani—have consistently reported that corruption remains a massive and systemic problem in Afghanistan. It is troubling, therefore, that the United States continues to operate without a comprehensive overall strategy for coordinating and executing effective measures to reduce the malign influence of corruption in Afghan society. Corruption is a critical issue not only for government effectiveness and legitimacy, but for fiscal sustainability: Kabul relies heavily on customs receipts for domestic revenue, but corruption severely constricts the actual flow of funds to its treasury, while also adding to the risk of “donor fatigue.” SIGAR’s Lessons Learned Program has a research and analysis project under way focused entirely on the problem of corruption in Afghanistan.

Key questions for consideration are:

- To what extent have U.S. technical assistance and capacity-building programs dedicated sufficient resources to reducing corruption within the Afghan Government?
- Why does the United States still lack a comprehensive anticorruption strategy for Afghanistan reconstruction?
- Have U.S. agencies revisited the premises and approaches of their own anticorruption strategy in light of the persistence and severity of the problem?
- What steps has the Afghan Government taken to pursue criminal action against those matters referred by SIGAR and other U.S. and international law-enforcement bodies?
- What steps are U.S. agencies and the Afghan Government taking to reduce corruption within Afghanistan’s customs-collection system?

Area 2: Sustainability

Another acute risk to the reconstruction effort is that Afghanistan simply cannot sustain many of the programs and projects without large and continuing financial support from the United States and other donors. For example, the Afghan Government’s budget for its fiscal year 1395 (December 2015–December 2016) envisions domestic revenues covering only 31 percent of the national budget; foreign grants and

¹¹ DOD, Joint and Coalition Operational Analysis (JCOA), division of Joint Staff J-7 (Joint Force Development), *Operationalizing Counter/Anti-Corruption Study*, 2/28/2014.

¹² SIGAR Audit 10–15, *U.S. Reconstruction Efforts in Afghanistan Would Benefit from a Finalized Comprehensive U.S. Anti-Corruption Strategy*, 8/5/2010.

loans would fund the remaining 69 percent.¹³ Afghanistan also lacks the technical and managerial capacity needed to sustain many operations.

SIGAR's work has shown that State, USAID, and DOD have not always considered sustainability when planning programs or projects, jeopardizing the massive investment that the United States and other international donors have made. Further, both the international community and the Afghan Government agree that improving the energy sector is essential to Afghanistan's economic progress and long-term viability. However, the Afghans cannot afford to pay for much of the electric power infrastructure that the U.S. reconstruction effort has provided. In June 2015, for example, a SIGAR inquiry letter drew attention to concerns that the Afghan national electric utility might be unable to sustain operations and maintenance of the \$335 million, USAID-funded Tarakhil Power Plant needed as backup generation for the Kabul area.¹⁴

Questions for consideration are:

- What if any progress has the Afghan Government made in generating revenues to fund government operations, and in improving the administrative and technical skills of its workforce?
- What planning steps and practical measures have U.S. agencies taken and coordinated amongst themselves and with Afghan ministries to sustain their programs and projects during the country's Decade of Transformation?

Area 3: ANDSF Capacity and Capabilities

Establishing security is fundamental to preventing Afghanistan from again becoming a safe haven for terrorists, and to enabling much-needed reconstruction and development activities to succeed. A well-developed and fully capable ANDSF is critical to achieving and maintaining this security. Building the capacity of the ANDSF has therefore been a key component of the U.S. and international reconstruction effort. As of December 2015, Congress had appropriated more than \$68 billion to build, equip, train, and sustain the ANDSF. That figure represents 61 percent of all U.S. appropriations for Afghanistan reconstruction.¹⁵

This significant investment in Afghanistan's security is at risk, as evidenced in no small part by SIGAR's documentation of concerns about the actual strength and capability of the ANDSF. In April of last year, for example, SIGAR reported that unannounced audit visits to Afghan National Army and Afghan Air Force units found the identities of only 103 of 134 personnel sampled could be verified against ANA personnel data. Some lacked ANA identification cards, and a few were not even listed in the services' human-resources data base. SIGAR's auditors also found inconsistent use of daily rosters, lack of verification of numbers, unsupervised paper-based and manually submitted data systems, weak controls, and Afghan ministry failures to submit financial records to the U.S. military, among other difficulties.¹⁶

Since 2008, SIGAR has released 74 reports examining how funds appropriated for the ANDSF have been used, and has submitted 167 improvement recommendations to DOD. Improvements have been made, but the security picture in Afghanistan remains troubling, and appears to be worsening. National Intelligence Director James Clapper said last week that the intelligence community believes "fighting in 2016 will be more intense than 2015, continuing a decade-long trend of deteriorating security."¹⁷

Looming challenges include high levels of ANDSF casualties, insurgent activity during the usually quiet winter season, the temporary Taliban seizure of the provincial capital of Kunduz, a distinct threat to government control of Helmand Province, and the appearance of al-Qaeda and Islamic State fighters in Afghanistan. These and other developments add to long-standing concerns with ANDSF personnel numbers, recruitment and retention, evaluation methodologies, leadership effectiveness, unit capabilities for operating independently, and ability to operate and sustain equipment and infrastructure.¹⁸ Meanwhile, the U.S. drawdown and the loss of

¹³ Ministry of Finance, Government of Afghanistan, *National Budget Document fiscal year 1395*, English-language version, 2/9/2016, pp. 3, 5.

¹⁴ SIGAR-15-65-SP *Inquiry Letter: Tarakhil Power Plant*, to the USAID Acting Administrator and Mission Director for Afghanistan, 6/19/2015.

¹⁵ SIGAR, *Quarterly Report to the Congress of the United States*, 1/30/2016, Appendix B.

¹⁶ SIGAR, *Quarterly Report to the Congress of the United States*, 4/30/2016, pp. 3-4.

¹⁷ Senate Armed Services Committee, Statement for the Record of James R. Clapper, "Worldwide Threat Assessment of the U.S. Intelligence Committee," 2/9/2016, p. 26.

¹⁸ For details, see SIGAR 16-17-TY, Statement of John F. Sopko, Special Inspector General for Afghanistan Reconstruction, "Assessing the Capabilities and Effectiveness of the Afghan National Defense and Security Forces," Before the Subcommittee on Oversight and Investigations, Committee on Armed Services, U.S. House of Representatives. 2/12/2016.

“touch points” at the maneuver-unit level have magnified the difficulty of observing the actual outcomes of U.S. security assistance and of checking data supplied by Afghan ministries.

Possible questions on the capability of the ANDSF include:

- Is the ANDSF making significant and verifiable progress toward becoming an effective and sustainable force for security and counterterrorism purposes?
- How has the U.S. drawdown-induced loss of “touch points” below the level of Afghan ministries and corps affected the U.S. ability to assess Afghan capabilities and provide effective training and assistance?
- Are ANDSF recruitment, training, and retention efforts improving so as to reduce casualties and offset attrition?
- Has DOD taken practical and effective steps to account for and safeguard U.S.-provided equipment and infrastructure, and ensure that Afghans can fully utilize and maintain them?

Area 4: On-Budget Support

The United States and other international donors have agreed to increase the proportion of their development aid for Afghanistan delivered on-budget to 50 percent. On-budget assistance can take the form of direct, government-to-government assistance (also referred to as bilateral assistance), or can flow through multi-donor trust funds before reaching the Afghan Government.¹⁹ In either case, concerns arise about visibility and accountability of the funds. SIGAR’s prior work has shown that many ministries lack the capacity or necessary internal controls to effectively manage and account for on-budget assistance funds, and are unable to do so in a transparent manner that enables U.S. agencies to oversee those funds. A 2014 SIGAR audit revealed that USAID’s own assessments of seven Afghan ministries receiving on-budget U.S. assistance found that none would be capable of effectively managing and accounting for those funds unless they implemented a series of required risk-mitigation measures developed by USAID.²⁰ Further, in a review of DOD’s safeguards for funds provided to the MOD and Ministry of Interior (MOI), SIGAR identified a number of weaknesses that increased the risk that on-budget funds provided to the ANDSF that made those funds particularly vulnerable to waste, fraud, and abuse.²¹ Meanwhile, once money is delivered on-budget, it is not only beyond U.S. control (as intended), but difficult to monitor without negotiated agreements on access to files and electronic-information systems.

One way to improve Afghan ministries’ ability to manage and account for on-budget assistance is to make on-budget assistance conditional on the ministries taking defined actions to improve their financial management, procurement, strategic planning, and auditing capabilities, among others. President Ghani has long supported conditionality as a way to maintain protection for donors while incentivizing host-country capacity building. DOD has begun to use explicit conditionality in commitment letters with the Afghan Ministry of Finance, and State and USAID make some use of it. But fully effective conditionality requires rational metrics, buy-in from the host country, verification mechanisms, incentives as well as penalties—and a credible show of donor determination to pull the trigger on penalties if host-country performance falls short of the mark. SIGAR is doubtful that U.S. agency use of conditionality for on-budget assistance typically satisfies all of those standards.

International trust funds are a large source of on-budget support to Afghanistan. SIGAR recently initiated a new performance audit to assess the administration, monitoring, and reporting of the multilateral Afghanistan Reconstruction Trust Fund (ARTF), administered by the World Bank. U.S. pledges to the ARTF, about \$2.8 billion, represent 31 percent of its total funding. Donors do not control the use of their contributions, but a previous SIGAR audit on the ARTF found limitations in the mechanisms the World Bank uses to administer, oversee, and report on the uses and results of donor funding.²² SIGAR’s Lessons Learned Program is preparing a report on the overall effectiveness of U.S. assistance to develop the ANDSF to achieve its security mission.

¹⁹ Major multidonor trust funds for Afghanistan are the Afghanistan Reconstruction Trust Fund, managed by the World Bank; the Afghanistan Infrastructure Trust Fund, managed by the Asian Development Bank; and LOTFA, the Law and Order Trust Fund for Afghanistan, managed by the U.N. Development Program. The United States has contributed to all three.

²⁰ SIGAR Audit 14–32–AR, *Direct Assistance: USAID Has Taken Positive Action to Assess Afghan Ministries’ Ability to Manage Donor Funds, but Concerns Remain*, 1/30/2014.

²¹ SIGAR Special Project Report 14–12–SP, *Comprehensive Risk Assessments of MOD and MOI Financial Management Capacity Could Improve Oversight of Over \$4 Billion in Direct Assistance Funding*, 12/3/2013.

²² SIGAR, *Quarterly Report to the Congress of the United States*, 1/30/2016, pp. 23–24.

Given the ongoing concerns about on-budget support, questions for consideration are:

- Are agencies making evidence-based choices between ex ante and performance-based conditionality terms, and are they appropriately imposing accountability?
- What steps are agencies taking to achieve Afghan transparency and information access in the use of U.S. on-budget assistance?
- Is the U.S. Government taking effective steps to improve trust-fund reporting of the uses of donors' funds?

Area 5: Counternarcotics

Production and trafficking of drugs puts the entire U.S. and international investment in the reconstruction of Afghanistan at risk. The narcotics trade supports the insurgency, feeds organized crime, fosters corruption, and undermines governance and society. From 2002 through December 31, 2015, the United States has provided \$8.4 billion for counternarcotics efforts in Afghanistan including eradication, seizure, and alternative-livelihood programs.²³

Nonetheless, Afghanistan remains by all accounts the world's largest producer of opium. Its processed opium constitutes 90 percent of the world's heroin supply, and 11 percent of the Afghan population or roughly 3 million people are believed to be drug users.²⁴ In December of last year, the U.N. Office of Drugs and Crime (UNODC) published its *Afghanistan Opium Survey 2015*, which estimated that Afghanistan had 183,000 hectares of land under cultivation with opium poppy²⁵—more than 450,000 acres. The UNODC reported that eradication efforts destroyed about 3,760 hectares of opium poppy in 2015—about 2 percent of the cultivated area. As metrics of success, these are disheartening numbers.

In October 2015, the Afghan Government approved its National Drug Action Plan, developed in collaboration with the U.S. Government, and to be supported by State's Bureau of International Narcotics and Law Enforcement Affairs. The United States, however, has not released an updated version of its own counternarcotics strategy. Given the robust resistance of Afghanistan's illicit-drug trade to costly suppression programs, both the strategies and operations of counternarcotics programs raise serious concerns. SIGAR's Lessons Learned Program is researching a report on the U.S. counternarcotics strategy and its impact.

Some questions for consideration on the counternarcotics issue are:

- To what extent has U.S. assistance for counternarcotics efforts in Afghanistan succeeded in achieving its overarching goals and objectives?
- Given the continuing high levels of opium production and low levels of eradication and seizure, have U.S. agencies made any progress toward and integrated and effective counternarcotics strategy in Afghanistan?
- Can Afghanistan achieve and sustain reasonable levels of control over the smuggling and money-laundering channels that are vital to the drug trade?

Area 6: Contract Management

U.S. military and civilian agencies in Afghanistan rely heavily on contractors to carry out their missions. At times, the number of contractor employees has exceeded the number of in-country U.S. military personnel. As the U.S. military and civilian agency draw-down continues, our reliance on contractors will likely increase. Although contracting has provided indispensable support of the U.S. mission, it has also been a massive opportunity for waste, fraud, and abuse, and an enormous challenge to effective oversight of funding and performance.

Shortcomings in Federal agencies' management and oversight of contracts and other agreements have featured in numerous SIGAR products. For example, one of the potentially most alarming incidents of poor contract management appeared in the construction of a 10-classroom, DOD-funded school addition in Bathkak, Afghanistan. The site is in an earthquake zone. But contrary to requirements, the contractor built unreinforced-brick instead of cement-block walls, and installed a heavy slab roof instead of the specified wood-truss roof. Despite the potentially lethal consequences of the construction method, the first inspection did not occur until 6 months into the work, and even then was not properly documented. As SIGAR reported in 2013, DOD acknowledged that U.S. forces in Afghanistan lacked the capacity to administer, oversee, and close contracts to ensure proper performance.²⁶

In January 2015, SIGAR reported that it was unable to complete a full inspection of Gorimar Industrial Park, built under a \$7.7 million USAID contract, because

²³ SIGAR, *Quarterly Report to the Congress of the United States*, 1/30/2016, p. 93.

²⁴ Voice of America, "Drug Use Rises in Afghanistan," 5/19/2015.

²⁵ UNODC, *Afghanistan Opium Survey 2015: Cultivation and Production*, 12/2015, pp. 6, 7.

²⁶ SIGAR, *Quarterly Report to the Congress of the United States*, 7/30/2013, pp. 5–6.

USAID could not locate project design, planning, construction, quality-assurance, and related documents that the agency should have maintained to comply with the Federal Acquisition Regulation.²⁷

Key questions for consideration regarding U.S. agencies' contract management and oversight are:

- If security conditions prevent U.S. access for direct management and oversight in some areas, to what extent have agencies made reasonable plans for adequate and verifiable remote or third-party monitoring of contractor performance?
- What steps have agencies taken to improve contract management and oversight, particularly agency personnel's adherence to existing regulations and policies and contractors' adherence to the terms of their agreements?

Area 7: Strategy and Planning

The U.S. reconstruction effort has at times suffered from gaps between strategic objectives documents and the programs and projects intended to attain them. Such shortcomings in strategic and operational planning may cause agencies and projects to work at cross purposes, spend money on duplicative or unnecessary efforts, or fail to coordinate efforts for maximal impact.

SIGAR recently reported one example of a disconnect between strategy and operations involving the goal of stabilization. Since 2003, USAID has spent at least \$2.3 billion on stability programs meant to engage and support at-risk populations, extend the Afghan Government's reach to unstable areas, provide income opportunities, build trust between citizens and government, and encourage local people to participate in development.²⁸ Stability is a key point in U.S. goals for a secure, stable, and unified Afghanistan that can prevent the emergence of future threats.²⁹ In response to a SIGAR query, however, USAID recently said it has received no new funding for peace and security programming, and has no plans to continue stabilization activities in Afghanistan.³⁰ It is possible, of course, that stabilization could emerge as a result of programs nominally pursuing other objectives, but the stabilization strategic goal appears to lack explicit operational components.

SIGAR is not alone in observing such disconnects. In December 2015, for example, USAID's inspector general released an audit of the agency's strategy system for multi-tier monitoring of its projects in Afghanistan.³¹ The report noted that USAID had presided over \$17 billion in Afghanistan reconstruction projects since 2002, was facing reduced staff count and site access in-country, and developed a strategy of multi-tiered monitoring. The intent was "to insure the greatest degree of oversight possible" by drawing on information from multiple sources like independent monitoring contractors, staff observations, implementing partners' reports, local non-governmental organizations and civil society, and technological tools. The USAID inspector general found that the agency's implementation of the strategy was "aspirational," as the multi-tier monitoring system suffered from lack of standards, incomplete databases, lack of analysis and monitoring plans, and lack of tracking for evaluations and recommendations. SIGAR's Lessons Learned Program is drafting a report on interagency strategy and planning lessons.

Key questions for consideration are:

- Are U.S. agencies regularly revisiting strategies, devising meaningful metrics, verifying outcome reports, and adjusting strategies and plans in light of actual results?
- How effectively is strategic and operational planning coordinated among U.S. agencies, with other donors and the Afghan Government, and, as appropriate, with key nongovernmental organizations?
- Have U.S. agencies developed clear guidance for determining when a strategy has failed, and for deciding whether to modify or abandon it?

Area 8: Oversight Access

The increasing difficulties U.S. agencies are having—due to, among other things, the drawdown of U.S. and Coalition military personnel, deteriorating security condi-

²⁷ SIGAR Inspection 15–30–IP, *Gorimar Industrial Park: Lack of Electricity and Water Have Left This \$7.7 Million U.S.-funded Industrial Park Underutilized by Afghan Businesses*, 1/27/2015.

²⁸ SIGAR, *Quarterly Report to the Congress of the United States*, 1/30/2016, p. 119.

²⁹ President Barack Obama, "Statement by the President on Afghanistan," 10/15/2015.

³⁰ SIGAR, *Quarterly Report to the Congress of the United States*, 1/30/2016, p. 119.

³¹ USAID, Office of the Inspector General, Audit Report F–306–16–001, *Audit of USAID/Afghanistan's Strategy for Monitoring and Evaluating Programs Throughout Afghanistan*, 12/10/2015.

tions across Afghanistan, and the ongoing normalization of Embassy Kabul's operations and presence—have made it much more difficult and at times impossible for agency personnel to oversee their programs and projects first-hand. These factors exacerbating ongoing problems with contract oversight such as spotty compliance with regulations on inspecting, documenting, and imposing accountability on contractors' work; inadequate numbers of technical specialists to advise contracting officer representatives; and personnel rotations that impair continuity of oversight and institutional memory.

USAID has developed a multi-tiered monitoring and evaluation strategy for Afghanistan that includes using independent, third-party contractors to monitor and evaluate the agency's programs. State is reportedly taking similar steps. Given the billions of dollars yet to be spent in Afghanistan—and the hundreds of companies and individuals already debarred or suspended from Federal-contract work as a result of SIGAR referrals to administrative officials—the growing challenges to oversight access require close attention and effective mitigating actions.

