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U.S. Senate Committee on Foreign Relations
Subcommittee on African Affairs**

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Good afternoon Chairman Coons, Senator Isakson, and members of the Subcommittee. Thank you for inviting me to speak with you. Congratulations to Chairman Coons who is no stranger to Africa, and particularly east Africa which I have the great pleasure of working on regularly. Senator Isakson, we are glad that you remain the ranking member and a great supporter of the State Department and USAID in Africa.

Over the past century, the United States has played a critical role in the transformation of countries from war to peace, and in establishing a clear and necessary path to prosperity to keep those countries at peace and engaged in the global economy. During the 1940s and 1950s, we helped Europe end its wars, rebuild its economies, and protected the continent from the inherent threats of the Cold War. Throughout the 1960s and 1970s, we supported great economic growth in Asia--countries like Korea, Japan, the Philippines, India, Pakistan, and Indonesia. During the 1970s and 1980s, we advanced democracy and development in Latin America and Africa. Throughout the entirety of USAID's 50 years of existence, the Agency has taken on some of the greatest development challenges in Africa, delivering life-saving humanitarian assistance, crucial health interventions, and partnering with Africans to improve democracy, governance and education outcomes.

Today, USAID celebrates 50 years of generosity from the American people who believe that we can make the world a better and safer place if we use our wealth, expertise, and values to invest *smartly*. In the last ten years, the United States has been instrumental in bringing many African conflicts to an end, laying the foundation for democratic transformations and economic growth. At USAID, we have worked closely with our State Department colleagues, many congressmen, senators, faith-based organizations, and NGOs to move beyond simply ending wars already raging out of control to understanding how to prevent the types of conflicts and political instability that threaten our own national security. Corruption, disease, environmental degradation, poverty, illicit trade, and extremism, combined with unemployment and a ballooning youth population require sustained and smart U.S. investments in development. The United States' partnership with Africa is based on our mutual desire to boost economic growth and prosperity for all, including not least American firms and American workers who stand to benefit from the huge markets and growth opportunities present in Africa. That same growth will be shared by African businesses that will generate the kinds of jobs necessary for real economic transformation and political stability. While Africa's future is driven by Africans, the United States will continue to play a major role by investing in our African partners to make sure the kind of economic and democratic outcomes we know to be crucial factors for stability and prosperity are achieved.

To get the kinds of outcomes we are looking for, USAID now has several new tools at its disposal. The Obama Administration's Policy Directive on Global Development is guiding the

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U.S. Government to take stock of its efforts contributing to development outcomes, and to focus and improve the impacts of our interventions. Combined with Secretary Clinton's leadership in the Quadrennial Diplomacy and Development Review and Administrator Shah's own efforts to fundamentally change how USAID does business through USAID Forward, the United States is significantly improving the impact and efficiency of its work in Africa.

USAID is focusing on President Obama's three major initiatives—Feed the Future, which aims to address hunger and unlock the enormous potential of African agriculture as a driver of prosperity; the Global Health Initiative, will save millions of lives while building sustainable health systems; and Global Climate Change, which helps mitigate the potentially dire consequences of climate change on African ecosystems, food production, and economic development. In addition to our bilateral support to African countries, we are engaging heavily with regional organizations like the East African Community, which can work effectively across borders, easing the restrictions on trade and investment and encouraging growth throughout Africa. As part of USAID Forward, we are also expanding our work with local organizations to build home-grown capacity and institutionalize our efforts to strengthen relations between the people and their governments to support lasting, sustainable civil society organizations, government institutions, and educational and health providers that can exist long after USAID support has run its course.

The total FY 2012 budget request for Africa is \$7.797 billion, representing a 10 percent (\$732.7 million) increase over the FY 2010 enacted total. Roughly 65.9 percent (\$5.1 billion) of that consists of bilateral assistance for 13 priority countries (the Democratic Republic of Congo, Ethiopia, Ghana, Kenya, Liberia, Mali, Mozambique, Nigeria, Somalia, South Africa, Sudan, Tanzania, and Zimbabwe) that are critical to national security and economic trade. The request for Sudan represents an increase of 21 percent (\$90.5 million), which would go toward enhancing security, governance capacity and economic growth throughout southern Sudan's transition to independence.