Key questions for consideration are:

- Are agencies tracking staffing, security, and transport indicators to determine what program sites cannot be safely or practicably accessed for oversight?
- When contemplating new projects or new work sites, are agencies specifically assessing oversight access and planning mitigation measures where needed?
- Have agencies taken appropriate steps to use third-party monitors, remote sensing, increased access to Afghan documentation and officials, or other tools to maintain acceptable levels of oversight?
- If effective oversight cannot be maintained, have agencies conducted prudent inquiries whether projects at affected sites should be suspended, modified, relocated, or terminated?

CONCLUSION

Much remains to be done before Afghanistan can ensure its own stability and security, and provide its citizens with essential services like a fair and effective rule of law and comprehensive education. The reconstruction that has already cost \$113 billion will continue for years and, as currently planned, will cost many billions more. The success of this effort critically depends on the U.S. Government's ability to efficiently and effectively provide reconstruction assistance to Afghanistan and ensure that funds are not wasted or abused.

Thank you for the opportunity to submit a written statement for the hearing record. SIGAR shares your commitment to protecting U.S. funds from waste, fraud, and abuse and is committed to assisting Congress, U.S. agencies, and other stakeholders by continuing to provide aggressive and independent oversight of the reconstruction effort, and by offering recommendations and lessons based on that work.

PREPARED STATEMENT OF JOHN F. LANSING, CHIEF EXECUTIVE OFFICER OF THE BROADCASTING BOARD OF GOVERNORS

Chairman Graham, Ranking Member Leahy, thank you for inviting me to submit testimony on behalf of the Broadcasting Board of Governors (BBG) to the Subcommittee on State, Foreign Operations, and Related Programs of the Senate Appropriations Committee.

As the Chief Executive Officer of the BBG, I appreciate your inclusion of our fiscal year 2017 budget request testimony into the Record, on the date of Secretary of State John Kerry's testimony before this subcommittee. The President's request for the BBG for fiscal year 2017 is \$777.8 million, an increase of 3.7 percent over fiscal year 2016 enacted.

The BBG is the independent agency tasked with overseeing and supervising civilian international media activities funded by the United States Government. Our mission is "to inform, engage, and connect people around the world in support of freedom and democracy." BBG directly oversees the Federal Voice of America (VOA) and Office of Cuba Broadcasting (OCB), and BBG-funded grantees Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA) and the Middle East Broadcasting Networks (MBN).

The BBG distributes programming in 61 languages to more than 100 countries via terrestrial and satellite TV, the Web, live streaming, mobile devices, and social media—as well as radio—shortwave, medium wave (AM), FM and satellite. Our global audiences comprise more than 226 million people each week.

Funding for the five networks in our fiscal year 2017 request includes:

- \$224.4 million for Voice of America, a multimedia broadcast service which began in 1942 as a radio news service for people living in closed and war-torn societies, and currently reaches people through both traditional and modern media platforms;
- \$121.1 million for Radio Free Europe/Radio Liberty, a private, nonprofit, multimedia broadcasting corporation that serves as a surrogate media source in 28 languages and in 23 countries including Russia, Ukraine, Iran, Afghanistan, Pakistan, and the former Soviet republics of Central Asia;
- \$112.1 million for Middle East Broadcasting Networks, a private, non-profit, multimedia broadcasting corporation that provides the United States a direct line of communication with Arabic-speaking people of the Middle East and North Africa;
- \$38 million for Radio Free Asia, a private, nonprofit, multimedia corporation that serves as a surrogate broadcaster in Asian countries that prevent or restrict freedom of the press;
- \$27.1 million for Office of Cuba Broadcasting, which administers Radio and Television (TV) Marti programs.

The sheer volume of available media has increased exponentially as people migrate to digital and mobile platforms, but not all information is created equal. Actors from ISIL to China to Russia are using information not just to “win the news cycle,” but also are using propaganda and censorship to foment hate and confusion, monitor and suppress dissent, and sow the ground for terroristic activities.

During the Cold War the United States countered the information vacuums created under suppressive regimes with reporting through Voice of America, Radio Free Europe, and other tools.

Today, certain state actors are promulgating an abundance of false, doctored, or misleading information on a multitude of different platforms for consumption. Through both its Federal components (VOA and OCB) and its BBG-funded grantees (MBN, RFE/RL, and RFA), BBG provides a platform for high-quality reporting that serves as a beacon for accurate, fact-based journalism. In environments inundated with propaganda or falsehoods, the best antidote is objective, fact-based reporting that arms citizens with the truth. As such, BBG’s global reach and journalistic credibility play a vital role in correcting falsehoods, holding people and institutions accountable, and demystifying U.S. policy in these communities.

Since my tenure as CEO, and with the unanimous support of the Board, I have aggressively prioritized five core themes to ensure the BBG is the 21st century media organization that the taxpayers demand. The President’s fiscal year 2017 budget request feeds directly into these themes.

First, we are accelerating our shift towards engaging audiences on digital platforms, especially through the power of video, mobile, and social media. Our request supports this shift in several ways, including \$2.5 million to expand the “Raise Your Voice” campaign into new geographic spaces. MBN’s successful program uses multiple and modern platforms—such as Google Hangout discussions, infographics, short videos, and other social media—to engage in discussion about the fight against extremism and terrorism across Iraq. The fiscal year 2017 request proposes to expand “Raise Your Voice” to Egypt, Central Asia, and the Balkans.

Our request also includes \$2 million for expanded global distribution capability. This investment will increase our ability to reach satellite audiences in the increasingly popular HD format. It will simultaneously lower our costs by leveraging advanced Internet protocol (IP) based networks to distribute audio and video content across the entire globe.

Second, we are rapidly expanding coordination and content-sharing across the BBG’s five interdependent networks in order to cover and report on the stories that matter to audiences. I will describe my leveraging of the U.S. International Media Coordinating Council (ICC) in more depth later in this testimony.

Third, the BBG is concentrating its efforts in five key issue areas where we can be most impactful in support of our mission and U.S. global priorities: reporting on Russia; covering violent extremism; the widening regional influence of Iran; China and places in which Chinese media is influential; and promoting universal human rights and fundamental freedoms in Cuba.

Our initiative for “Next Generation” influencers (\$15 million) will expand digital and video production at both VOA and RFE/RL to engage with influential young audiences and future leaders in several of these areas. Our specific targets are young adults impacted by pressure from Russia, or by the media campaigns of violent extremist groups such as ISIL. Specifically, RFE/RL will work in Russia and launch teams for Central Asia and areas in Russia’s periphery affected by protracted conflicts like Trans-Dniestria, South Ossetia, Abkhazia, and the North Caucasus, while

VOA will reach both Russian-speakers and regional audiences vulnerable to ISIL extremism, including Indonesia, Bangladesh, Pakistan and Afghanistan.

Fourth, we are evolving to an organization actively engaged in curating, commissioning, and acquiring content. For broader impact, the BBG needs to focus its reporting to not just rehash the daily news, but rather to provide powerful original reporting, and depth and perspective on current events for more meaning and impact. Curating external content to provide day-to-day news and content will free up BBG resources to perform the more compelling and impactful, in-depth reporting.

Finally, and critically, we are emphasizing impact in addition to audience size. By putting audience interests and needs first in how we collect, create and distribute news and information, and working backward from there, we propose to take a more modern approach to informing, engaging, and connecting with our audiences.

BBG specifically requests \$2 million for a research investment for impact studies in key younger demographics that can assist in developing audience loyalty and trust for BBG's expanding Russian-language media, in engaging young audiences in regions experiencing high levels of violent extremism, as well as increasing the impact of digital media to those who opt-in in Cuba and Latin America.

Other significant aspects of the request include \$182.3 million for the technical infrastructure we need to produce and deliver our wide range of media products from the five networks to audiences around the world; and \$63 million for the shared support services. And we request \$9.7 million for Broadcasting Capital Improvements to support infrastructure and enhancements at two key sites, including our Kuwait Transmitting Station.

Our request recognizes that some increases must be offset by reductions. To do so, the BBG strives to trim and eliminate expensive services and infrastructure that are no longer critical to the mission. At a cost saving of \$5.7 million, BBG will realign transmitting station sites and transmissions across its worldwide network in response to the global migration from shortwave listening to other media formats. BBG has also identified \$14.3 million in operating and administrative reductions.

As CEO, I am placing a high priority on Internet freedom. The BBG Internet Freedom (IF) program is in accordance with a congressional directive that we fund "the continued development of technologies that provide or enhance access to the Internet, including circumvention tools that bypass Internet blocking, filtering, and other censorship techniques used by authoritarian governments" (section 7078 of the Fiscal Year 2016 Appropriations Act).

In December 2015, I proposed and the Board passed a framework and governance structure to strengthen and formalize the process by which the agency evaluates and funds projects to counter Internet censorship across the globe. Starting in 2016, this process is expected to be overseen by a new Internet Freedom Office, which will answer directly to me as CEO, to oversee the selection and evaluation of IF projects.

The request also includes a proposal to establish a new Spanish-language "grantee" that would be authorized to receive a Federal grant from the BBG to carry out broadcasting to Cuba. Nothing in this request should be construed to change either the mission or the brands of the current Office of Cuba Broadcasting. The viewers and listeners of Cuba would still receive the same high-quality broadcasting as under the current structure.

As CEO of the BBG, I recognize that we must change, and the BBG Board shares this viewpoint as well. To that end, I appreciate the opportunity to speak about reforms at the BBG and legislation that would enact reforms.

It is critical to acknowledge that in the recent past, the BBG has not responded as effectively as necessary to respond to fast-breaking global challenges. As BBG Chairman Jeff Shell testified before the Senate Foreign Relations Committee in November, "As with any media organization, be it Universal Pictures or the BBG, the responsibility for organizational breakdown and inertia starts at the top." I agree that the difficulties engendered by a part-time Board tasked with day-to-day operations of an agency with global reach demand a strong solution.

Creating a Chief Executive Officer position at the BBG who is empowered to manage the day-to-day BBG operations and functions, including the ability to shift resources as needed and appoint senior officials, has been a key first reform. The Board has already taken strong steps in this regard by voluntarily electing to shift all the powers it could legally delegate to a CEO, who oversees nonmilitary international broadcasting activities and provides day-to-day management of BBG operations.

As that CEO, I am happy to report that—with the full support of the Board—we have taken steps toward meaningful agency reform under this new structure. The current Board—a bipartisan, collaborative panel appointed by the President and confirmed the Senate—is fully united behind the changes we need to make to ensure BBG's success, and the ways we need to operate to do so. It is a pleasure

to work hand in glove with a slate of public policy and industry experts who are steadily focused on the mission of the agency, without reverting to the distractions of party politics.

Under the current structure, I have been able to make headway on management changes that will significantly strengthen our agency. Referring to existing authorizing legislation, I have convened a standing coordinating body of the BBG networks, called the U.S. International Media Coordinating Committee (ICC). The ICC is tasked to “examine and make recommendations to the Board on long-term strategies for the future of international broadcasting, including the use of new technologies, further consolidation of broadcast services, and consolidation of currently existing public affairs and legislative relations functions in the various international broadcasting entities,” as authorized under section 307 of the International Broadcasting Act, as amended.

The ICC now meets on a biweekly basis, and comprises the CEO and the five network heads. The ICC has led to drastically enhanced cooperation with clear successes in content coordination and cost savings and efficiencies. For example, VOA was able to share material from the State of the Union that the non-Federal networks were unable to obtain, and similarly shared and enhanced each other’s coverage of the Paris attacks, Burmese elections, and other more recent news.

In addition to the steps I have already taken, however, the BBG requires specific legislative changes. At the Board’s request, the BBG asks to permanently enshrine the CEO position into law as the operational and oversight lead at BBG, and our fiscal year 2017 budget request makes this request.

In my conversations with Members of Congress, many have pointed out to me that while the situation seems to have improved at the BBG with the advent of the CEO position and a better-functioning Board, there is no guarantee for harmonious operations in the future. A legislative fix would ensure that the CEO position exists permanently, and that the Board’s strategic governance function is more clearly defined.

While the Board has elected to delegate key powers to the CEO through its own volition, the current authority limits the scope of the Board’s delegable authority. In practice, for example, this can mean Board deliberation and vote is still required to reallocate even the most de minimis dollar amount of funds across the various bureaus and Federal and grantee broadcasting networks of the BBG when requirements change. In other words, in order to move even one penny between the entities, even under the most urgent of circumstances, the CEO must seek a vote of the full Board.

It is clear that we need to institutionalize the CEO role through legislation, authorizing the Board to delegate the remainder of its authorities, required for effective and efficient day-to-day operation of the agency, to the CEO. The Board would continue to focus on strategic oversight and governance.

Beyond these management fixes, we also need to ensure further structural and operational agility. Unfortunately, many of our existing authorities, a number of which date back to 1948 or thereabouts, are either obsolete or incomplete for our purposes as a 21st century media organization.

A key area in this regard is surge capacity. When crises arise, BBG is often asked to quickly surge its efforts to the affected region. The International Broadcasting Act requires the agency to do so by providing for the “capability to provide a surge capacity to support United States foreign policy objectives during crises abroad.” We require not just enhanced authority to operate notwithstanding certain standard processes, but also the ability to turn to a ready source of funding. For us, this means the authority to receive or fully utilize funds from other agencies. We also wish to explore with your committee the establishment of a no-year fund for these purposes.

Beyond these concrete legislative changes, I wish to address other aspects of BBG reform that have been addressed in proposed legislation. My desire, and that of the BBG Board, is to work across all actors and Committees in the Congress, in order to ensure that the BBG benefits from the perspective of stakeholders who have long studied international media and broadcasting issues. Further to this end, I believe it is critical to engage in an open and clear dialogue on different proposals and their potential impacts.

One existing proposal would bifurcate the BBG’s oversight and dissolve Federal and congressional oversight of several U.S. funded media entities (called the “grantee” entities). While well-intentioned, we believe that this proposal carries the potential for abuse and misappropriation of funds that could occur with weakened oversight. It would return us to the very same structure which Congress implemented once before, and then specifically repealed for these very same reasons.

Existing legislation would significantly weaken Federal oversight and supervision over the BBG-funded grantees. It would also establish a self-replenishing, private board that is ultimately answerable to neither the Executive Branch nor Congress. The proposal would also prevent the BBG from requiring that grantees follow a unified U.S. strategy or tailor efforts to meet U.S. goals and priorities. These changes raise significant oversight and governance concerns from the administration's perspective.

That said, the Board and I believe that existing legislation offers a potential framework for common ground in several key areas, and that certain portions hold merit and are worth further discussion and consideration. We should, for instance, engage in further study of the establishment of a sub-agency that would oversee the grantees, as has been suggested by reform-minded legislators. We might find significant savings and efficiencies in creating unified systems for personnel and administration to replicate the work currently being done identically in three separate grantee organizations.

With the legislative fixes outlined in the fiscal year 2017 budget and in this testimony, and without the detrimental legislative fixes also outlined, the BBG will be best positioned to thrive in its mandated role as a unique tool in the U.S. foreign affairs toolbox, and will be a powerful force for countering the challenges posed by the growth of misleading or propagandistic information globally.

LIBYA

Senator GRAHAM. Thank you, Mr. Secretary. You certainly have my promise and pledge to help you get the money you need and the flexibility you deserve to deal with the problems that are growing. Whatever we can do in this account, we will do.

But let me sort of inventory what awaits the next President and what this committee should be thinking about.

Is Libya a failed state now?

Secretary KERRY. It is close. The reason I would say to you not at this moment is because we have been working really hard for the last months particularly to bring together a government in Tripoli, and we have a prime minister designate. We have a government. We have a couple outliers that are resisting this effort. If they cannot get themselves together, yes, it will be a failed state.

Senator GRAHAM. So what do you think it would cost, in terms of the world community, if we could ever get a resolution to put Libya back together?

Secretary KERRY. Well, the virtue of it, Mr. Chairman, is that Libya is a wealthy nation. Libya has some \$60 billion—

Senator GRAHAM. So you do not think it would cost us a whole lot?

Secretary KERRY. It should not cost us a whole lot.

Senator GRAHAM. Okay.

Secretary KERRY. Libya can pay for its own rebuilding.

Senator GRAHAM. Okay. If we can ever get it rebuilt.

Secretary KERRY. It is only 6 million people.

YEMEN

Senator GRAHAM. Right. What about Yemen? Is Yemen a failed state?

Secretary KERRY. Yemen, right now, is more than a failed state. It is a growing humanitarian challenge. My hope is, in the most recent conversations I have had with the Saudis, with the Omanis, with the Emiratis, and others, I believe there may be a ripeness for trying to move forward on a political resolution.

The Saudis have well-protected their borders. Together with the Emiratis and the coalition, they have effectively pushed back the threat that existed. I believe there is a way now. But the key is to get the parties, the Houthi government and the——

Senator GRAHAM. Is Iran being helpful?

Secretary KERRY. I beg your pardon?

Senator GRAHAM. Are the Iranians being helpful?

Secretary KERRY. They have declared that they are prepared to be and are ready to try to find this political settlement.

Senator GRAHAM. Are the Iranians helpful in Syria?

Secretary KERRY. Well, when you say “helpful,” the Iranians have obviously supported the Houthi and been involved in the other side of the fence with respect to what we are trying to do with Yemen. So in Yemen, while they are indicating now a readiness for settlement, they have been part of the problem.

In Syria, they have been a huge part, obviously. The Islamic Revolutionary Guard Corps (IRGC), the support for Hezbollah, the support for Assad is extremely——

Senator GRAHAM. Yes, sir. Let us go back to Yemen.

We do not have an Embassy in Yemen any longer, is that correct? And we do not have one in Libya?

Secretary KERRY. That is correct.

Senator GRAHAM. So we are going to have to go back. I want to know what that would cost, if we ever get back there. How much money do you think it will cost the American people, or you would recommend to the American people, to put Yemen back together? Or can the region pay for that?

Secretary KERRY. The region will pay for that. The Saudis have indicated that if they achieve the agreement they hope to achieve, they are ready to rebuild Yemen, and I do not think it will cost America.

SYRIA

Senator GRAHAM. Okay. Is it fair to say that the Russians have bombed the people we have trained to oppose Syrian President Bashar al-Assad?

Secretary KERRY. Yes.

Senator GRAHAM. Is it fair to say that the Iranians have come to Assad’s aid with military advisers and providing him weapons and equipment?

Secretary KERRY. Yes.

Senator GRAHAM. Is it fair to say that Assad must go?

Secretary KERRY. Yes.

Senator GRAHAM. Is it fair to say that the Russians and the Iranians are going to insist upon what follows Assad?

Secretary KERRY. Insist——

Senator GRAHAM. Have a say?

Secretary KERRY. Have a say, yes. Insist, I believe they will have a real challenge. But they will have a say.

Senator GRAHAM. Is it fair to say that the people we have been training and equipping have been at a military disadvantage compared to Assad and his military forces because of Russia and Iran?