Seventy-seven percent of the request would go toward the President's initiatives, in which we will build on substantial investments:

- Feed the Future: \$507.3 million
- Global Health Initiative: \$5.4 billion
- Global Climate Change Initiative: \$126 million

These initiatives are integrated, focused, and led by each country's specific needs and opportunities. We have worked closely with focus countries to develop rigorous strategies and balance difficult trade-offs with a clear-eyed assessment of where we can most effectively achieve dramatic, meaningful results for the developing world.

An effective government—one that represents the interests of the people and is accountable and transparent—is the best insurance for making development progress sustainable. In African countries, long-term improvements in health, education, economic growth, and the environment ultimately require responsive and representative governments that can promote and consolidate

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gains. In contrast, weak governance dampens economic activity, increases the risk of civil unrest, and can create fertile ground for terrorists.

A number of obstacles hinder the consolidation of democratic political systems in Africa: entrenched political leaders, a lack of systems that provide for checks and balances, the high incidence of conflict due to resources, endemic corruption, legal restrictions on civil society, ethnic grievances, and a lack of a democratic political culture. A recent spate of coups, ethnic conflict, suppression of civil society, and political stalemates between opposing factions suggest a trend of democratic backsliding across all regions of Africa. However, we also see 15 emerging markets which are attracting private capital, commercial investments and nascent bond markets. USAID has reached out to many private sector actors to assist our work and see it expanding in the coming years.

Positive trends have emerged in countries such as Ghana, where democracy continues to grow stronger, enabling it to serve as a regional role model. In 2011, 18 countries in Africa are considered electoral democracies compared with four in 1991, reflecting the long-term progress that has been achieved. An ongoing trend toward decentralization brings authority and service delivery decisions from central control to sub-national and local levels. And civil society organizations continue to grow in numbers and strength, although the need to broaden constituency bases and create linkages between urban and rural communities exists.

USAID's work to strengthen the principles and practices of democracy and good governance helps to create the conditions for peace and development in Africa. USAID helps advance democracy in Africa by promoting the rule of law, free and fair elections, a politically active civil society, and transparent, accountable, and participatory governance. Through technical assistance, training, and financial support, USAID's bilateral and regional offices focus on increasing access to and participation in the political system, empowering local organizations, supporting elections, and strengthening democratic institutions.

Feed the Future affirms the United States' commitment to advance global stability and prosperity by improving the most basic of human conditions: the need that families have for a reliable source of quality food and the means to purchase it. Agricultural growth is highly effective in reducing poverty—especially in Africa, where the majority of rural poor depend on agriculture for their livelihoods. To ensure our investments are effective, we are prioritizing and focusing our resources on a core set of countries where food security objectives can best be realized.

Feed the Future has two key objectives: creating inclusive growth in the agricultural sector and improving nutrition. Women are the backbone of the economy in Africa, gender concerns are integrated in all our efforts, and we are helping partners strengthen their capacity to consider gender throughout all stages of the agricultural production, processing and marketing. Feed the Future's country-owned plans are within the continent-wide efforts known as the Comprehensive Africa Agriculture Development Program (CAADP).

Feed the Future has identified up to 20 potential focus countries worldwide based on the level of need, opportunity for partnership, potential for agriculture-led growth, opportunity for regional collaboration, and resource availability. Twelve of these countries are in Africa (Ethiopia,

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Ghana, Kenya, Liberia, Mali, Malawi, Mozambique, Rwanda, Senegal, Tanzania, Uganda, and Zambia).

To ensure the sustainability and impact of U.S. Government investments, Feed the Future is investing in focus countries in two phases: phase I investments concentrate on *foundational investments*, which are designed to lay the groundwork for an expansion of *core investments* during phase II. To determine whether a focus country is ready for phase II investments, Feed the Future will look for evidence that countries are consulting and coordinating with key stakeholders, including affected communities, the private sector, civil society, and the donor community and determine which countries represent the best opportunities for rapid agricultural growth, poverty reduction, and nutrition.

Feed the Future also invests in regional programs that encompass focus countries and where addressing the challenges to food security requires cooperation across national borders. Regional investments are guided by three main objectives: expanding access to regional markets; mitigating risks associated with drought, disaster, and disease; and building long-term capacity of regional organizations to address regional challenges.

The U.S. government's long-standing bipartisan efforts in global health are a signature of American leadership in the world. Investments in global health strengthen fragile or failing states, promote social and economic progress, and support the rise of capable partners who can help to solve regional and global problems. Through the Global Health Initiative (GHI), the United States in partnership with local governments and donors will accelerate progress toward ambitious health goals which will improve the lives of millions. Funding is targeted to the highest priorities—from infectious diseases to maternal and child health—while helping developing countries build their capacity to help their own people. In order to maximize the sustainable health impact of every U.S. dollar invested in global health, GHI will expand basic health services and strengthen national health systems to significantly improve public health especially that of women, children, and other vulnerable populations with effective, efficient country-led plans. .

Our health programs not only show America at her best, but also deliver results. In 2000 malaria killed nearly a million people each year in sub-Saharan Africa. The cost to the continent was \$30 billion a year in lost productivity. By 2009, that number had dropped nearly 20 percent. In all eight African countries where both baseline and follow-up nationwide surveys have been conducted by the President's Malaria Initiative, there has been reported substantial reductions in all-cause child mortality, and growing evidence suggests that malaria prevention and control measures have been a major factor in these reductions. In FY 2012, PMI will continue to strengthen the capacity of local partners to deliver highly effective malaria prevention and treatment measures. And we will expand malaria control into two critical countries, the Democratic Republic of Congo and Nigeria, which have a combined population of 200 million and where 50 percent of the African malaria burden lies. But despite these successes urgent challenges remain. This year, more than 350,000 women will die in pregnancy or childbirth and 8 million children will die of preventable diseases before their fifth birthday; approximately half of these deaths will occur in Africa.

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GHI provides a platform to increase the efficiency of our investments in global health. Rather than supporting separate lines of health delivery—focused on diseases—GHI focuses on improving service delivery in an integrated way—particularly for women. Doing so generates efficiencies, allowing far more comprehensive treatment during fewer patient interactions. But the real success will be measured in lives saved—today and in the future. Accelerated progress depends on our ability to develop, identify, adapt, and deliver the game changers. We cannot be satisfied with marginal improvements for those who are already served. That is why under GHI, we will make substantial investments in better ways to treat diarrhea and pneumonia in children to save lives and prioritize vaccines, like rotavirus or pneumococcus which are now available, to more effectively prevent disease so children don't have to be treated later. For FY 2012, we have prioritized funding in four areas that have maximum impact on the health of women and children: HIV/AIDS, maternal and child health, malaria, and family planning. We are concentrating our financial, technical, and human resources on these areas to achieve dramatic, meaningful results for the American people and the developing world. Bipartisan Congressional support and the generosity of the American people have long defined U.S. Government global health work. We look forward to continued cooperation and consultation with Congress as we work together to implement this important initiative.

The United States is resolute in its commitment to forge a truly global solution to climate change, and established the Global Climate Change (GCC) initiative to help countries assess their vulnerability to climate change and begin to adapt to these changes. Africa's share of global greenhouse gas emissions is currently small—sub-Saharan Africa has only about 6 percent of global emissions, while encompassing about 12 percent of the world's population. In many parts of the continent, however, emissions are rising rapidly—and there is enormous untapped potential to control their growth. But if emissions are relatively modest, climate impacts on Africa are unfortunately not commensurately limited. Africa is one of the most vulnerable continents to global climate change and climate vulnerability. The FY 2012 request includes \$126 million for GCC in Africa, which will focus on three areas—adaptation, energy, and landscapes—while addressing each of the sectors where the effects of climate change will be the most pronounced: food security, health, and stability.