Secretary KERRY. Sure.

Senator GRAHAM. Is it fair to say that whatever negotiating power you may have, or they may have, has been lessened because Assad has been reinforced by the Russian and Iranian intervention?

Secretary KERRY. It has obviously changed the table, but let me just say to everybody that nobody here should be surprised that Russia is engaged and supportive, nor Iran.

Senator GRAHAM. Were you surprised when the Russians went into Syria using military force to bomb the people we trained?

Secretary KERRY. I was not surprised that the Russians—

Senator GRAHAM. I was flabbergasted. I was completely flabbergasted they would stick it in our eye like that, but that is just me.

Secretary KERRY. Well, Senator, if I could just sort of lay this out to you.

Senator GRAHAM. Please.

Secretary KERRY. Russia had been indicating to us for some period of time concern about the growth of Chechens, more than 2,000, 2,500 Chechens are fighting on the side of Daesh in Syria. And they are deeply concerned because of the experience with Chechnya as well as—

Senator GRAHAM. My time is short, so why have they not bombed the Chechens more than the Syrian opposition? Who do they bomb the most, ISIL-aligned people or the Assad opposition?

Secretary KERRY. Mr. Chairman, some of this we should deal with in a classified session, but let me—

Senator GRAHAM. I will just say this, Mr. Secretary. They have bombed the hell out of the people—

Secretary KERRY. Seventy percent to 80 percent of the bombing, including an area in the northeast where Nusra and our moderate opposition have been in very close proximity.

Senator GRAHAM. Did you welcome the Russian involvement in Syria militarily?

Secretary KERRY. No.

Senator GRAHAM. Did you tell them, please do not do it.

Secretary KERRY. We pushed back significantly, as you recall, in the early days, but the decision was made, and they undertook to—

IRAN

Senator GRAHAM. Post-agreement with Iran, do you think the Iranians have changed their behavior in the region for the better, since the nuclear agreement?

Secretary KERRY. I think the only thing the nuclear agreement was about, Mr. Chairman, was about getting rid of a nuclear weapon.

Senator GRAHAM. I agree.

Secretary KERRY. That is why we left the human rights sanctions, the missile sanctions, the arms sanctions, and the terrorism-support sanctions in place.

Senator GRAHAM. Would you support for sanctions by the Congress against their violation of the U.N. resolutions, against their missile program? Haven't they twice—

Secretary KERRY. We just put sanctions on.

Senator GRAHAM. But what you put on I consider almost nothing. I have a list a mile long. Would you support Congress' effort to let the Iranians know how disappointed we are in their behavior?

Secretary KERRY. Well, we already let them know how disappointed we are, and we have warned them further——

Senator GRAHAM. No, my question is, would you welcome Congress' support?

Secretary KERRY. I wouldn't welcome them at this moment in time, given the fact that we have given them a warning. If they decide to do another launch, then I think there is rationale.

Senator GRAHAM. Mr. Secretary, they apparently could care less about what you and others are saying. They just put our sailors—they held our sailors in contempt of international law.

I do not mean to be argumentative, but the Iran Sanctions Act expires this year. Would you welcome Congress reauthorizing it?

Secretary KERRY. Mr. Chairman, let me just answer your question there for a minute.

As a former Navy guy who commanded a small boat like that, I am pretty sensitive to what happened and what went on and somewhat interested in it. Our guys, regrettably, found themselves in Iranian waters, and they found themselves in Iranian waters either without power or in distress in some way.

So, yes, they were approached by an Iranian boat and they were taken into custody. We never saw the films of them with their hands behind their back and on their knees until well after we had released them.

I was on the phone to the Foreign Minister of Iran within 5 minutes of learning this upstairs in the State Department. I went straight to my phone, called the Foreign Minister, and I gave him a very direct statement about what would happen if we did not have their release very quickly. I also urged him to not go backward on the relationship we were starting to build.

Within 20 minutes, he called me back and he said: I think we have this under control. They are going to be released. They are being well taken care of, and they are going to be fed.

Now, within an hour, we had an agreement for their release.

And subsequently, we saw the photographs. I immediately called, and I condemned those photographs, as every American did, and it was a violation of a number of things.

But the point I am making is, if we had not done this agreement, and I did not have a relationship with the Foreign Minister, then they probably would have been hostages, and they might still be there. So there was a virtue——

Senator GRAHAM. I would imagine if President Obama wasn't President, and anybody else was President, they would never have done this to begin with.

Senator Leahy has a view of President Bush, and I am sure he made plenty of mistakes, but I am really tired of us being walked on over.

So, Mr. Secretary, I will help you where I can.

But here is my question. Do you support the Iranian Sanctions Act reauthorization immediately?

Secretary KERRY. Not immediately, because I think we are just beginning now to see the full implementation. I think we need to

see how effectively and well they comply, and also what happens with respect to these other aspects of behavior.

It does not expire until the end of the year. We can pass it in about 10 minutes. I do not think there is a need to rush here. I would like to see how the implementation goes, so we can do whatever we are doing advised by that process. That seems to me to be wise.

Senator GRAHAM. Thank you.

Senator Leahy.

Senator LEAHY. If there were an Iranian military boat with armed Iranians on it, and they came along the coastline—pick a place, say South Carolina—and was well within the U.S. border, perhaps the engine stopped, but it had armed Iranians, would we not at least hold them until we found out what they were doing?

Secretary KERRY. Of course, we would have taken them into custody. I do not believe, under any circumstances, we would have put them on display the way they were put on display.

Senator LEAHY. I understand that. But we would have at least—

Secretary KERRY. They clearly would have been taken into custody, and we would have dealt with them straightforwardly under any circumstances, I am convinced of that, upholding all international law and standards of decency.

GLOBAL WARMING

Senator LEAHY. Thank you.

There is overwhelming scientific evidence that links carbon emissions to global warming. The Senate and House Republican leadership oppose U.S. funding for the Green Climate Fund or any other multilateral fund with a purpose to reduce global warming.

I am just wondering what difference it makes for the Paris climate agreement, but also for all those thousands of people employed by U.S. manufacturers of clean energy technology if we do not support the Green Climate Fund. And what would our contribution be used for, if we do support it?

Secretary KERRY. Mr. Chairman, let me just say that, in Paris, Bill Gates was there, Michael Bloomberg was there, a number of other entrepreneurs, people who have a proven ability to make money and who are pretty intelligent. They all joined in a thing called Mission Innovation, along with many other countries, including, I might add, China, India, and others. India led this effort.

If the United States does not take advantage of this opportunity, we are going to cede leadership and technologies to other nations. We can be the sellers of this technology.

In fact, there is a company that former Vice President Gore is involved in which has now achieved a new leap forward in solar capacity, so that is far more efficient and far less costly. This will allow countries like India and places like Africa to be able to do distributive power, which puts power into individual hands and does not require you to invest in massive infrastructure in order to be able to deliver electricity.

The difference this can make to stability, to livelihoods, to health care, to women, to the future, is just stunning. As I said, every estimate—go to The Economist, go to Forbes magazine, go read basic

economic analyses, and they will all tell you that there is going to be about \$50 trillion spent in this sector over the course of the next years.

We want those jobs to be here, as much as possible. We want to push the curve of technology.

You would think that by now people would realize—I mean just yesterday, the fastest rate of sea level rise in 28 centuries—not years, centuries. We are seeing changes that are irreversible, weather changes. Look at the California drought. You can go all over the world and see the changes in the amount of flooding, the amount of water, the melting of glaciers and so forth.

So I would simply say, at our peril, we ignore the responsibility to make some investments in the Green Climate Fund and to do what is necessary to maintain American leadership.

One last comment, China joined with the United States in Beijing 2 years ago. Our President stood up and announced our intended reductions of carbon emissions. That led the world to the table in Paris. And I think it would be just unfathomable that we do not continue to lead in the way that we have.

Senator LEAHY. I think we can name—most of our States in this country have companies that would benefit from jobs in green technology. I know mine already has, and can a lot more, but virtually every other State can, too.

Secretary KERRY. It is the fastest growing sector.

COLOMBIA

Senator LEAHY. Exactly.

When President Santos was here recently the White House announced its fiscal year 2017 request for \$450 million for assistance for Colombia. That is a \$100 million increase. Colombia is often called a success story. And in many respects, it is.

But I think we would all agree there are huge challenges ahead. I see the new Peace Colombia plan as a multiyear undertaking. It is going to require a lot of money with a priority on building capable and accountable law enforcement and justice systems, and strategies to produce and market crops other than cocoa. How do you see Peace Colombia?

Secretary KERRY. It is the critical follow-on, Senator Leahy, to an effort that you and I and others were involved in, Senator Mikulski, called Plan Colombia. In 1999, we passed Plan Colombia. It was \$1 billion. It was very controversial. People did not know for sure where it would go.

But now, Colombia is an enormous success story as a result of America's investment over 10 years of that money, and of the Colombian determination to take back their country.

Now they are trying to end this war, and the United States is not going to have to put in the lion's share of the money. It will come from Colombia. And others are already committing to support this process.

So, Senator Leahy, I think it is essential for the United States to be part of this. President Obama appointed a special envoy, Bernie Aronson, who is working with the negotiations. I mean, I think it is still hard. It is not a certainty, but it is being worked at diligently, and I hope we can get there.

EGYPT

Senator LEAHY. My time is nearly up. As you know, I have to go down to the White House.

But we talked about President el-Sisi's government in Egypt. I am afraid they are following some of the same steps that created problems in the past: use force to silence critics; a lot of corruption; centrally manipulate political and economic systems that do not help the Egyptian people.

The fiscal year 2016 omnibus requires the administration to certify the Egyptian Government has met a number of benchmarks on democracy, human rights, and the rule of law before you release 15 percent of Egypt's military aid.

Are there examples, real examples, of President el-Sisi's government implementing laws and policies to govern democratically, protect and advance the rights of women and religious minorities, or provide detainees with due process, as our law requires? Is there any good news?

Secretary KERRY. Senator, Egypt is complex, disturbing in the ways that you have described, but critical to the region. If you talk to anybody in the region, they will tell you that if Egypt were to fall and fail, the whole region can go up in just incredible confrontation.

The alternative to what is there now is very, very troubling. El-Sisi is cooperating in many ways on many things. He is cooperating with us on Libya. He is cooperating with Israel every day in the battle against extremists in the Sinai. He is working very, very closely——

Senator LEAHY. Is he letting our observers go into the Sinai to see what he is doing?

Secretary KERRY. We have asked them for the ability to be able to do that.

Senator LEAHY. We have not done it.

Secretary KERRY. We have not done it yet.

Senator LEAHY. So we have to take his word for it?

Secretary KERRY. I beg your pardon?

Senator LEAHY. So we have to take his word?

Secretary KERRY. No. No, I think that, hopefully, we are going to be able to work something out.

But, Senator, there are disturbing arrests. There are disturbing sentences. And we raise these issues. I have succeeded in getting some people released. We are steadily, constantly talking about opening up and expanding civil society, reversing some of the trends that we have all seen that we are disturbed about.

But at the same time, there is a major challenge of extremism, bombs that have been going off in Cairo, bombs that have gone off in Sharm el-Sheikh, different challenges.

So it does not excuse these things. I am not suggesting that. But we have to try to work and thread a needle carefully that can balance the various interests that exist. I am just telling you that they are very, very complex, and it does not lend itself to a simple edict, "Do not do this or else." It is a little more complicated than that.

Senator LEAHY. We will talk some more.

Senator GRAHAM. Senator Mikulski.

I would just like to add that I agree with you. The nightmare of all nightmares is if Egypt fails, and it is complicated. I am going to go see President el-Sisi in a couple weeks, so I would like to talk to you about what you would—

Secretary KERRY. Let me just say, we have a team of people going over, Senators, very, very highly qualified CEOs, who are going to talk about economic reforms that are needed. We are constantly talking about the political reforms in space, civil society. So we will continue to work with you on it.

Senator GRAHAM. Senator Kirk.

Senator KIRK. Mr. Secretary, I want to compliment you on picking Bernie Aronson, my former boss in the State Department. I do not think there is a person better to guide us and make sure that all parties in Colombia come together. You picked the right guy for the right mission.

Secretary KERRY. Good. Thank you. I will convey your compliments to him.

Senator KIRK. Otherwise known as Don Bernardo of the Andes.

Secretary KERRY. I can see why.

Senator KIRK. He is a good guy.

EMBASSY SECURITY

Senator MIKULSKI. Mr. Secretary, I am going to be leaving for a hearing with the Secretary of Homeland Security. I will not take the full 7 minutes, but I am deeply concerned about Embassy security.

Our people around the world are busy protecting the interests of the United States, and we have to protect them. Of course, as you know, we have had some calamities around the world.

I want to be sure, as part of our efforts here that we do make sure that we have adequate funding to protect the men and women who work at our embassies. I know last year, due to the threats, the United States has had to evacuate embassies in many countries—Burundi, South Sudan, Mali—due to the threat of violence. They have been taken out of Libya and Yemen, the right thing to do.

Do you feel, in the President's budget, that we have adequate funds to provide Embassy security to the men and women working overseas? And would you say that is the bare minimum, or do you think it is the right number?

Secretary KERRY. I think it is better than the bare minimum, for sure. We could always do more in certain places, but we are not facing current threats in those places, but we could do more. I cannot tell you that something couldn't surprise you in a place where, in terms of priority, you are just not able to get there now.

There was always going to be some risk. Both the President and I have said very clearly—I mean, we have extraordinary people working. And I thank you, Senator, for your concern for the safety of everybody.

There is nothing that consumes our agenda more than our constant meetings on the issue of security. I have had to shut down three embassies since I have been in, and evacuate them. And we have had to temporarily evacuate a number of places and make

those decisions in the dead of night and get people out within 24 hours when there is a threat. So we are constantly reading this.

We have requested \$2.4 billion. That includes \$1.3 billion for worldwide security projects. We have a lot of compound security improvement, setback requirements. Some you cannot make. In certain cases, I have granted waivers. In other cases, we are trying to find new properties.

We have about \$92 million for repairs, 660-some for ongoing operations. And then we have OCO projects in Kabul and lease costs in very high threat areas.

But we are watching extremely closely our high-threat situations, and we have a new threat evaluation structure, and I think we are within our parameters, at this point in time.

But there is always risk. I do not want anyone to think that my sitting here and saying what we are doing in this budget is going to eliminate risk somewhere. It is not.

Senator MIKULSKI. We do not have to have self-imposed risk, so I recall, pre-Benghazi, that while the President had proposed an Embassy security budget, it had been deeply cut in the House.

Secretary KERRY. There have been cuts.

Senator MIKULSKI. I do not want to pick at this here, because there is much to be discussed, but do you feel we have the right number?

Secretary KERRY. I think we have the right number. I think we submitted the right number, and that is why we submitted it.

Senator MIKULSKI. But it should not go lower than that?

Secretary KERRY. It should not.

Senator MIKULSKI. And we should not pay politics with whatever this is, in terms of Embassy security?

Secretary KERRY. Absolutely not, no. Of course not.

COUNTERING VIOLENT EXTREMISM

Senator MIKULSKI. I have other questions related to the empowerment of women and girls around the country. I know there will be other countries related to AID.

But my last question is this. I am deeply concerned about the recruitment of people to work for ISIL, either directly join activity to come to Syria and fight, or this horrifying lone-wolf potential. I understand it is the State Department's job to have a unit there that is supposed to be out there on social media against this recruitment.

Do you think you have the adequate resources? It just seems to me that it needs to be more robust and more tied into other agencies, particularly the FBI here, and so on. I feel if we do not deal with the recruitment, Senator Graham is the expert, kind of the boots-on-the-ground guy. I am looking at a preventive strategy, particularly as you talk youth bubble, et cetera.

Secretary KERRY. Madam Chair, we would love to work with you on that. Yes, we could use more. This is an area where it is very labor-intensive. We are hiring a lot of young talent that really understands and works with social media with great effect.

Rick Stengel, our Under Secretary for Public Diplomacy, has been working very, very hard on this. I just went out to California to meet with studio heads to try to enlist young talent in the effort

to help with YouTube, with short videos, with short documentaries and other things that might help get the word out.

But it is not Americans, per se, that are going to do this most effectively. We are working in the Emirates. We have the Sawab Center that has been opened there that is engaged in full-time social media interaction, countering the narrative of Daesh. And speaking to young recruits, we have an effort. The Saudis have now committed to opening a similar center. In Malaysia, there are preparations for opening such a center.

There are others who are all becoming aware that we have to push back on the narrative——

Senator MIKULSKI. But all these centers that are being opened are they our centers, their centers?

Secretary KERRY. No, they are their centers, but we are working with them. We are helping them to understand the technology to work on the messaging, the narrative. It is a growing undertaking with enormous consequences for those hundreds of millions of young people I talked about who we have to reach.

So this is a very, very important sector, and we are going to need additional funding for it going forward.

Senator MIKULSKI. Mr. Chairman, my time is up. I just want to say about this, we cannot be tepid on this.

Senator GRAHAM. I am with you.

Senator MIKULSKI. And that other is, it has enormous potential for doing the kind of preventive work that I know you are committed to, or it could turn into a boondoggle here. I am not talking about poor management or whatever. But the minute we have a lot of centers there and we are helping, and you with the DOD background, I think it is the subject of another conversation.

Senator GRAHAM. You are dead right. We will have a hearing on it. And when it comes to Embassy security, you will get every penny you ask for and more, if I can help it.

Secretary KERRY. Thank you.

Senator GRAHAM. Thank you.

GUANTANAMO BAY DETAINEES

Senator KIRK. Let me just ask one question.

I want to show you a picture of Ibrahim al Qosi, who was recently released by the administration to the Sudanese. And he appeared on some Al Qaeda videos recruiting people for Al-Qaeda in the Arabian Peninsula (AQAP).

Secretary KERRY. Mr. Chairman, you would know I would be in that photo.

Senator KIRK. I would just say, now that he is out, I hope we would end the policy of issuing terrorists to terrorist nations where they can get out.

Secretary KERRY. Well, Senator, he is not supposed to be doing that. There are consequences for that, and there will be.

But apart from that, the fact is that we have people who have been held without charges for 13 years, 14 years, in some cases. That is not American. That is not how we operate. We have a system of justice. Even in the military, we have a code of military justice, and we operate under a separate way. We just cannot behave like that.

This is a recruitment tool. Guantanamo and terrorists who are——

Senator KIRK. Let me interrupt here. The recruitment tool, I would respectfully say, is him on video saying join me in fighting the Americans.

Secretary KERRY. That is not part of the agreement with Sudan, and if they are not upholding the agreement, then he can be——

Senator KIRK. Let me follow up on that.

Secretary KERRY. If he is advocating——

Senator KIRK. The chairman and I have laid out a position that we think we should reduce assistance to a country that releases an Al Qaeda detainee by \$10 million per detainee. As it applies to the country of Ghana, we give about \$40 million a year, if they accidentally release their people. I do not know if you know, but about 37 people have escaped from Ghana prisons. We would also lay out that marker that we agreed with, to make sure we reduce assistance to a country that accidentally releases an Al Qaeda detainee, to make sure that they hold onto these people.

Secretary KERRY. Well, in a classified session, I can go through with you the assurances that we received from a country and the process that it has gone through, which is extremely——

Senator KIRK. Mr. Secretary, I would just say, do you still certify Sudan as a state sponsor of terror?

Secretary KERRY. It is still listed, yes. It is under evaluation for that, but it is still listed, yes.

Senator KIRK. I might generally suggest that their words might not be worth anything, if they were such a terror-sponsoring nation.

Secretary KERRY. We have engaged in a lot of work over the last number of years for the implementation of the peace agreement that was reached with South Sudan and the creation of South Sudan, the referendum and other process. So we have had some engagement with them, but we have made it very clear to them what our expectations are for any kind of further efforts, which include ending the violence in Darfur, ending the violence in Blue Nile and South Kordofan, stop supporting Riek Machar and the rebels in South Sudan, and so forth.

So we are currently in a very clear demarche to the Government of Sudan as to what they——

Senator KIRK. So as they said in “Team America: World Police,” you are going to send them a very angry letter.

Secretary KERRY. No, we do more than that, Senator. The President of the country, as you know, was indicted on war crimes. He cannot travel anywhere. We are ready to arrest him if we did. I mean, there is a lot going on.

Senator KIRK. Thank you, Mr. Chairman, Secretary.

Senator GRAHAM. Do you have anything else?

Senator KIRK. That is all.

Senator GRAHAM. Here is the order that I have: Senators Coons, Daines, Lankford, Durbin, Blunt, Murphy, and Boozman.

Senator Coons.

Senator COONS. Thank you, Chairman Graham. I just want to begin by thanking you and Ranking Member Leahy for the very constructive bipartisan way in which you have worked together,

and for your recognition of the enormous value of the 150 account and your grasp of the role that soft power plays, and that diplomats and development professionals play.

Secretary Kerry, I would like to thank you for your service, for your friendship, and for your real leadership at the State Department. And to all the folks who serve in the State Department, both Foreign Service and civil service and the development professionals of the United States Agency for International Development (USAID), I recently had a chance to visit a number of posts around the world and, once again, I am impressed with the dedication and caliber of the folks who serve us overseas.

INTERNATIONAL ATOMIC ENERGY AGENCY

Let me start with the International Atomic Energy Agency (IAEA), if I might. I think you just spoke to the Paris climate accords and the role that we tend to take in important issues of leading with a significant contribution and a significant role.

The IAEA secured searching capabilities, and access in Iran to the whole nuclear fuel cycle. That was a key part of the Joint Comprehensive Plan of Action (JCPOA) that the IAEA empowered to not just look at enrichment sites, but also uranium mines, uranium mills, and centrifuge production facilities.

I had the opportunity in January to visit with Director General Amano in Vienna and his team charged with the inspections critical to the enforcement of this agreement. And I, frankly, was concerned at the scope and scale of their investment in training new inspectors and deploying inspectors on the ground. It was underwhelming.

I was disappointed to see the fiscal year 2017 budget request for the IAEA was lower than the fiscal year 2016 request.

I understand the internal dynamics that make the IAEA wish to spread funding across member states, and respect that. But in my view, we ought to be making a significant long-term investment, a proactive investment in ensuring that the IAEA is confident they will have the funds for long term to recruit and train and place the difficult-to-find nuclear inspectors who are essential to this.

I would be interested in your comments on how you see that role.

Let me just ask two other questions, and then yield the remainder of my time to you, if I could.

DEMOCRACY AND GOVERNANCE

Second, I am concerned about the democracy and governance (DG) accounts across a number of African countries. We have used DG funds to provide support for presidential initiatives that I also support, but I, frankly, think we are at risk of cannibalizing our democracy and governance investments. And I would urge their strengthening, both through this subcommittee and operationally. If we end up not making the investments that are essential to civil society and fair and free elections in Africa, I think we will be pennywise and pound-foolish.

SYRIA

Last, about Russian motives in Syria and their role, I am interested in whether you see any daylight between the Russian position and the Iranian position as you have been negotiating the cessation of hostilities in Syria and what you view as Russia's motives long term. Are they simply trying to stabilize the Assad regime and then get out and no longer be responsible for what happens? Or do you view them as seeking a long-term foothold in the Middle East and to reestablish their regional leadership role, which we had worked so hard to eliminate decades ago?

I look forward to your answers, Mr. Secretary.

INTERNATIONAL ATOMIC ENERGY AGENCY

Secretary KERRY. Thank you very much, Senator.

Let me begin, if I may, just by thanking you for your incredible focus and leadership with respect to Africa, on a number of issues, not just Africa, but particularly Africa, and your diligence in visiting there and being present and understanding it. It just makes an enormous difference for all of us.

With respect to the IAEA, they need money. They need more support. They estimate that the JCPOA-related monitoring costs are about \$10 million annually, and some of it is costs associated with implementation of Iran's additional protocol, which is part of the IAEA, and that is what Iran signed up to, and other costs that belong in the IAEA regular budget.

So they are talking about how to approach that now. We have supported it in two components, with our assessed contributions and our voluntary contributions. And it works out in a way that we kind of pay the year ahead backwards, in a sense. So we are looking at really 2017 be paid out in 2018 for 2017, and that is when the amount will come due.

But look, if we need to find a way for the IAEA to get money, we need to find a way for the IAEA to get money. This is too important, the successful, full implementation and tracking. There are supposed to be 130 new inspectors going in, and they are opening an office. They got the office and the location now in Tehran, and there is going to be a permanent presence on the ground, and that is critical to us delivering on the promises that were made. And it is not that much money, when you look at \$10 million versus the costs of what the downside would be of failure.

So I hope that we can focus on that. And maybe there is a way to rethink and retool this issue of voluntary and mandatory and make it easier and be helpful.

Senator COONS. My concern, if I might specifically on this point, Mr. Secretary, is that as good, capable, government bureaucrats—how is that for a sentence?—the IAEA administrators did not want to ramp up beyond their committed funding from the member states. And I said, look, just speaking for myself, I would invest \$100 million in advance over the next decade to make sure you have enough well-trained, deployed, capable inspectors, as you said, the cost, the risk of missing—

Secretary KERRY. Well, I am with you 100 percent. I was not aware of that judgment that they make until you just stated it

now. But it is cause for me—we have a full-time implementing team, and Ambassador Mull heads that up. And I am going to raise that with him, and we will get on that, because it is critical.

Senator COONS. Thank you.

DEMOCRACY AND GOVERNANCE

Secretary KERRY. With respect to democracy and governance funds, cannibalizing is a word my staff hears all the time. This is a cannibalized budget, just to be honest with everybody, and I hate that. And I know you do, Mr. Chairman.

We should be doing more in almost every sector here, folks, because it comes back to us in increased security, increased leverage, increased relationship, better outcomes. The number of failed and failing states, and the number of places where we can make a difference, is just stunning.

EGYPT

By the way, when we talk about Egypt, we put money into Egypt, which is part of the years now of the peace agreement. That is the basic commitment that we make to Egypt, the peace agreement with Israel.

But together, the Saudis and the Emiratis have put in over \$20 billion in the last couple years to Egypt. We put in a few \$100 million. Let me ask you who has leverage, who are they going to listen to? Where do they think their help is coming from?

So we need to think about this. We have a huge interest in making sure that Egypt does not go down into a more difficult status than it is.

So I know people say, well, we should not be building there. I know it is a great applause line. I have been out on the campaign trail, and you can make an easy hit talking about what to do over there versus here. But over there is not over there anymore. Over there is here now, always. And people need to really focus on that reality.

DEMOCRACY AND GOVERNANCE FUNDING

So I think, for the pittance, relatively speaking, that we put into this, all of our democracy-building, all of human rights, all of our aid programs, everything we do in diplomacy, is one penny on the dollar. It does not make sense when you consider the return on investment.

So we are cannibalizing, Senator. Even though we are slightly plussing-up the budget this year versus last year, it is \$411 million more than it was on the 2016 level, and \$786 million above where it was in the 2015 level, but that is still not where we need to be.

SYRIA

Your final thing on Russia and Iran and the motives, I do not want to get into analyzing and hypothetical surmising on my part, but I will say this. Russia has a very clear interest in not seeing Syria go down into utter chaos, and Russia now has bought into it. They are there, and they need to get out of there somehow. They do not need to be supporting Hezbollah, supporting Assad, sup-

porting Iran against the entire Sunni world, against Turkey, Qatar, Saudi, and others, and the moderate opposition and the radical opposition.

That is where they will be, if we cannot resolve things through the political process. Now, I am not sitting here making some casual judgment by the United States of America that Assad has to go because “we” want him to go. I am saying that every oppositionist I have talked to, every country in the region, does not believe that Assad can possibly bring peace to the country.

And if he stays there, then the jihadis will continue to come, and the fight will continue to go on. And for all of us who have an interest in a stable, whole, secure, unified, and secular Syria that is completely contrary to that objective.

Russia and Iran have signed on at the United Nations through the U.N. Security Council resolution, and through two Vienna communiqués, to the notion that they support this vision I just articulated of a whole Syria that is secular. And they have supported Assad, but you all read in the newspapers that Russia may have less of a sense of urgency about Assad’s presence than Iran, and they have a different attitude about him. And Iran even may now have a different attitude, because they may be coming to understand that you are not going to make peace with him there.

So it is hard for me to fathom that one man is so critical, when all of these other countries are being supportive of a transition, that we could not find a way forward that will stabilize.

What we are seeing now, in the next month to 2 to 3 months, will be the test of whether or not Russia and Iran are serious about a real transition. And the transition called for in the Geneva communiqué of 2012 says a transition council arrived at by mutual consent with full executive authority, which will then make the decisions until you have an election and the people of Syria choose their government.

So that is what the objective is, and I think Russia, I mean, for the moment, I think they want to put to test this prospect. Now, whether they are doing it as cover for something they intend to do down the road, we also will learn in the next weeks and months.

Senator COONS. Thank you, Mr. Secretary.

Senator GRAHAM. Just one quick thing. I find it hard to believe that Iran is interested in a stable, secular government anywhere. Senator Daines.

ENERGY AND COAL

Senator DAINES. Thank you, Mr. Chairman.

Secretary Kerry, I truly thank you for being here today, and thank you for the many, many miles you have put on airplanes traveling around the world. Your service is greatly appreciated.

I want to go back to what Senator Leahy brought up a little earlier on the President’s 2017 budget request on the global climate initiative and Green Climate Fund, about \$1 billion. This request exacerbates the tension between highly industrialized nations that are concerned with leaving a legacy of environmental stewardship and developing nations that are concerned with obtaining better access to affordable energy and strengthening energy security.

I am concerned that such efforts could marginalize sources of energy like oil, like coal, that could empower lives and provide opportunities around the globe.

For example, India is building 2.5 times more coal-fired electrical capacity than we will lose here in the next few years. China is building a new coal-fired plant every 10 days for the next 10 years.

I managed operations in Japan during the great Sendai quake of March 2011 and watched how they responded to losing the nuclear capacity with the Fukushima reactors now taken out of service and replacing that with 43 coal-fired plants.

The U.S. Energy Information Administration is expecting Africa to increase its coal use by 70 percent in the coming decades. By any way you look at coal globally, in the next 30 to 40 years, the consumption is going up.

Now, speaking as a Montanan who believes very much in the all-the-above energy portfolio—we uniquely have hydro.

In fact, I am glad to see in the energy bill, we are actually going to redefine hydro now as a renewable, which only Washington, DC, would not define hydro as a renewable. It will now be a renewable when we pass the energy bill.

Wind, other forms of energy, I am a strong advocate.

But I think it is imperative to recognize coal is not going away, and it provides an essential source of low-cost energy for hundreds of millions of people, some 1.3 billion poor people who do not have electricity today.

When available to developing nations, Montana's clean coal I think strikes the balance between low-cost energy and high-quality air. For the record, Montana has more recoverable coal deposits than any other State in the Nation.

My question, Mr. Secretary, in truly trying to strike a balance here, as one who has been referred to as the conservative conservationist back home in Montana, who would love to spend days backpacking above 10,000 feet and fly fishing, we embrace clean water and clean air. It is who we are as Montanans.

But does the administration recognize that coal is going to provide energy security and economic opportunities in the U.S. and, importantly, across the globe for decades to come?

Secretary KERRY. Well, first of all, Senator, let me just say I am jealous because Montana is, indeed, one of the most beautiful States in our country, and their great outdoors ethic up there.

I understand the tension on the coal issue. We are, indeed, going to see coal being used. We are going to see oil being pumped and gas being pumped for years to come. The question is how is it going to be burned? How is it going to be used?

The administration is very supportive of advancing clean coal through carbon capture, storage, sequestration, et cetera. We know it is an energy of choice for some countries, because they cannot afford anything else. It is cheap. It is very cheap. And until recently, solar and wind were not able to be competitive, though now they are increasingly competitive.

So people are going to start to make, I think, a different set of choices over a period of time. If this new solar advancement that I have learned about with respect to an American company that is much more distributable and cheaper and more effective works,

that is going to begin to become an energy source of choice for people.

What we have to recognize, unfortunately, is that untreated—that is to say, without the latest technologies of whatever scrubber combination, et cetera, there is—burning coal releases one of the dirtiest, most concentrated CO₂ emission sources.

Senator DAINES. If I could, one thought there. There, certainly, has been a fair amount of debate on the Clean Power Plan. The Supreme Court, certainly, stepped in with their stay.

But when they have run those regulations through the EPA's algorithm, which is called Magic, what it spit out on the other end was a 0.02 degree impact centigrade on global temperatures between now and 2100.

So we have quantified the impact of these regulations as it relates to the climate as negligible. I would argue 0.02 degrees centigrade is negligible. But we also have quantified, I can just tell you in Montana, 7,000 jobs, \$140 million tax revenues to go to teachers and to schools, double-digit increases in electrical prices. And these are Indian tribal jobs. These are union jobs. And the world is still moving very much toward a coal-driven environment linked to producing electricity.

I appreciate the comment you made about not ceding leadership as it relates to clean energy technology. I think that was a good point you made earlier. My concern is, are we going to cede leadership in developing clean coal technologies by virtually killing this industry, which is what we are finding out these regulations will do. We are unilaterally withdrawing in terms of developing, innovating, clean coal technologies, when we only comprise about 10 percent of the world's coal consumption. But by shutting down the U.S. coal industry, besides raising prices and having an affordable source of energy, we are now going to cede that to the Chinese, to India, to others, perhaps Africa, which I think, from a global environmental stewardship viewpoint, is a mistake.

Secretary KERRY. Well, I understand your argument. Increasingly, those other countries are coming under pressure to change their own mix and to deal with the problem.

This is becoming a huge problem in China. Their citizens are up in arms over this issue. They have literally had days where they have to shut down their industry, as a result of the level of pollution. That is one of the reasons why China joined with us in making this move toward clean, alternative energy.

Yes, nobody is going to shut down their economy. This is the danger for all of us. I have always supported major efforts for clean coal technology investment, and we ought to be trying to lead on that. If we can discover how to do that, that would be superb.

Senator DAINES. I think the message that industry is hearing from the Obama administration is that they are really pulling the rug out from under this industry, and they are unwilling to make the investments that it is going to take to get there.

I hope for more dialogue here of trying to maintain a balanced, all-the-above portfolio to make sure we keep baseload on the grid, given that we have a Nation that still depends—about 30 percent to 35 percent of our electrical demand comes from coal.

Secretary KERRY. Yes, I think the administration position has been very clear that if we are going to be serious about holding climate change to somewhere within the range of the 2 degrees centigrade, which we are already above, and avoiding the worst impacts of climate change, we have to move more dramatically to shift into renewable, alternative sources.

And we are pushing other countries to do that, and that is why the President made the decision about not publicly financing a coal that does not have carbon capture and sequestration, or is not literally clean.

Nobody has yet shown me how you, in fact, burn coal clean, relative to other possibilities today.

Senator DAINES. We always talk about the science. Looking at what the Magic algorithm put out, that it was literally a negligible impact, 0.02 degrees centigrade.

Secretary KERRY. What is the level, though?

Senator DAINES. That is moving forward with the proposed—

Secretary KERRY. With the U.S.

Senator DAINES. With the U.S.

Secretary KERRY. But, see, the problem is not just the U.S. The U.S. could do what it does and be completely wiped out by India and China in any changes that we make if they do not see us also making efforts to try to change.

Senator DAINES. The pie chart is very compelling. It is 10 percent of the coal, plus or minus, consumed is in the United States. It is 90 percent everywhere else.

I am out of time, but my hope would be that as we look at where we are spending our dollars as it relates to foreign efforts is that we try to maintain a balance, and ensure that we are creating incentives to invest in clean-coal technology. Coal is going to be around the world here for decades to come. We need to accept that and incentivize innovation. And the U.S. can probably lead probably better than anybody else in that regard. But the current policies right now are going to shut the industry down in the next several years.

Secretary KERRY. My recommendation, Senator, is I would love to get you together with Ernie Moniz and John Holdren. Have you met with them?

Senator DAINES. I was with Ernie last week in Alaska, in fact.

Secretary KERRY. Okay. I am sure you talked about this.

Senator DAINES. I look forward to more conversations. I am out of time here, so I do not to—

Secretary KERRY. Well, it is worth—

Senator DAINES. It is a good, thoughtful conversation on where the world is headed and how we can truly be environmental stewards here and be smart here, at the same time addressing the fact that there are 1.3 billion people who do not have electricity.

Senator GRAHAM. Senator Durbin.

STATE DEPARTMENT NOMINATIONS

Senator DURBIN. Mr. Secretary, your indefatigable service as Secretary has set a new standard for modern diplomacy. Thank you.

Let me ask you a couple questions. You may have noticed in the newspapers that we are having some controversy here about nomi-

nations and voting on them. You have had some issues with the Senate when it comes to the State Department vacancies, and we took a look and found that there are a substantial number of ambassadorial posts that have gone unfilled.

The most egregious and obvious is Mexico, which Roberta Jacobson is being held by Senator Rubio, who will not allow a vote for us to have an ambassador to Mexico.

What impact does this really have, whether you have an ambassador in a country, whether you have key positions at the Department of State filled? Is this just an annoyance that you get around? Or does it have any qualitative impact on what you can do?

Secretary KERRY. Senator, thank you. Thanks for asking that. I know you have been a champion on this.

If I can talk to my friends on the Republican side of the aisle here, because we have been trying to get these folks in place for some period of time. I really appreciate the effort in the last weeks. You all passed a number of key nominees out, and I am very grateful for that.

But just as an example, I know in modern age, people think, well, ambassadors, they do the same thing. Well, they are not the Chip Bohlen of the past, in the sense that there are weeks sending letters and telegrams. You have much more instant communication, obviously.