Of the total request for FY 2012, \$53 million is planned to go toward adaptation—helping countries increase their resilience to changing climatic conditions. Activities will include assisting countries in improving science, building government systems, and identifying activities that can make people, places, and livelihoods less vulnerable over the long term. USAID's priority is in Africa's least developed countries and small islands—those places most susceptible to the initial effects of climate change and least able to combat it. Funding will go toward USAID's three regional programs in Africa (east, west, southern Africa) and ten bilateral programs (Angola, Ethiopia, Kenya, Malawi, Mali, Mozambique, Rwanda, Senegal, Tanzania, Uganda).

The FY 2012 request for GCC in Africa also includes \$25 million for clean energy programs. No country has developed without a parallel increase in the use of energy, which is why developing economies are projected to account for over 80 percent of the growth in emissions by 2030. These countries can and should play a major role in reducing emissions of greenhouse gases

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while still continuing to develop robustly and sustainably. Funding will be dedicated to a mix of countries that are major greenhouse gas emitters, countries that are committed to energy efficiency and renewable energy, and countries where programs can exploit larger scale impacts due to regional interconnectedness (east, west, southern Africa; Kenya, South Africa).

Finally, the FY 2012 request includes \$48 million for sustainable landscapes, which mitigate emissions caused by land degradation, deforestation, and desertification. USAID is working to change the economic circumstances that drive emissions, improve land management, conserve important carbon “sinks” in forests, promote reforestation and afforestation, and promote improved agricultural and agroforestry methods to increase carbon sequestration. The priorities for this funding are the Congo basin (an area managed by USAID’s Central Africa Regional Program for the Environment) and the west African region, as well as Ghana, Malawi, and Zambia. These key locations were chosen based on their potential for mitigation, their potential for carbon markets, local political will, multilateral coordination, and the extent to which efforts can produce best practices and scalable models for other areas.

Our key priorities also require a cooperative approach, so regional integration will be key to achieving the objectives of each of these initiatives. USAID works closely with African regional institutions, which play a vital role in bringing together member states to address challenges that cross boundaries, such as food security, health, and climate change. The potential benefits are significant:

- *Market access and more efficient economies of scale* as firms, including U.S. businesses, are able to freely access a much larger regional market.
- *Reduced transaction costs associated with doing business* through reduced paperwork required to open a business and trade across borders. Integration would also dramatically reduce the time and cost of transport and allow banks and insurers to draw from a larger pool, reducing the cost of finance and expanding access for African, U.S., and international businesses.
- *Foreign investment* as the cost of doing business in the region is reduced, and the potential benefits increase because of the larger size of the market place.
- *Food security* as food moves freely from areas of surplus production to areas of deficit.
- *Stability* as conflicting parties are united under a larger union and as the economic benefits of integration lead to greater regional prosperity.

USAID, working with the Departments of State and Defense, has increased its support to regional integration efforts by closely working with the African Union, the East African Community, ECOWAS, and other regional groupings to ensure that common security and economic issues can be the platforms to creating peace and security in the region.

USAID is serious about Africa. There is no denying Africa’s importance to the United States, both for the moral imperative of helping to solve the biggest development challenges on the planet, and for the very real interests of the United States’ national security and economic opportunities. To accomplish our goals, we understand the importance of getting the most out of every taxpayer dollar spent—that is why we are committed to making crucial reforms that are already having an effect on our work in Africa. USAID is partnering with other donors for

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greater impact, as we are doing with the United Kingdom's Department for International Development in Nigeria to jointly program our resources to ensure the elections were free and credible. We are also proud of our joint efforts with the State Department toward the successful referendum on independence for southern Sudan last January. Smart USAID investments are paying off in Tanzania and Ghana as well, where Feed the Future is leveraging the private sector and working to truly transform food production and the economies of our African partners. As we continue to work with our partners toward our shared goals over the coming months, I very much look forward to a continued conversation on USAID in Africa.

Thank you, Mr. Chairman, Senator Isakson, and members of the Subcommittee. I look forward to responding to any questions you might have.