But I have to tell you, I have seen firsthand in the last 3-plus years as Secretary how unbelievably important it is to have an ambassador on the ground who has built relationships, who is trusted by that government, who has a feel for what is happening in that country.

And in this particular moment of counterterrorism priority and countering violent extremism, that is an ongoing, daily investment job. You have to have someone there who can mobilize the agencies of another government. You have to have somebody who can get the president or the prime minister or the king to focus.

And where we have a really good ambassador, God, what a difference it makes. That person is trusted. It makes all the difference. They make decisions every day that can be the difference between an explosion and a conflict or an issue that got managed effectively.

And in today's world, where we are going after narcoterrorists, we are going after extremists, we may have a country where there is an issue of a high-value target, and we have to have a signoff and the chief of mission is responsible in that progression, we have judgments that have to be made that are critical.

Now, with respect to Mexico, we have a particularly qualified career civil servant, Roberta Jacobson, who simply because she was tasked to be part of the effort to help the President implement his policy, not hers, his policy—and she did it well—on Cuba, Senator Rubio is holding it up. He is punishing the civil servant choice of an elected official.

Now, he is out there running for President. He has ample opportunity to make his case about the policy, but do not punish the country because you are angry about what happened and lose us the link to the Government of Mexico. The Mexican Government

asks us, why can't you provide an ambassador? What is it? Are we a pariah country? You don't value our relationship?

We just had a meeting in Canada, which we have every year, of Canada, the United States, and Mexico in the North American caucus talking about how we can do energy projects together, how we can work more effectively on the borders, how we can be a trade bloc that raises standards in labor and environment and movement of goods. That is what an ambassador can work on every day, not to mention the businesses that need to go to those countries to start closing their contracts and need to get a minister of finance or minister of trade to sit down with them and cut the deal. So we are costing us jobs. I could go on and on.

SYRIA

Senator DURBIN. Mr. Secretary, I know you will. [Laughter.]

I need to reclaim my time. I think you made the point.

I have a friend of mine, Dr. Sahloul. He is a Syrian American. And every few months, he takes a number of doctors from Chicago. They sneak across the border into Syria, and they try to treat the people who are the casualties of this terrible humanitarian crisis in Syria.

Then he comes back to Chicago and asks to meet with me and shows me these horrifying photographs of children and others who have just been disfigured and maimed by what is going on there.

I think you would concede, of all the humanitarian crises in the world, at least this is the most prominent to face us in Europe and many other countries, at this moment. I know you are trying to work with the players on this to find some way to have a ceasefire, which I pray to God you are successful.

Have we ruled out humanitarian safe zones, places where Syrians can go for safe treatment or to live safely as part of this? If there were just hospitals that this doctor could go to—he operates on the floors of schools, because there are no places to go to. Have we ruled out humanitarian safe zones as part of the solution?

Secretary KERRY. No. We have not, but they come with great complications.

My final comment on Roberta, folks, is, as a matter of human rights, let's liberate her and put her on the job. She is traveling with Vice President Biden to Mexico tonight and does not have the portfolio, but she is going as our Assistant Secretary of State. And surely, since we have confirmed her to be Assistant Secretary of State, we can confirm her to be Ambassador.

With respect to Syria and safe zones, look, if we are going to have safe zones, they have to be safe. You are going to carve out a piece Syria and say this is a safe zone, who is going to make it safe? Who is going to prevent Daesh from coming in and attacking? Who is going to prevent Nusra? Who is going to prevent the Syrian army or the Russians from dropping something?

So to prevent the Russians from dropping something, if they deem them to be a haven for terrorists, too, you are going to have to have an air defense structure, you are going to have to have planes flying, you are going to have to have a cap, you are going to have to have people on the ground.

And our Pentagon estimates that to have a true safe zone in the north of the country, you may have upwards of 15,000 to 30,000 troops. Now, are we ready to authorize that? Are we ready to put them on the ground?

All this talk about safe zones does not go through the process of what it really means.

Right now, we think we are creating a safe zone. We are trying to make Syria a safe zone by having a cessation of hostilities and by delivering humanitarian assistance to everybody. And in the last week, we have gotten 114 trucks through to deliver assistance to five or six communities that have not seen it in 2 or 3 years; 80,000 people now have enough food for the next month.

So that is our goal, but it really requires Congress to sort of analyze that if somebody is going to call for a no-fly zone, it takes planes going out and destroying the air defense system, so you can fly around and make it a no-fly zone.

Senator DURBIN. Mr. Secretary, you are on the ground, and I commend you for all that you are attempting to do. And I will not second-guess you when it comes to this. It is hard for me to imagine that all the countries that share our goal in ending this humanitarian crisis could not come together to create that kind of defense, but perhaps they cannot.

Secretary KERRY. They may yet. Dick, it may happen.

What occurs is, if the Russians and the Iranians are not serious about having this work, then we have to go to a plan B, which may be more confrontational and may wind up carving things out. It may be that we have to come and ask you to do more and commit more, because we have to be serious about this.

The implications of this for the region and the implications for Jordan, for Lebanon, for Europe, are stunning. And they are huge in terms of our national security interests.

So we are going to have to measure these next weeks very, very carefully.

Senator DURBIN. Thank you.

Senator GRAHAM. Senator Lankford.

DEMOCRATIC REPUBLIC OF THE CONGO

Senator LANKFORD. Thank you.

Secretary Kerry, thank you for your service. I have quite a few questions on several different areas around the world.

The Democratic Republic of the Congo (DRC) recently announced that they are going to allow 150 exit visas for some of these American children to be able to come out that have been adopted. They said, by the end of March, they are going to allow another 250.

Do you have good assurances from the DRC that they are going to follow through on that? This has been a long time coming for those families.

Secretary KERRY. We have been pushing very, very hard on this. We have their assurance. I cannot tell you that they are lead-pipe until it happens, but we have been working on this very, very hard.

Senator LANKFORD. Okay.

Secretary KERRY. And we will stay on it.

Senator LANKFORD. Thank you. Please do, for the sake of all those families. There are a lot of children obviously been there—

Secretary KERRY. I raised this issue personally with President Kabila when I saw him. We have been pushing hard on it. I hope this will be followed through.

IRAN

Senator LANKFORD. Great. Thank you.

Two weeks ago, I had a conversation with the Director of National Intelligence (DNI) Clapper dealing with a multitude of issues. I serve on the Intel Committee. I know you interact with him often.

At that time, he mentioned in his opening statement that he still sees Iran as the world's largest state sponsor of terrorism, exporting its extremist agenda through all of its means still.

I asked him specifically in a follow-up if he had seen a change in Iran's behavior toward sponsoring terrorism since the signing of the Joint Comprehensive Plan of Action (JCPOA). Obviously, that was not related to terrorism, but if there had been a change. His response was: I have not seen change.

I asked a follow-up question, have you seen any change in Iran's testing of ballistic missiles, its normal strategy that it has since they launched 140 missiles since the U.N. has told them no, including two recently. He also said, no, he had seen no change on that.

Would you agree with DNI Clapper there has not been a change in Iran? They are a state sponsor of terrorism, and their focus, and their missile testing since the JCPOA has been signed?

Secretary KERRY. Not with respect to those, no. There has not been. I mean, the only differential—and it has nothing to call home about, is something like that we saw in Bulgaria or another couple kinds of things, we have not seen. But with respect to missiles, with respect to arms and other things, there has not been, no.

Senator LANKFORD. Is that the next layer working with Iran at this point? You began with nuclear. Is the next layer then to work with their sponsor of terrorism and such?

Secretary KERRY. To work on each of those, and also on Yemen. Yemen and Syria are both tests of whether or not there is a new approach.

Senator LANKFORD. The chairman had asked you about the Iran Sanctions Act, which is set to expire in December of this year. You said you did not see there being a hurry to pass it. Do you think that is an important vehicle to have in place for the next administration?

So while you may say there is not a hurry, because it expires in December, do you think it is important at least have in place, to hang out there as leverage?

Secretary KERRY. Senator, in point of fact, it does not change the leverage. The reason is does not change the leverage—in fact, it might even work against it. I am not sure. I have not thought that through.

But we have the authority we need. The President has the emergency powers act in order to implement. We have done most of our executive orders of the implementing of unilateral sanctions under that. You do not need it in order to have snapback. So we are not sitting here feeling an imperative.

Beyond that, I would also say to you that I would rather make the judgments about it recognizing whether we have made any progress, where are we, or is there a problem in the context of the implementation.

Senator LANKFORD. So the Iran Sanctions Act (ISA) is actually what gave the sanctions—I am trying to figure out, if you are snapping back, snapping back to what, if that part goes away?

Secretary KERRY. Snap back to all the sanctions that were in place. It is the same sanctions. They can snap back without the ISA.

But I am just saying to you that we do not need to consider that at this point in time. We are not viewing that as in any way a limitation on our ability to affect the JCPOA implementation or to have sanctions snapback, if they have to, or to put new ones in place, if we have to.

INTERNATIONAL RELIGIOUS FREEDOM

Senator LANKFORD. Okay. Last year, this subcommittee supported several provisions dealing with religious freedom and religious liberty and promoting that around the world. I was surprised when I was going through the request this year that several of those areas that we had included in 2016 on religious freedom and the promotion around the world had been rescinded in your request, not asking for some of those same line items.

Has there been a change in policy about promoting religious liberty around the world?

Secretary KERRY. No, on the contrary. We have upped our efforts. I have an office with respect to religious engagement. We have increased our outreach in many regards.

Senator LANKFORD. Some of the funding line items, though, have been either rescinded completely, and some of the certifications and reports, the request is to take out some of those reports, as well as some of the funding line items.

I can follow up with you and get you some of those directly.

Secretary KERRY. Yes, I would like to follow up with you on that.

Senator LANKFORD. It has obviously been extremely important to this subcommittee and to myself as well, that we continue to promote the value of religious freedom around the world. That is one of those core, as you know, core human rights values. The more that we promote that, it advances democracy.

Secretary KERRY. Indeed, it is. It was something when I was here in the Senate, I was the original author of the Workplace Religious Freedom Act, and it is something that we have been very involved in. I am the first Secretary to appoint a coordinating office for outreach on religious affairs, and we have a very distinguished—Shaun Casey is there with us. Ambassador David Saperstein—

Senator LANKFORD. Do you still meet with David Saperstein frequently?

Secretary KERRY. I have not seen him as frequently as I would like, but we have met, yes.

Senator LANKFORD. He probably has some good stuff for a visit. He is a great guy, as you know well.

Secretary KERRY. He is terrific.

Senator LANKFORD. He has some very good insight.

Secretary KERRY. But both of those players, that has never happened in the State Department before, and we are happy to have them.

LIBYA

Senator LANKFORD. Right. We can follow up on the exact line items on that.

Dealing with Libya, you have done a certification already to us that the Government of Libya is cooperating with us to investigate and bring to justice those responsible for the attack in Benghazi in 2012. You have given us that certification.

Can you give us the background for I guess how you certified that, knowing the very precarious position that government is in at this point as a new government?

And then there is a second certification that you have asked this year to have struck, that you would not have to turn that certification in, in your request, and it is this certification that: all practical steps have been taken to ensure that mechanisms are in place for monitoring, oversight, and control of funds for assistance to Libya.

I would like to know why the request is there to strike that certification. Again, that seems a reasonable request from us with the nature of the Libyan Government at this point.

Secretary KERRY. I was just given a note from my staff so I can finish the answer on the first thing.

The reports, it is really a consolidation effort. It is not a diminishment. We have so many reports, and we are trying to put them all into a—

Senator LANKFORD. Sure. I have no problem with that.

Secretary KERRY. I am not sure I understand your exact question on the Libya certification.

Senator LANKFORD. We put in place a certification. As we put it last year: all practical steps have been taken to ensure the mechanisms are in place for monitoring oversight and control of funds for assistance to Libya.

You have asked for that certification to be struck at this point. The question is, that is a reasonable oversight for us.

Secretary KERRY. It is just not possible right now, under the circumstances, to make that kind of certification. And to be in a position of denying it, therefore, we think would handicap our ability to try to get a viable government in place, stand it up, and move forward.

So the situation just does not lend itself to that kind of judgment right now. We are just at the point—we are at a critical point here, where we have made it clear we are going to start sanctioning some people if they are not going to be involved properly.

We have a couple of outliers from the Government of National Accord (GNA), from the General National Congress (GNC) and the House of Representatives (HOR) each, as we try to put together a government of national accord. We are about to hopefully have a vote on that government and actually proceed forward, and then we will be in a better position to be able to deal with standards of certification that just do not apply to the situation in Libya.

Senator LANKFORD. Mr. Chairman, can I just make a request? These will be questions I will submit in writing for the days ahead. It is just three quick things that we have talked about before.

GREEN CLIMATE FUND

One is I would like to have, in a written way, how you evaluate the quantity of success or effectiveness of the Green Climate Fund. I mean, it is a \$1 billion-plus fund that is sitting out there. How do we quantify whether that is successful? I am sure you have come up with something that large, how are you evaluating its success or effectiveness?

CENTRAL AMERICA

The second one is, how are you going to evaluate these additional funds that have been put in last year for the Northern Triangle when we are dealing with all the issues with judicial improvements, legal improvements and such with the Northern Triangle in Central America?

MEXICO

And then the third thing goes back to our Mexico conversation as well. Mexico's poppy growth has grown exponentially over the last several years and heroin is pouring into the United States. Poppies are easily identifiable from the air. This is not some crop that can be grown that no one can see where they are. Everyone knows where the poppies are being grown.

What I want to know is, how are we working with the Government of Mexico to eradicate these fields?

Thank you, Mr. Chairman.

Senator GRAHAM. Those are good questions that will be responded to in time.

Senator Blunt.

Senator BLUNT. Mr. Secretary, let me make a couple comments that are not questions, but maybe just follow up on what you have just been talking about.

Senator Klobuchar and I—it used to be Senator Landrieu and I—co-chair of the Adoption Caucus in the Senate. Senator Klobuchar and I then had the new Ambassador from the Democratic Republic of Congo in a few months ago. He was not defending his country's position at all, that children who their courts have been allowed to be adopted need to be brought out of the country.

So I am scheduled right now, in fact, to go meet with 40 of those families, and some of them have had really good news over the last few days. And hopefully, your anticipation and ours is the same, that at least in terms of children who have been allowed to be adopted, they will now be allowed to leave the country.

IRAN

I want to talk a little bit about the return of the three prisoners or, in some reports, hostages from Iran. I sent a letter on January 29 that asked two or three questions on this topic. Have you seen that letter yet?

Secretary KERRY. No, sir. I have not. I have not seen it.

Senator BLUNT. Who on your staff would you like me to give it to?

Secretary KERRY. If you could give it to Julia Frifield, that would be great.

Senator BLUNT. When you were in the Senate, you probably would hope that you would get a response quicker than a month to a letter, though I would say, so far, you still have not caught up with Tom Wheeler at the FCC who actually never answers letters. If they did, it might actually be easier to get people confirmed.

You were here long enough and understand this system as well as anybody. It would be helpful if you could be more responsive. But let's just see what we can discover about that letter right now.

What the letter really questions is the story that was told when the three people were, thank goodness, returned to the country and their families. But the transfer of money happened the day after people came back. The Iranians contend that was—at least an Iranian general has contended in a Newsweek article that, clearly, the two things were absolutely related. Is that true?

Secretary KERRY. No. We have been negotiating the claims settlement for years, literally. It was negotiated on a separate track. Now, whether they, in their minds, thought this was a propitious moment to try to settle it, that is in their mind, not ours.

We made it clear to them it had to be done on a separate track. It had to be completely separate. We were not going to tie it in. And we reached one agreement before we reached the other.

Senator BLUNT. It is amazingly coincidental that after 35 years of negotiating this difference of opinion that the two things would happen within 24 hours of each other. But that is not my question.

My question is, this was about \$400 million plus interest that was part of a past contentious issue with the Iranians. The Congress told the administration—actually passed a law that President Clinton signed in 2000 that that \$400 million would go to specific victims of Iranian terrorism who received that amount of money. Did they receive it from that account or not?

Secretary KERRY. I do not believe they would have received it from that account. I know there were settlements. There were number of claims that were settled through the years both ways, by the way. The Iranians settled some claims towards us.

This claims process was set up in 1981, I think, right after Ronald Reagan came in, or even under Carter. But it was set up right around there.

Senator BLUNT. So the Congress in 2000 that passed a law that said that \$400 million won't belong to the Iranians any longer, it belonged to the victims, that would not have superseded whatever else was happening internationally?

Secretary KERRY. Senator, I was told in the process, we were very, very clear about this. I think Secretary Lew can answer this very, very directly. This was the fund that had been kept in place. The money, the \$400 million, was there. In fact, there was a little more in there. I cannot remember why there was more. So there was a cushion. The \$400 million went out, but there was still a cushion of some money that was there for any remaining claims. But almost all the claims have been cleared up.

So that is why it was deemed appropriate to lower that particular account, because there were not any extant claims that would have amounted to the amount that was being left in the account.

Senator BLUNT. Well, there is a Newsweek article that indicates—and I know Newsweek is online now, but I just read the article. There is a Newsweek article that indicates the families, the specific families mentioned in the 2000 law, were all led to believe that the money they got was money that was Iranian money, not taxpayer money. So you are saying today—

Secretary KERRY. No, I am not. I think that is accurate. I think they got Iranian money. I think the taxpayer money fund is what stayed in the fund over the period of time.

When we were examining how we could do what we were trying to do to settle a claim, over a period of time—by the way, it was separate negotiators, completely separate team negotiating this on a separate track over a long period of time, by the way. This predated anything to do with this.

I think one of the reasons it came to a head simultaneously is, frankly, because we have the JCPOA done, and there was a channel of communication, which we never had before. We have never had a high-level channel of communication. And part of the exchange of people actually was being done through their Ministry of Interior.

Senator BLUNT. Well, it is very coincidental.

Would you expect—

Secretary KERRY. We have never talked to their Ministry of—

Senator BLUNT. Would you expect that \$1.7 billion, the first of more money that will go to the Iranians under the agreement, would you expect any of that \$1.7 billion to go to terrorist organizations or terror-sponsor organizations?

Secretary KERRY. Do I expect it to? No. Might it? I cannot answer a hypothetical like that.

Senator BLUNT. Well, I think you did answer that earlier.

Secretary KERRY. What I said was, with respect to all the money going to Iran, which by the way is way below—we should go into classified session and then we can give you the exact figures.

But people have talked about \$100 million, \$150 million. No, folks. Nowhere near. It is not even up to the \$50 million yet that we talked about.

So our judgment is that—we always said this publicly—that there were enormous demands in Iran for that money in terms of their energy sector, the infrastructure, banking, paying off notes, everything.

So my recommendation, Senator, is, in classified session, we can really inform you as to what we are seeing today. And I think you will be very surprised.

Senator BLUNT. Well, I am on the Intel Committee, and we have had some of that discussion, and we will have more with you.

Thank you, Chairman.

Senator GRAHAM. Senator Moran.

Senator MORAN. Mr. Chairman, I am not on the Intel Committee and several times the Secretary has offered to have classified brief-

ings, and I would welcome that opportunity any time that you see fit to have this subcommittee have the Secretary in that setting.

Mr. Secretary, thank you. A number of the topics I wanted to raise have been raised, but in slightly different forms.

DEMOCRATIC REPUBLIC OF THE CONGO

An exception to that is, in a slightly different form, is I want to again reiterate the importance of this adoption issue in Congo. Is it your understanding that the additional 250 young boys and girls in Congo who have been adopted by U.S. citizens will also be processed and released to the United States to their parents?

Secretary KERRY. We hope so.

Senator MORAN. Is there more than hope? That is my question.

Secretary KERRY. I think there is an understanding, isn't there, that they are going to be coming?

Senator MORAN. My question is, is there a commitment that you expect to be kept? Or is this just hope or wishful thinking?

Secretary KERRY. There is an understanding. The DRC has authorized more than 150 to come. And on the 250 from Congo, I believe—

Senator MORAN. My understanding is there are another 250 children who have been adopted, awaiting the opportunity to come to the United States.

Secretary KERRY. About 400 total.

Senator MORAN. Again, I am not sure what the expectation is. I do not know what the President agreed to.

Secretary KERRY. I want to get you a precise answer on that.

[The information follows:]

We are closely following developments in the Democratic Republic of the Congo. Embassy Kinshasa is tracking 41 pending adoption cases that are in various stages of completion. Of those cases, the DRC pre-cleared 23 children for exit permits and the remaining 18 are not pre-cleared for exit permits. Unfortunately, the DRC's temporary inter-ministerial commission, which met earlier this year to review and release cases it deemed legitimate, disbanded without reviewing the remaining 18 cases. As the suspension of exit permits remains in place, there is still no plan for DRC processing of these remaining cases, or any new cases. Acquiring the exit permits for DRC citizen children who received visas to enter the United States remains the single most problematic hurdle. Embassy Kinshasa continues to meet with key officials in the DRC to encourage exit permit approval on a case-by-case basis. The Embassy had some success with this approach, and was recently assured that four cases not on an approved commission list but otherwise visa-qualified would receive exit permit approvals.

Senator MORAN. Great. If that agreement has been made, I would encourage, as my colleagues have, that you, the State Department, United States Government, continue to encourage. A number of us met in Senator Blunt's office with the Ambassador from the Congo. It is such a heart-rending circumstance. Today, I saw photos of these boys and girls, but to talk to their parents who are their parents and they are still thousands of miles away. Thank you for your efforts in the past, and please continue that effort.

IRAN

You also had a conversation with Senator Blunt about the settlement of the financial dispute between Iran and the United States. You indicated at that time, although I think it was perhaps slightly

different from what you said today, that there are more pending claims that potentially could be settled. Those claims are claims of Iran against assets or dollars from the United States, and that those claims need to be finalized. This was a large chunk of that, but not all of them.

My question is, do you know what claims remain, and how much money is involved there?

Secretary KERRY. I am told there are very, very few, if in the multiples of single digits, and that it is less than the amount of money that was left in the account.

Senator MORAN. I was very critical of that transaction, that agreement. I was critical for the reasons that it seemed to me that that money would have been used to compensate American citizens who have claims against the Iranian Government, that there should have been an offset.

What is your reaction to my criticisms?

Secretary KERRY. This is a separate track, Senator. This is for military sales money that was a very specific purchase that took place in 1979. It was escrowed separately in an account at that period in time. And it accrued interest. I recall vividly that the interest rates back at that period of time were upwards of 18 percent, 19 percent, 20 percent, or something at some point in time, for a period of time. It is only in the most recent years we have had the luxury of near zero and very, very low interest rates.

So we were looking at a liability upwards of several billion dollars. We believe, in the end, that the judgment was made by everybody—I mean, this was an interagency, fully vetted, unbelievably analyzed process, which made a judgment about what was the appropriate level and what would be a good arrangement for settlement. That is what we arrived at.

Senator MORAN. The negotiations include requests of the Iranian Government to pay the claims of United States citizens?

Secretary KERRY. Sure. That is part of the claims process. There are outstanding claims for those, and those are in The Hague, I believe, as part of the claims process.

EGYPT

Senator MORAN. In regard to Senator Durbin's question about the 15 percent military aid that can be withheld, if there are human rights violations with Egypt, my understanding is that your budget request, the appendix of this year's budget request, the administration pushes for removal of that language altogether.

I want to know the justification. Maybe you said that to Senator Durbin, but I think his question was slightly different from that.

Secretary KERRY. I am not sure that I understand, then.

Senator MORAN. My understanding is that your budget request asked that the language that allows for withholding of those dollars to be removed, the authority disappear.

Secretary KERRY. The withholding of which?

Senator MORAN. The 15 percent when there are violations of human rights.

Secretary KERRY. Can I get back to you on that?

Senator MORAN. Absolutely. I guess my question is, what is the rationale of the administration in changing the law that has that provision in it today?

Secretary KERRY. I want to get back to you on that.
[The information follows:]

We stand by our commitment to press Egypt over concerning human rights abuses. Certification and withholding requirements limit our ability to conduct foreign policy and the necessary flexibility to respond to challenges on the ground as we implement assistance programs. We can achieve our foreign policy goals more effectively with fewer limitations on the funding we are appropriated. We continue to have frank discussions with the Egyptian Government about our democracy and human rights concerns. We share Egypt's legitimate concerns over the threat of terrorism domestically and in the region, but respect for human rights and democracy is not incompatible with countering terrorism. We continue to press the Egyptians that respect for human rights helps counter radicalization and violent extremism and strengthen long term political stability.

GENOCIDE IN THE MIDDLE EAST

Senator MORAN. Very good.

And finally, I think finally, issues related to the persecution of folks based upon their religion, there has been significant allegations that the Islamic State of Iraq and Syria (ISIS) is persecuting people based upon their religion. We have heard that from the former Secretary, your predecessor, Secretary Clinton. The pope, the European Union, and others have indicated that genocide is occurring by ISIS.

There are at least some reports that the United States is considering declaring this a genocide against the Yazidis but not against Christians. Is there any validity to those allegations? If so, what would the distinction be?

Secretary KERRY. Senator, there is a process ongoing right now making an analysis under the law. The lawyers are making this judgment. So you may be picking up some of the technical debate on what standard is applied that meets the legal standard of genocide and crimes against humanity and so forth.

I have heard some of these arguments. In fact, because of what I have heard, I have to make this judgment, and I am prepared to make it and make it soon. I have asked for further evaluation, based on what I have heard, in order to test against the law some of my own perceptions and evaluations and see where we come out. That is the process.

So whatever early reports you are hearing do not reflect sort of the state of the art where our thinking is or what we are going through on this. And I have to make a judgment on this, and I will when I am satisfied that I have evaluated that standard, and I am comfortable with what the outcome is.

Senator MORAN. Mr. Secretary, thank you for your presence and for your testimony today.

Secretary KERRY. Thank you.

JUSTICE AGAINST SPONSORS OF TERRORISM ACT

Senator GRAHAM. Mr. Secretary, you have been very generous.

The Justice Against Sponsors of Terrorism Act: is the administration opposed to JASTA?

Secretary KERRY. JASTA. We have concerns about it. I think we would like to work with you. We do have concerns about it, because what it does, regrettably, because of the way it is structured, generally speaking, we have dealt with this with countries who are designated terrorists. If we wind up taking away sovereign immunity from a country that are not, that is a huge——

Senator GRAHAM. In its current form, you are opposed to it?

Secretary KERRY. In current form, we would be very troubled by it, because what it would do is really expose the United States of America to lawsuit and take away our sovereign immunity and create a terrible precedent, in its current form.

IRAN

Senator GRAHAM. Thank you.

This just came out about an hour ago over the AP, that Iran arrests the father of a jailed U.S. citizen, Siamak Namazi. What is the gentleman's name?

Secretary KERRY. Siamak Namazi.

Senator GRAHAM. The Iranians, apparently, Monday arrested his father. Are you familiar with this?

Secretary KERRY. I am very familiar with this, and I am engaged on it, specifically. But I am not permitted, due to privacy reasons, to go into details here.

Senator GRAHAM. Okay. Well, thank you very much for your service to our country, and we will do everything we can to support your budget.

Secretary KERRY. Thanks, Mr. Chairman, very, very much. Thank you.

ADDITIONAL COMMITTEE QUESTIONS

Senator GRAHAM. The record will be open until Friday, February 26, for questions for the record.

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

QUESTIONS SUBMITTED TO HON. JOHN F. KERRY

QUESTIONS SUBMITTED BY SENATOR PATRICK J. LEAHY

Question. What new public diplomacy programs are planned for fiscal year 2017, and how do they support the administration's foreign policy priorities?

Answer. Public diplomacy (PD) efforts are essential to communicate our foreign policy goals, perspectives, actions, and facts with foreign audiences. Through these efforts, we create and sustain support for U.S. foreign policy goals among key international audiences, including civil society leaders, journalists, youth, and religious leaders. With a backsliding in press freedoms around the world and countries spending billions of dollars to restrict information, our public diplomacy programs are increasingly important to reach these audiences.

To advance these aims, the State Department is expanding our public diplomacy programs in areas where U.S. public diplomacy has a comparative advantage: youth leadership, English-language training, promotion of U.S. higher education, entrepreneurship, civic engagement, technology, and amplifying partners' messages to counter violent extremism.

The fiscal year 2017 PD request includes funding for a new initiative aimed at countering pervasive Russian propaganda in countries with large Russian-speaking populations by establishing new locally-employed staff positions in key European posts to engage audiences through social media and promote youth engagement and entrepreneurship. Other proposed staff augmentations would allow the Department

to increase outreach to the dramatically increasing pool of exchange alumni in Africa; boost engagement with strategic audiences in the Middle East and Russian-speaking populations in South and Central Asia; allow Central American missions to better address the issue of unaccompanied child migration and its underlying causes; and enable the U.S. Embassy in Havana to proactively take advantage of changes taking place in Cuba and in U.S.-Cuba relations.

The new interagency Global Engagement Center will lead the coordination, integration, and synchronization of U.S. Governmentwide communications activities to counter the messaging and diminish the influence of international terrorist organizations with foreign audiences abroad, often through partners, a critical mission that requires significant additional resources.

Additionally, the Department is placing a renewed emphasis on clearly defining and evaluating the effectiveness of public diplomacy programs and developing new tools and strategic approaches for accomplishing public diplomacy outreach. Toward these goals, additional funding is sought for the Under Secretary for Public Diplomacy and Public Affairs' (R) newly retooled Research and Evaluation Unit to develop robust, constructive research and impact evaluations that will drive prioritization decisions and ensure public diplomacy programs better reflect strategic objectives and audiences.

The Bureau of International Information Programs plans to conduct a worldwide rollout of the new Public Diplomacy Contact Relationship Management system to provide posts with a versatile platform for robust email outreach, as well as the global deployment of a suite of modern, on-line tools, including Google Apps and Slack, that will allow PD practitioners to synchronously collaborate from anywhere on the globe.

Our global network of 700+ American Spaces hosts nearly 37 million visits annually, building and strengthening relationships with foreign audiences by showcasing American culture and values and providing accurate information about the United States. The request for IIP also includes funding to address costs to renovate and rehabilitate select American Center facilities to accommodate expanded audiences and programming aimed at countering Russian disinformation in a strategic region.

Question. Can you explain how public diplomacy programs fit in with the State Department's "countering violent extremism" effort?

Answer. Much of the Department's public diplomacy work contributes broadly to countering violent extremism, especially attempts by radical and violent movements to attract impressionable youth. Over the past year, there has been growing international recognition about the importance of countering violent extremism (CVE) both as part of our response to an increasingly diffuse and decentralized terrorism landscape, and of our effort to develop a wider array of tools to prevent the emergence of future terrorist threats. While we and our allies and partners must defeat the Islamic State of Iraq and the Levant (ISIL) and other terrorist groups on the battlefield, we must also counter the tactics these groups employ to attract new recruits and the underlying conditions that fuel radicalization to violence.

The Department and USAID's strategic objectives on CVE are focused on expanding partnerships, assisting governments in strengthening their capabilities, and empowering locally credible voices to change perceptions of violent extremism. The Department and USAID have developed a multi-year strategy to guide our joint efforts that combines proactive, future-oriented efforts to counter violent extremism and reduce state fragility with specific approaches to counter radicalization and recruitment to violence associated with immediate threats. Public Diplomacy tools are essential in advancing our ability to empower and amplify locally credible voices that can change the perception of violent extremist groups and their ideology among key demographic segments.

With support from the public diplomacy elements in the Department's regional and functional bureaus, U.S. spokespersons, embassies, and consulates around the world are fully and continuously engaged in countering violent extremism using a variety of tools and programs that promote U.S. foreign policy goals and perspectives, correct misinformation, and build capacity in at-risk populations.

The new interagency Global Engagement Center (GEC) will lead the coordination, integration, and synchronization of U.S. Governmentwide communications activities to counter the messaging, and diminish the influence, of international terrorist organizations with foreign audiences abroad. A primary goal of the GEC is to better understand what motivates target audiences to support violent extremism through advanced data analytics. The Center also will engage top talent from content development sources within the United States and abroad in order to make its operations swifter and more agile and adaptive. Recognizing the strategic value of partners in delivering key messages, the Center will provide targeted resources enhancement to selected partner organizations across the globe to enable them to create and dis-

seminate counter-Daesh content that draws upon relevant history and culture and is locally resonant. Finally, the new Center will strengthen and deepen interagency coordination, as well as expand direct digital engagement in Arabic, Urdu, and Somali.

The Bureau of Educational and Cultural Affairs (ECA) continues to encourage communities to counter extremist rhetoric and recruitment through a robust array of professional, youth, cultural, and educational exchange programs that support Countering Violent Extremism (CVE) practitioners, strengthen community engagement and civil society, advance free and responsible journalism, and encourage interfaith dialogue and conflict resolution. The State Department is working to expand people-to-people networks that build resilience in communities susceptible to extremist rhetoric and recruitment and to engaging women and youth from communities at risk.

High profile new ECA projects in 2016 include the Media Makers film mentoring exchange, the Secretary's Emerging Young Leaders Award, and a multi-regional International Visitor Leadership Program (IVLP) project for municipal leaders: *Strong Cities: Building Community Resilience to Radicalization and Violent Extremism*. ECA has also created an Emerging Young Leaders Award, the first iteration of which will be awarded in April 2016, for youth who have contributed to positive social change in challenging environments. Finally, the ECA-managed Peer to Peer (P2P) Challenging Extremism program—funded by the Department of State, DOD, DHS, NCTC, and private-sector companies such as Facebook—supports American and international university teams in developing digital tools and community resilience techniques to counter extremist narratives and building networks of CVE practitioners.

The Bureau of International Information Programs (IIP) has increasingly focused its messaging content on counter-Daesh themes to support more effective outreach by U.S. missions. It has to date published more than 50 anti-Daesh stories on ShareAmerica (the Department's platform for supplying U.S. posts overseas with social-media friendly content on U.S. foreign policy priorities); posted more than 500 articles countering Daesh narratives in foreign languages on ShareAmerica and IIP Digital for messaging use by posts and other USG entities; produced five videos to support the C-Daesh Coalition workshops; and organized more than a dozen speaker programs on anti-Daesh messaging and broader CVE themes. IIP has also supported TechCamps focused on CVE messaging in Europe and Africa for journalists and credible religious and youth voices.

The Bureau of Conflict and Stabilization Operations (CSO) is supporting the Department's efforts to integrate research and analysis into CVE programming efforts. CSO has helped launch a new global research network on CVE called RESOLVE: Researching Solutions to Violent Extremism (RESOLVE) Network. The network will identify the local drivers of violent extremism and offer evidence-based policy and program recommendations to governments and policymakers at all levels, which could include public diplomacy efforts. CSO has also developed tools for posts and bureaus to use to assess risk in specific areas or monitor CVE programs for their impact, and is helping posts and bureaus apply these tools to their interventions.

Question. One of the Department's countering violent extremism public diplomacy programs is the Center for Strategic Counterterrorism Communications. We have been concerned the center's effectiveness. Now the Department is planning to change to the Global Engagement Center. What does this center do and how will this change make it more effective?

Answer. The Global Engagement Center (GEC) will be charged with leading the coordination, integration, and synchronization of Governmentwide communications activities in order to counter the messaging and diminish the influence of international terrorist organizations with foreign audiences abroad. The GEC will also build partnerships with third parties for message dissemination and develop content for campaigns.

We must have a comprehensive understanding of the audiences we seek to influence in order to be successful. Therefore, a primary objective of the GEC is to better understand audiences likely to support violent extremism, which it intends to accomplish through use of advanced data analytics. During fiscal year 2016, it will devote nearly \$1.5 million to baseline research that will inform our content development. In addition, the Center will employ \$1.6 million to enhance our capabilities to analyze dynamically data derived from social media. This data analysis will help us better understand the foreign audiences abroad that are most susceptible to influence from violent extremist groups, as well as those audiences likely to support U.S. narratives, thereby allowing us to more specifically tailor our messaging and narrative development and to align our resources accordingly.

The Center will devote approximately \$1.5 million of fiscal year 2016 funding to support counter-Daesh information campaigns, including some managed by foreign partners. The Center also will engage top talent from content development sources within the United States and abroad in order to make its operations swifter and more agile and adaptive. For example, the Center will fund original content created both internally and by third parties for use by members of the Counter-Daesh Coalition; this content will be hosted on the Global Coalition Web site.

Recognizing the strategic value of partners in delivering key messages, the Center will provide targeted resources enhancement to selected partner organizations across the globe to enable them to create and disseminate counter-Daesh content that draws upon relevant history and culture and is locally resonant. For example, the Center will provide modest additional funding for Arewa24, a major project sponsored by the Bureau of Counterterrorism and African Affairs that embeds messaging against violent extremist narratives in general entertainment programming. Modest additional funding from the Center will deliver Arewa24's award-winning content to audiences of concern in several more countries.

Finally, the new Center will strengthen and deepen the interagency coordination commenced by the CSCC, as well as the direct digital engagement for CVE purposes in Arabic, Urdu, and Somali that the CSCC pioneered in 2010 and will devote approximately \$600,000 to enhancing the efficiency of this effort.

SECURITY ASSISTANCE

Question. In recent years the administration has requested and received substantially increased funding for programs that are intended to build the capacity of foreign security forces and are managed by the Department of Defense. In many places, particularly in Africa, this has led to bilateral relationships that in practice amount to little more than train and equip arrangements for foreign security forces, which have a dubious track record with respect to the sustainability, effectiveness, appropriateness, and value of the investment.

What is your assessment of the impact of this approach on the Department of State's ability to ensure a whole of government, balanced approach to U.S. engagement?

Answer. Security assistance is an important tool for building our partners' capacity to address mutual security concerns, and supports our foreign policy objectives, but train and equip programs alone cannot produce the long-term outcomes we seek. Per the President's policy on security sector assistance, the administration has highlighted the importance of comprehensive approaches and reaffirmed State leadership to ensure a holistic approach to advancing our foreign policy objectives. A State lead in this area ensures effective foreign policy oversight and the execution of holistic, deliberative country and regional strategies; allows for a more careful balance of security and other foreign engagement tools; prevents the militarization of peacetime activities or the international perception of a militarized foreign policy; and avoids the fragmentation of programs that complicates planning and leads to unsynchronized programs and bureaucratic redundancies.

However, broad pressure on the International Affairs budget has significantly contributed to the expansion of security assistance authorities funded out of the National Defense budget. While the administration requires the assistance resources to meet its foreign policy objectives, the significant growth of foreign assistance authorities and funding outside of State hinders our ability to fully balance defense, diplomacy, and development efforts and integrate all activities abroad into State's whole-of-government foreign policy strategies.

Question. It seems to me that spending tens of millions of dollars on equipment and training for a developing country's security forces, absent complimentary investments in social and economic programs that benefit the people of the country, and commensurate political engagement, as appropriate, sends the message that our only concern is security today, not stability tomorrow. Do you agree?

Answer. The Department is concerned both with security today and stability tomorrow. This requires a careful balancing and sequencing of defense, diplomacy, and development investments. Training and equipping without the commensurate investment in institutions and democratic, transparent governance generates a perception that security—specifically military security—outweighs our true interests in secure and stable states that prioritize human rights and civilian security. We make every effort, in collaboration with USAID, to ensure we are investing in needed social and economic programs to help foster long-term stability.

SECURITY FORCE ACCOUNTABILITY

Question. Last year, your Department and the Department of Defense finalized guidance on the process for remediating units and individuals of foreign security forces that are deemed ineligible to receive U.S. security assistance as a result of having engaged in a gross violation of human rights, consistent with the Leahy Law. Remediation, as it is called, is concluded when a foreign government takes effective steps to bring to justice perpetrators of gross human rights violations. This was always the intent of the Leahy Law, to ensure that the U.S. is not complicit in such abuses, and to encourage accountability for those who are.

Can you discuss the purpose of this policy and describe how it has been implemented so far?

Answer. State and DOD finalized a joint remediation policy in 2015 to help ensure that the intent of the law to promote accountability is realized. If both Departments determine that the government is taking appropriate remediation measures, assistance may be restored, subject to the required notification to Congress. Appropriate remediation measures include impartial, thorough investigations, prosecutions, and punishment.

Thus far there have been five successful remediation cases: one in Mexico, one in Guyana, one in Georgia, and two in Afghanistan.

Question. What actions has the U.S. taken to encourage and support foreign governments as they pursue justice in these cases?

Answer. The Department of State Leahy law calls for the United States to “assist the foreign government in taking effective measures to bring the responsible members of the security forces to justice,” and the U.S. engages with partner nations to ensure that perpetrators of gross human rights violations are brought to justice. The Department has engaged with multiple partner governments to provide assistance in this area. Examples include:

- U.S. Forces-Afghanistan and the Embassy have engaged the Afghan Government and security institutions to explain the law, its impact, and steps that can be taken to remediate units. Over the past year, we have seen positive actions and have been able to re-engage with two units. In both cases, following Defense Ministry investigations, perpetrators were convicted of murder, and received punishments ranging from death to prison terms of various lengths.
- U.S. Embassy personnel in Mexico have similarly engaged proactively with the Government of Mexico. In one case, a Mexican army unit was remediated after several members were tried, convicted, and sentenced to prison for rape, sexual abuse, and assault.
- The State Department is working to ensure training for Iraqi Government stakeholders on the U.N. Convention against Torture and other international standards for the treatment of detainees and suspects.
- State is also providing assistance to the Iraqi authorities in their efforts to investigate disappearances, including promoting cooperation between the Government of Iraq (GOI) and the Kurdistan Regional Government (KRG) on missing persons; working with authorities to amend the “Law on the Protection of Mass Graves”; integrating international norms concerning the role and responsibility of states in regard to missing persons in Iraqi legislation and implement legislative requirements under the International Convention for the Protection of All Persons from Enforced Disappearance; providing training, monitoring, and quality checking to Iraqi ministries in the scientific investigation of mass graves and crime scenes. This program also includes support to civil society to develop their capacity to locate and identify the missing, document crimes, and advocate for greater accountability.

Question. Countries benefit financially when their troops participate in U.N. peacekeeping missions, and it is a source of national pride. What if governments knew that their troops would be prohibited from participating if they do not appropriately punish those who commit such crimes? Wouldn't that get governments to finally start treating this seriously?

Answer. Our policy of promoting high performance standards in U.N. peacekeeping includes our strong support for the U.N.'s repatriation of, and the withholding of reimbursements to, non-performing and poorly performing contingents. This policy applies in particular to contingents where there is credible evidence of widespread or systematic sexual exploitation and abuse, which is an affront to U.S. values and interests and undermines local and global support for peacekeeping.

The U.N. Secretary-General has committed to repatriating and to withholding reimbursements from contingents where there is a demonstrated pattern of SEA or non-response by troop- and police-contributing countries (T/PCCs) to SEA allegations against their personnel. Recently, with our strong encouragement, he ordered

the repatriation of the entire contingent from the Democratic Republic of the Congo assigned to the U.N. peacekeeping mission in the Central African Republic, the first time an entire contingent had been sent home for misconduct. This contingent was replaced with troops from Mauritania.

We anticipate that this example, and others that might follow, will put increased pressure on T/PCCs to investigate and hold their personnel to account to avoid the stigma and financial repercussions of failing to address SEA allegations against their personnel.

With the additional capabilities pledged to U.N. peacekeeping as a result of the September 2015 Leaders' Summit on Peacekeeping, co-hosted by President Obama, the U.N. is building an increased supply of trained, prepared, and equipped peacekeepers who will be available to replace contingents that are performing poorly or engaged in widespread misconduct.

Question. The prospects for a two-state solution are diminishing—and the alternative is what? I do not see one, and I wonder if you do?

Answer. As we have repeatedly made clear, we believe that a two-state solution is absolutely vital not only for peace between Israelis and Palestinians, but for the long-term security of Israel as a democratic and Jewish state at peace with its neighbors. In my remarks this past December at the Saban Forum, I discussed what the alternatives to a two-state solution would actually look like. The reality is that there is no other viable option. A one-state solution is no solution.

At this point, the question we must ask is what we can do to advance the goal of two states living in peace. The status quo is simply not sustainable, and current trends are imperiling the viability of a two-state solution. These trends must be reversed in order to prevent an untenable one-state reality from taking hold. We continue to encourage Israelis and Palestinians to take affirmative steps which we think are important to stop the violence, improve conditions on the ground and restore confidence in the two-state solution. We will continue to work with both sides and key international stakeholders on a constructive way-forward on this critical issue.

Question. What would you tell the next U.S. President that the Israeli and Palestinian leadership need to do—what specific actions or commitments—before it would be worth another U.S. administration expending more time and effort trying to help resolve that seemingly intractable conflict?

Answer. We remain deeply committed to achieving a two-state solution but as we have said many times, we are looking for both sides to demonstrate a commitment to this goal in both words and deeds.

We continue to encourage Israelis and Palestinians to take affirmative steps which we think are important to stop the violence, improve conditions on the ground and restore confidence in the two-state solution. The Quartet has outlined potential steps on the ground that would reverse current trends and resume the Oslo transition in ways that would not negatively affect Israel's security, such as increasing Palestinian civil authority and strengthening the Palestinian economy. The Palestinians must also meet their commitments including combatting violence and incitement, improving governance, and building their institutions.

Such steps could start the process of reducing tensions, building trust, restoring a measure of hope, and creating some political space for the critical decisions that will need to be made. Both Israelis and Palestinians need to see a real political process that credibly leads to their legitimate aspirations being met. This is what is ultimately in the long-term best interest of both sides.

Question. Can you provide any examples, besides the release of Mohamed Soltan after nearly 2 years in prison, of how President Al Sisi's government is implementing laws or policies to govern democratically, taking consistent steps to protect and advance the rights of women and religious minorities, or providing detainees with due process—as our law calls for?

Answer. President Sisi has been an outspoken advocate for advancing the rights of women, but the Egyptian Government's implementation of laws and policies to promote gender equality has been mixed. The new House of Representatives includes 89 women, a substantial increase over the 11 in the 2012 parliament, and President Sisi's cabinet of 33 includes four female ministers. The government launched a strategy to end female genital mutilation and cutting (FGM/C), an area in which we have seen progress due to the combined effort of the government, civil society organizations, and the U.N., although strengthened enforcement of laws against FGM/C is needed. The government has passed a new law against sexual harassment and launched a strategy to combat violence against women, but it has not taken tangible steps to fund or implement these laws and policies.

During the Sisi presidency there have been some positive actions and statements to send the signal that Christians are equal members of Egyptian society, such his

attendance at Coptic Christmas Mass. The military completed, at the government's expense, the rebuilding of 26 of the 78 churches and other Christian buildings burned following the removal of the Muslim Brotherhood-led government in July 2013. During its limited tenure, the parliament has yet to enact new, constitutionally mandated legislation on the construction and renovation of Christian churches and the establishment of an antidiscrimination commission. There are reports of increased prosecutions for blasphemy under the "denigration of religions" law, and most defendants convicted in such cases are members of religious minorities.

Thousands of activists and opposition members remain in detention. We remain concerned about limitations on equal protection and fair trial guarantees, including arbitrary arrests, prolonged pre-trial detention, military court prosecution of civilians and the use of mass trials, which deny the procedural safeguards and fair trial guarantees that would conform to Egypt's international human rights obligations. We continue to have frank discussions with the Egyptian Government on all of these issues.

Question. In the Sinai, where the Egyptian Government fails to provide the Bedouin communities with economic opportunities and is carrying out an ineffective military strategy, the terrorist threat is growing. Some of the U.S. helicopters and weapons requested for Egypt are intended for use there, but the Egyptian Government has refused regular access for U.S. officials and the independent media. Do you see any sign that they will provide this access, which is necessary for purposes of monitoring how our assistance is used?

Answer. Despite repeated requests to allow U.S. Embassy Cairo personnel to visit northern Sinai, the Egyptian Government continues to deny access on the grounds that the area is an unsafe combat zone. We continue to raise our concerns regarding access at senior levels. We are meeting our legal obligations on end use monitoring of U.S. equipment being used in Sinai.

We continue to offer training to increase Egypt's counter-terrorism capabilities and have encouraged Egypt to adopt the doctrine and tactics of asymmetrical warfare so it can effectively defeat Daesh. An important element is the provision of overdue economic development and to take every precaution to protect civilians during counterterrorism operations to counter Daesh's appeal to the citizens of Sinai.

Question. Past attempts to pressure North Korea to halt its nuclear and ballistic missile programs have failed. They now appear to have the ability to land a missile on U.S. territory, and they are presumably working to develop the capacity to fit it with a nuclear warhead. Which governments are providing the technical and other assistance to North Korea to do this, are any of them recipients of U.S. foreign aid, and what besides deploying a high altitude missile defense system in South Korea do you see as effective tools to stop it?

Answer. The United States continues to work closely with our partners and the international community to address the global security and proliferation threats posed by the Democratic People's Republic of Korea (DPRK's) nuclear and ballistic missile programs. This includes engaging with governments unilaterally and multilaterally to implement U.N. Security Council resolutions 1718, 1874, 2094, and 2270, which prohibit the transfer to or from the DPRK of goods, technology or assistance related to nuclear, ballistic missile, or other weapons of mass destruction-related programs. In addition, we also rely on the full suite of relevant U.S. unilateral sanctions measures to impede the development of the DPRK's nuclear, missile and conventional weapons programs.

We would be happy to address the full scope of your question in a classified setting.

Question. I commend you for your efforts to open relations with Cuba. It was the right decision for the people of both countries. Being with you when the American flag was raised again at our Embassy last August was one of the most uplifting events I have had the privilege to witness.

One of the most promising changes I have seen in Cuba is the growing number of private entrepreneurs. I have met several of them, and they are no different from your typical Mom and Pop business in the U.S.—except their biggest competitor is the Cuban Government.

If you had the funds and the support of Congress, what could the U.S. do to help support private entrepreneurs in Cuba?

Answer. We believe the most effective way for the United States to support private entrepreneurs in Cuba would be for the Congress to lift the embargo and allow U.S. businesses and individuals to interact freely with Cuban small business owners.

Notwithstanding the limits of the embargo, our policy of engagement has further empowered a Cuban private sector that now employs at least one in four Cuban

workers. The number of self-employed Cubans has grown remarkably, from 145,000 in 2009 to approximately 500,000 in 2015. The private sector also includes a number of agricultural and non-agricultural cooperatives.

Treasury and Commerce regulations now allow people in the United States to send unlimited remittances in support of private businesses, provide microfinance and entrepreneurial training activities, and export a broad range of materials and supplies to Cuban entrepreneurs. Our private sector has a lot to offer in this regard. Humanitarian projects that provide educational training for budding Cuba entrepreneurs are now authorized, and we encourage U.S. entities to assist in providing such support. A more robust presence at our Embassy would enable U.S. diplomats to support entrepreneurs more directly. Full funding for full Embassy operation is needed to provide those programs.

Just as we are doing our part to remove impediments that have been holding Cuban citizens back, we are urging the Cuban Government to make starting and running a small business less challenging. Steps the Cuban Government could take include enabling non-state actors to import and export directly (vice through a Cuban state entity), authorizing more individual business activities beyond those 201 currently authorized, facilitating more financing opportunities for entrepreneurs, and easing a progressive tax on the hiring of employees that deters business growth.

Question. Your fiscal year 2017 budget request—for I believe the third or fourth year—includes a provision on consular notification compliance. This has to do with the right of criminal defendants under the Vienna Convention to be informed of their right to consult with their consulate if they are arrested in the United States. The same right is provided to American citizens if they are arrested in a foreign country, where they may not speak the language, understand the legal system, or know how to obtain a lawyer. They need the help of our embassies. What difference does it make if we continue to fail to address this?

Answer. Passing the Consular Notification Compliance Act is a priority for the administration. Compliance with our legal obligations related to consular notification and access ensures our ability to protect U.S. citizens traveling and working abroad, including members of our Armed Forces and their families.

The United States is severely hampered in its efforts to ensure that other countries respect their obligations under the Vienna Convention on Consular Relations when U.S. citizens are detained abroad if we do not respect our own obligations when foreign nationals are detained in the United States. Where one country, especially an influential country such as the United States, is seen to take a cavalier approach toward its legal obligations, other countries can be expected to take a cavalier approach to theirs, particularly when U.S. citizens are involved.

The protection of U.S. citizens will always be a priority, and it is important that we can continue to rely on the protections of the Vienna Convention so that our consular officers can continue to provide essential consular assistance to our citizens abroad. In fiscal year 2015, our consular officers conducted more than 9,392 visits with U.S. citizens, who were arrested overseas. Our consular officers make a real difference in the lives of thousands more U.S. citizens detained abroad each year across the globe by ensuring that they have adequate food, medical care, access to an attorney, and protection from abuse and mistreatment while in prison.

Passage of the Consular Notification and Compliance Act is essential to safeguarding our ability to provide these services to U.S. citizens detained abroad.

Question. Last year we appropriated \$750 million to support the Plan for the Alliance for Prosperity in Central America. You have asked for that amount for fiscal year 2017, which I support. Each of these countries faces shocking levels of violence, which has contributed to the surge in migration to the U.S., and corruption is a way of life for their governments.

For example, in Honduras, journalists, civic activists, human rights defenders, children and adolescents are among the hundreds who are killed each week. A recent agreement with the OAS to address organized crime, corruption, and impunity is a weak version of its counterpart in Guatemala—due to resistance from the same Honduran Government that claims to want to strengthen the rule of law. Do you agree that we need to see real evidence that these governments are serious about addressing these problems?

Answer. We have learned through Plan Colombia and the Merida Initiative that sustained international assistance that balances security, governance, and prosperity, combined with demonstrated political will by regional governments and their respective private sectors and civil societies, has the greatest potential to affect positive change. The Northern Triangle governments of El Salvador, Guatemala, and Honduras will devote \$2.6 billion in their own funding in 2016 to support the Plan for the Alliance for Prosperity.

In Honduras, we support sustainable, credible, and effective mechanisms that both enact institutional reforms to weed out systematic corruption and provide support to justice actors who transparently investigate and prosecute cases of corruption. No single mechanism can solve Honduras' deeply embedded corruption problems.

The OAS Mission Against Corruption and Impunity in Honduras (MACCIH), if properly funded, supported, led, and leveraged, can be an important element in a more comprehensive, longer-term effort to tackle corruption and improve governance and rule of law in Honduras. We will be closely following the implementation of MACCIH to help ensure it realizes these aims.

Furthermore, we provide assistance to the Honduran Government focused on building its capacity to combat corruption and increase government transparency. Many of these programs support the government's work to root out corruption and reform the Honduran National Police, as well as to increase the capacity of the Public Ministry to successfully prosecute cases on corruption. The Honduran Government's seriousness in these initiatives is imperative to successfully address these issues.

Through cooperation with the Guatemalan Attorney General's office, the U.N.'s International Commission Against Impunity in Guatemala (CICIG) continues to root out corruption at all levels of government. Recent successes include the February arrests of tax authority personnel accused of providing illegal tax refunds. On April 18, President Morales requested CICIG's extension through 2019, reaffirming his promise to institute a "zero tolerance for corruption."

El Salvador has demonstrated political will to combat corruption. The Salvadoran Government has collected \$17 million from the special contribution tax for public security as of early May, enabling the Attorney General (AG) to hire 100 prosecutors and support vocational training for youth in high crime areas. In addition, the AG strengthened the Salvadoran Anti-Corruption Unit, responsible for investigating cases involving corrupt public officials, by implementing an anti-corruption capacity-building program jointly with the United Nations Office on Drugs and Crime (UNODC). Demonstrating its intent to take on the hardest cases, this Anti-Corruption Unit opened an investigation in March against a judge suspected of corruption, and filed criminal charges against him.

Question. For many years under the George W. Bush and Obama administrations, and despite multilateral sanctions, Iran made steady progress towards building a nuclear weapon.

After devoting so much of your own time to the negotiations with Iran to halt their nuclear weapons program, do you see any signs that the Iranian Government is interested in improving relations with the United States and other Western countries for any purpose other than increasing its access to foreign markets?

Answer. The Joint Comprehensive Plan of Action (JCPOA) was a significant achievement that, especially now that the deal is being implemented, removes the threat of an Iranian nuclear weapon and contributes to regional stability. Our experience negotiating the JCPOA demonstrated that engaging directly with the Iranian government on a sustained basis can create a window to try to resolve important issues with Iran. For example, we engaged with Iran in a humanitarian dialogue regarding consular issues that resulted in the release of four U.S. citizens held there unjustly.

While we continue to have strong disagreements with Iran and seek to counter its destabilizing activities in the region, we also see that diplomacy with Iran can work. This is why we are talking to all key regional players, including Iran, about the conflict in Syria. This engagement is clearly in our interest. However, it is up to Iran to decide whether or not to continue to pursue more constructive relations with not just the United States, but with the rest of the world as well.

We are not trying to predict the internal dynamics in Iran. Ideally, we would see a situation in which Iran, seeing sanctions reduced, would start focusing on its economy, training its people, constructively engaging with the world community, and lessening its provocative activities in the region. If Iran chooses to build on the constructive outcomes of the nuclear deal, it would lead to a better future for the Iranian people.

Question. The number of State Department and interagency personnel is decreasing, but the costs of construction and security continue to rise. How does this make sense?

Answer. Afghanistan is and will remain a dangerous place for U.S. diplomats and a costly place to do business. As we reduce staffing in Afghanistan and consolidate operations in Kabul, we keep a constant eye on how we can do our work effectively in the evolving security environment, a process that includes looking for ways to

lower the number of staff in the field and off-shoring certain functions wherever possible.

Security requirements magnify the challenges to our diplomacy and greatly increase the support staff required for our mission. In order to maintain a security posture congruent with current and future security concerns, Diplomatic Security and the Bureau of Overseas Buildings Operations have implemented additional security protocols and installed upgraded physical and technical security measures. As we move toward self-sustainment, Embassy Kabul is developing platforms closer to the Embassy compound to better accommodate life support and security contractors. Additionally, completed and ongoing construction projects are providing housing and office space that allows us to consolidate operations formerly distributed among multiple facilities across Afghanistan, ensuring the safest, most effective platform possible to enable our work.

Our diplomatic presence in Kabul is vital to U.S. national security interests and to maintaining the viability of the Afghan Government. There is no substitute for direct, face-to-face engagement by our diplomats, assistance experts, and military to influence policy makers, oversee accountability of assistance programs, and build Afghanistan's ability to defend its own territory and govern effectively, so that it can never again be used as a safe haven by terrorists to threaten the United States.

Question. In 2003, a plan formulated by former Secretary of State James Baker was accepted by the Polisario and unanimously endorsed by the U.N. Security Council, but rejected by Morocco. Do you see any hope for resolving this dispute?

Answer. Resolution of the outstanding dispute over the status of Western Sahara would greatly advance the prospects for greater regional cooperation and integration. Unfortunately, the parties have neither engaged each other in direct negotiations nor offered new substantive proposals for resolving the conflict since 2007.

We remain committed to the U.N.'s efforts on Western Sahara, including those led by Personal Envoy of the Secretary-General Christopher Ross, to achieve a peaceful, sustainable, and mutually agreed solution to the conflict.

Question. What about at least expanding the mandate of the U.N. peacekeepers to include human rights monitoring, which this subcommittee has called for?

Answer. The United States fully supports current efforts by the U.N. Secretary-General and his Personal Envoy for Western Sahara, Ambassador Christopher Ross, to find a peaceful, sustainable, and mutually agreed solution on the Western Sahara conflict. The United States considers the Moroccan autonomy proposal for Western Sahara to be a serious, realistic, and credible proposal—it represents a potential approach that could satisfy the aspirations of the people in the Western Sahara to run their own affairs in peace and dignity. The United States has consistently encouraged the parties to work with the United Nations and with each other, in a spirit of flexibility and compromise, to find a mutually acceptable settlement.

The U.N. Mission for the Referendum in Western Sahara (MINURSO) plays a vital role in monitoring the ceasefire and military agreements and in providing insights into of the situation on the ground in Western Sahara. Its mission remains critical to the maintenance of peace and security in the territory until the parties reach a just, lasting, and mutually acceptable political solution, which will provide for the self-determination of the people of the Western Sahara.

Addressing the human rights situation in Western Sahara, as well as in the Sahrawi refugee camps, remains of utmost importance. We continue to engage with all parties on the human rights situation in the territory and reiterate our support for continued visits from the U.N. Human Rights Council Special Rapporteurs and the Office of the High Commissioner for Human Rights (OHCHR) to the region. We appreciate the Polisario's standing invitation for OHCHR to visit the refugee camps, and note the OHCHR visits to Tindouf in August 2015 and to Western Sahara in April 2015.

Question. What difference does it make for the United States or for Israel if we contribute to UNESCO?

Answer. The administration continues to oppose unilateral actions in intergovernmental bodies that circumvent outcomes that can only be negotiated between Israel and the Palestinians, including Palestinian statehood. However, it does not serve the U.S. national interest to respond to Palestinian efforts or those of their allies by withholding our contributions to U.N. specialized agencies.

Withholding of U.S. contributions could hinder the U.N. specialized agencies from carrying out work we value highly, limit U.S. influence in these organizations, and undermine our ability to pursue important U.S. objectives—such as working against anti-Israel resolutions and initiatives.

With respect to UNESCO, U.S. leadership at the organization is critical in combatting anti-Israel bias, promoting freedom of expression, countering and preventing

violent extremism, protecting cultural heritage, and supporting implementation of the 2030 Agenda for Sustainable Development.

For example, during the 39th UNESCO General Conference (November 2015), the United States secured the removal of inflammatory language in an Arab Group resolution on the Western Wall. The United States consistently is the only reliable “no” vote on Palestinian resolutions, and we continue to expand the number of member states who have supported our position in defense of Israel in key resolutions. In addition, the United States has consistently been a primary supporter for UNESCO’s unique Holocaust education program, which due to budget shortfalls is at risk of ending.

Because of specific benefits of full participation in UNESCO, the Department continues to seek congressional support for legislation that would provide the administration with the authority to waive restrictions that currently prohibit paying U.S. contributions to UNESCO.

Over our objections, the member states of UNESCO voted to admit the Palestinians as a member state in 2011. The United States has not paid any part of the U.S. assessments to UNESCO for calendar years 2011 through 2016 as required by current law. As a result of our arrears, the United States lost its vote in the UNESCO General Conference in 2013. The fiscal year 2017 request includes transfer authority to pay up to \$160 million (approximately 2-year’s worth) of outstanding assessments to UNESCO, should such a waiver be enacted.

Question. How does our strategy in Yemen account for avoiding civilian casualties and ensuring that humanitarian aid reaches those in need?

Answer. We are deeply concerned by the devastating toll of the conflict in Yemen, both in terms of civilian casualties and the dire humanitarian situation that Yemen faces.

We take accounts of civilian casualties due to the ongoing hostilities in Yemen very seriously. We have urged all parties to exercise restraint, take all feasible precautions to reduce the risk of harm to civilians, and comply with their obligations under international humanitarian law, including with respect to differentiating between civilian objects and military objectives.

In addition to these diplomatic efforts, U.S. military officers regularly meet with senior coalition military leadership and provide recommendations to promote compliance with the Law of Armed Conflict and to minimize civilian casualties. We continue to call on the coalition to investigate all credible reports of incidents of civilian casualties allegedly caused by airstrikes and to share the results of these investigations publicly. Thus far, the Saudis have been receptive to our efforts to engage with them on ways to reduce civilian casualties in Yemen, and we will continue to monitor the effects of our engagement. Saudi Arabia took responsibility for an October strike that damaged a Doctors without Borders facility and announced the formation of a commission in January to look into credible reports of incidents that resulted in civilian casualties, both of which we consider positive steps. We continue to press the Saudis to follow through on their commitment to establish this commission and to make the results of investigations public.

To help address Yemen’s dire humanitarian situation, the United States provided nearly \$179 million in humanitarian assistance in fiscal year 2015, which supports emergency food distribution, safe drinking water, improved sanitation, emergency shelter, life-saving medical care, nutrition services, and protection for vulnerable populations in the region. We continue to call on all sides to allow safe and unfettered access to humanitarian aid workers so that they can reach populations in need. We also recently initiated a program to support a \$2 million contribution toward the U.N. Verification and Inspection Mechanism (UNVIM) in order to screen ships for illicit cargo while ensuring vital food, medical supplies, and fuel are delivered. By facilitating quicker and more predictable entry of legitimate commercial shipments into Yemen, this mechanism will promote economic and political stability in Yemen and the region and also help alleviate the ongoing humanitarian crisis.

Ultimately, there is no military solution to this conflict. We are working diligently to support the U.N. Special Envoy in his efforts to secure a cessation of hostilities and to resume negotiations.

Question. In the fiscal year 2016 Omnibus we provided Tunisia with more aid than the administration requested. What specific steps has the Tunisian Government taken to ensure a more open and transparent economy and tackle corruption?

Answer. We share Congress’ recognition of the importance of Tunisia’s example of democratic governance and how important combating corruption is to that effort. The Government of Tunisia recognizes that important and decisive steps must be taken to fight corruption in order to fulfill the aspirations of the 2011 revolution. The Tunisian Government has laid out an impressive Open Government Partnership plan and is implementing it. Additionally, in January, Prime Minister Essid

created a ministry to improve public governance and fight corruption. The government is currently standing up that ministry. In late 2015, Parliament adopted the Competition and Prices Law to increase transparency and improve regulation. The government is working on a decentralization law that will, among other things, seek to increase transparency and undercut corruption. The Ministry of Finance, with our support, has done important work on streamlining and regularizing tax and customs collection. The Tunisians recognize that more needs to be done and we will continue to support these efforts.

Question. What impact do you expect the \$74 million in economic aid you have requested for Tunisia for fiscal year 2017 to have in achieving these kinds of reforms?

Answer. Our fiscal year 2017 funding will support Tunisian efforts to strengthen democratic institutions at national and local levels by creating mechanisms for greater transparency and accountability as the Government of Tunisia implements decentralization. We will also support the Tunisian Government's implementation of critical procedural, institutional, and legal reforms tied to enhanced transparency, good governance, improved business environments, and decentralization as well as parliamentary oversight of the government. This will include continued support for our successful programs supporting tax and customs reform. Programming will also strengthen the capacity of key stakeholders such as civil society to serve as a watchdog over Tunisia's Government and to hold it accountable to reform timetables.

Question. Your budget request for refugees and disaster assistance is a bit higher than your request last year, but it is \$1.1 billion dollars below the fiscal year 2016 Omnibus.

Given that there are more refugees today than at any time in recent history, and knowing what is happening in Iraq and Syria and the hardships refugees are facing in Lebanon, Jordan, and Turkey—as well as in Africa—how do you explain cutting these programs?

Answer. The administration remains dedicated to providing strong support for humanitarian programs worldwide. The President's fiscal year 2017 request reflects the administration's ongoing commitment to these programs. The fiscal year 2017 request includes \$6.156 billion for humanitarian assistance, including \$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 fiscal year 2017 request for humanitarian assistance is \$511 million higher than the fiscal year 2016 request. In concert with fiscal year 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 Nino.

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 fiscal year 2016 and fiscal year 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. There are signs that negotiations to reunify the island could finally produce results. Is this wishful thinking, or do you agree?

Answer. This is the best chance in decades for Cypriots to reunify their island as a bizonal, bicomunal federation. Republic of Cyprus President and Greek Cypriot leader Nicos Anastasiades and Turkish Cypriot leader Mustafa Akinci continue to make progress on key elements of the settlement in the Cypriot-led, U.N.-facilitated talks. The two leaders, who are from the same hometown of Limassol, have developed a strong rapport and remain committed to achieving a solution. Many Cypriots on both sides of the island want to see a resolution to the long-standing division of their island. In addition, senior Turkish officials have publicly and privately indicated their support for a settlement. The United States remains willing to assist the process in any way the parties find useful.

Question. Under President Erdogan, censorship is on the rise in Turkey. According to the State Department Human Rights Report “[h]undreds of journalists faced criminal charges, many of them multiple counts, for violations of the criminal code including denigrating ‘Turkishness’ or influencing the outcome of a trial as well as offenses related to the anti-terror law.” These prosecutions are an effort to stifle dissent.

What steps you are taking to press President Erdogan to halt these abuses?

Answer. We have expressed our deep concerns about the erosion of media freedom in Turkey in high-level discussions with Turkish officials as well as public statements at the highest levels. During Vice President Biden's trip to Istanbul in late

January, he explicitly called on Turkey to uphold democratic principles and to protect freedom of expression. In the wake of recent Turkish Government actions to use appointed trustees to shut down or interfere with the editorial operations of media outlets critical of the government, we made our views very clear that a democratic society should respect the expression of the full range of opinions, rather than silencing them.

We continue to engage the Turkish Government to encourage it to uphold the universal democratic values enshrined in Turkey's constitution, including freedom of speech, freedom of the press, due process and equal treatment under law.

QUESTIONS SUBMITTED BY SENATOR JAMES LANKFORD

Question. For fiscal year 2017, you requested \$250 million for the Green Climate Fund, which now takes over where the Strategic Climate Fund and Clean Technology Fund left off. Do you have a written evaluation to quantify the success and effectiveness of the Green Climate Fund?

Answer. The Green Climate Fund (GCF) Board, of which the United States is a member, approved its first set of projects in November 2015. The GCF will require regular and transparent reporting on results for the projects it finances and report this information to GCF Board members. In addition, individual Board members will have the ability to require the GCF Secretariat to submit other regular and ad-hoc reports to the Board.

The GCF independent evaluation unit will conduct evaluations of the effectiveness of GCF projects. The GCF will require fiduciary standards and social and environmental safeguards that are among the strongest of all multilateral funds.

Question. How are you going to evaluate the success and effectiveness of the \$750 million Congress is providing as part of the Alliance for Prosperity in the Northern Triangle? Please be specific about the metrics for success and how programs are evaluated in each area you are targeting, such as judicial, prison, tax collection, drug interdiction, criminal justice and security sector reform, etc. In addition, what steps are you taking to be transparent and accountable to the taxpayer? Are you going to publish how much money will be awarded to faith-based non-governmental organizations (NGOs) and other American organizations?

Answer. U.S. support to Central America under the U.S. Strategy for Engagement in Central America programmatically aligns in areas of strategic overlap with the Alliance for Prosperity. The Department's monitoring and evaluation activities regularly provide information to guide the program development, design, and implementation of all assistance implemented under the three lines of action of the Strategy: prosperity, governance, and security.

Under the Central America Regional Security Initiative (CARSI), the Department and USAID have established successful programming models that are being replicated throughout communities across Central America. Efforts to institutionalize modern policing techniques within Central American law enforcement agencies include data-collection tools to target law enforcement presence in underserved communities and those where crime rates are the highest, advancement of police professionalization and internal affairs, training on intelligence-led policing, criminal investigations, operations and officer safety, and certification of institutional practices and police academy curricula. In areas where we have made U.S. assistance investments, particularly through CARSI, we have seen reductions in important indicators of crime and violence, such as homicides. We are now replicating successful interventions.

USAID seeks to contribute to regional evidence and data collection for each of the Strategy's lines of action. To do this, USAID develops strategy- and project-level monitoring, evaluation, and learning plans that make it possible to establish baselines and track the status of programs it implements. These plans also outline what evaluations and other types of analyses are needed to assess progress and any needed adaptations in order to allocate resources appropriately. For example, under the prosperity pillar, we track our efforts to increasing employment and education for citizens by measuring dollar value of domestic and exports sales of assisted firms, number of jobs attributed to our programs, and the number of out-of-school youth enrolled in our education programs.

We coordinate closely with our Central American partners to leverage their contributions to our shared efforts. As we implement the Strategy we will adhere to Federal guidelines to solicit proposals for programming in a transparent and competitive manner. Open competition opportunities can be found through the public Web sites www.grants.gov and www.fbo.gov.

We intend to comply fully with the fiscal year 2016 reporting requirements for Central America and U.S. Government transparency requirements. Information about the Department's foreign assistance programs, including those involving Central America, is available on the public Web sites www.usaspending.gov and www.foreignassistance.gov.

Question. As you, know, Mexico's poppy growth has grown over the last several years, and heroin is pouring into the United States. Poppy fields in Mexico are easily identifiable from the air—everyone knows where the poppies are being grown. How are we working with the Government of Mexico to (A) interdict drugs and traffickers crossing the U.S.-Mexico border and (B) eradicate poppy fields in Mexico? Please be descriptive about the process and extent of your department's interaction with the Mexican Government on this issue.

Answer. Our bilateral dialogue with the Government of Mexico on counter-narcotics, and specifically on heroin, has led to enhanced collaboration on this critically important issue. The Bureau of International Narcotics and Law Enforcement Affairs (INL), under the Merida Initiative, is working with the Government of Mexico to help build the capacity of Mexico's law enforcement and rule of law institutions to disrupt drug trafficking organizations (DTOs) and to stop the flow of heroin and other drugs from Mexico to the United States. This assistance includes training and capacity building for police, enhancing Mexico's interdiction capabilities through the donation of non-intrusive inspection equipment (NIIE) and support for canine units, and assistance with Mexico's transition to an accusatory justice system. INL is also augmenting Mexico's capacity to identify and dismantle clandestine drug labs.

INL support to Mexican law enforcement agencies has augmented their ability to coordinate with U.S. law enforcement agencies along the U.S.-Mexico border. Merida Initiative funding has provided the Mexican Government with the communications equipment and technical assistance to enable the Department of Homeland Security's Customs and Border Protection (CBP) and the Mexican Federal Police to conduct coordinated patrols of our shared border. Merida-supported implementation of the Cross Border Secure Communications Network and Cross Border Coordination Initiative provides direct communication between CBP Sector Offices, Federal Police, and State C4 Command and Control Centers at 10 locations along our shared border. INL is also working in partnership with CBP to provide training to Mexican Federal Police officers assigned to the northern border region.

The United States and Mexico are working to increase communication and information sharing on the topic of heroin and methamphetamine. In addition to discussions at high level security cooperation meetings, in the last year INL funded bilateral heroin and methamphetamine seminars, which brought together leading experts from both countries to share information and strategies. We will continue to pursue additional ways in which we can augment support for Mexico's counter-heroin efforts, including in the area of poppy eradication.

Question. Do you have insight into how the Palestine Liberation Organization (PLO) transfers money, which banks, and the role of the Palestine National Fund, and any other financial nodes? Please provide a full accounting of what we know about the PLO budget.

Answer. Since the creation of the Palestinian Authority (PA) in 1994, the PA has assumed responsibility for governing parts of the West Bank and Gaza ceded to it as part of the Oslo Accords, while the PLO has directed its resources towards achieving Palestinian statehood. We understand the 2015 PLO budget to be \$206 million. This budget is used to support the PLO's political agenda, including the provision of assistance to Palestinians living in refugee camps abroad and supporting PLO missions overseas.

According to media reports, the PLO budget is funded in part by the Palestinian National Fund (PNF). The PNF is led by Ramzi Khoury, a close associate of PLO Chairman Mahmoud Abbas. The total amount of the PNF is unknown, and its actions opaque.

We would be happy to brief you and your staff on greater detail in a classified setting.

SUBCOMMITTEE RECESS

Senator GRAHAM. The subcommittee stands in recess.

[Whereupon, at 3:58 p.m., Wednesday, February 24, the subcommittee was recessed, to reconvene subject to the call of the Chair.]