

**NOMINATIONS OF THE 110TH  
CONGRESS—SECOND SESSION**

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**HEARINGS**

BEFORE THE

**COMMITTEE ON FOREIGN RELATIONS  
UNITED STATES SENATE**

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

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JANUARY 30 THROUGH SEPTEMBER 24, 2008

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Printed for the use of the Committee on Foreign Relations



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S. HRG. 110-777

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U.S. GOVERNMENT PRINTING OFFICE

48-281 PDF

WASHINGTON : 2009

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COMMITTEE ON FOREIGN RELATIONS  
110TH CONGRESS—FIRST SESSION

JOSEPH R. BIDEN, Jr., Delaware, *Chairman*

CHRISTOPHER J. DODD, Connecticut	RICHARD G. LUGAR, Indiana
JOHN F. KERRY, Massachusetts	CHUCK HAGEL, Nebraska
RUSSELL D. FEINGOLD, Wisconsin	NORM COLEMAN, Minnesota
BARBARA BOXER, California	BOB CORKER, Tennessee
BILL NELSON, Florida	JOHN E. SUNUNU, New Hampshire*
BARACK OBAMA, Illinois	GEORGE V. VOINOVICH, Ohio
ROBERT MENENDEZ, New Jersey	LISA MURKOWSKI, Alaska
BENJAMIN L. CARDIN, Maryland	JIM DEMINT, South Carolina
ROBERT P. CASEY, Pennsylvania	JOHNNY ISAKSON, Georgia
JIM WEBB, Virginia	DAVID VITTER, Louisiana

ANTONY J. BLINKEN, *Staff Director*

KENNETH A. MYERS, Jr., *Republican Staff Director*

\*Note: Reassigned to Committee on Finance January 24, 2008.

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COMMITTEE ON FOREIGN RELATIONS  
110TH CONGRESS—SECOND SESSION

JOSEPH R. BIDEN, Jr., Delaware, *Chairman*

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BENJAMIN L. CARDIN, Maryland	JOHNNY ISAKSON, Georgia
ROBERT P. CASEY, Pennsylvania	DAVID VITTER, Louisiana
JIM WEBB, Virginia	JOHN BARRASSO, Wyoming*

ANTONY J. BLINKEN, *Staff Director*

KENNETH A. MYERS, Jr., *Republican Staff Director*

\*Note: Appointed February 12, 2008.

## NOMINATIONS

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THURSDAY, FEBRUARY 7, 2008

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.*

Grieco, Jeffrey, to be an Assistant Administrator of the U.S. Agency for International Development  
Guevara, Ana, to be the Alternate Executive Director of the World Bank  
Morales, Hector, to be the Permanent Representative to the Organization of American States  
Walther, Larry, to be the Director of the Trade and Development Agency

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The committee met, pursuant to notice, at 2:36 p.m., in room SD-419, Dirksen Senate Office Building, Senator Robert Menendez presiding.

Present: Senator Menendez.

Also present: Senators Hutchison and Lincoln.

### OPENING STATEMENT OF HON. ROBERT MENENDEZ, U.S. SENATOR FROM NEW JERSEY

Senator MENENDEZ. This hearing of the Committee on Foreign Relations will now come to order.

Today, the committee meets to consider the nominations of four individuals for key leadership positions in the administration. The President has nominated Hector Morales to be the Permanent Representative to the Organization of American States; Larry Walther to be the Director of the Trade and Development Agency; Jeffrey Grieco to be an Assistant Administrator of the U.S. Agency for International Development; and Ana Guevara to be the Alternate Executive Director of the World Bank.

We congratulate you all on your nominations, and we look forward to hearing from each of you this afternoon.

And we also welcome our colleagues, Senator Hutchison and Senator Lincoln, who are, shortly, going to introduce Mr. Morales and Mr. Walther today.

The United States plays a critical role in promoting economic and social development, trade, political stability, and poverty alleviation around the world. The Organization for American States, the U.S. Agency for International Development, the World Bank, and the U.S. Trade and Development Agency are parts of the toolkit the United States has to address these challenges.

Each nominee before us, if confirmed, would be expected to play a key role in these organizations' missions and the overall U.S. Government strategy overseas, something that I personally take very seriously.

I look forward to the witnesses' testimonies, and hearing how they might contribute to the U.S. goals in these areas.

Mr. Morales, in—your position, if confirmed, will be to represent the U.S. interests in the premier multilateral forum in the Western Hemisphere. You would be in a unique position to communicate and advance U.S. priorities for the region and represent the United States in an important process of developing consensus among member states. The Americas is a region which, unfortunately, has gone somewhat unnoticed by our efforts in the last several years, at least I've viewed it that way, and, having just taken a trip to Latin America with several of our colleagues, heard much of that throughout our trip. In addition, the OAS is not without its own challenges: management capacity, budget shortfalls, and internal tension over respecting state sovereignty. I look forward to hearing, today, how you would work to reconcile these challenges while advancing our priorities in the region, especially in light of the upcoming Summit of the Americas in 2009.

Mr. Grieco, as I have said before, we are at a decisive moment for the future of USAID, and I strongly believe that, until we get serious about rebuilding USAID, we are not going to get the results that the world's poor and marginalized deserve. A mediocre effort will, at best, yield such results. USAID should be the backbone of our foreign assistance, and be viewed as a heavyweight agency both in Washington and in the field. The Bureau for Legislative and Public Affairs has a key role in making the case that USAID is a serious player with serious people who demand serious results.

One good way to weaken an agency in Washington, and in the eyes of Congress, is to give them a weak legislative affairs shop. USAID has a strong tradition of weak legislative affair shops, and I won't, personally, as the subcommittee chairman that handles all of our foreign affairs—foreign—international assistance, I certainly don't want to see that happen.

And so, I believe USAID has a story to tell, and they have a case to make. Of course, if one fails at telling their story, you will lose—but, more importantly, millions of poor and marginalized around the world will lose—and the United States will lose one of the most important tools of soft, but important, diplomacy. So, I look forward to hearing how you intend to proceed to stand in the face of that tradition and make the Bureau of Legislative and Public Affairs the bureau that it can be and that it needs to be.

Ms. Guevara, as we talked about America's role in international development, we need to recognize that our foreign assistance extends to supporting multilateral institutions, such as the World Bank. I know that this administration's use of the term "multilateral" is often used either in vain or out of necessity, but rarely by choice. They should be using it as a way of strengthening a unified effort, rather than as a last resort. That's why I believe that America must continue to play a leading role in the multilateral financial institutions. Your position, if confirmed, would be partly responsible for setting the tone of the relationship between the

United States and the World Bank, a relationship that is not without challenges. The World Bank needs help, and it needs to be reformed. I look forward to hearing how you propose to work to advance these goals in this—current challenges that the World Bank faces in the areas of corruption, incentives, and results.

Finally, Mr. Walther, the U.S. Trade and Development Agency is one of several agencies that the United States uses to fill an important niche in the mix of programs that we carry out. Just because the agency's budget is not as large as some of the other agencies that this committee has jurisdiction over doesn't mean that that work isn't vitally important, and doesn't mean that Congress doesn't expect to see the same results from USTDA as from those agencies to which we appropriate billions of dollars per year.

So, for all four of you, if confirmed, you would play a vital role in institutions whose work is not trivial and not extracurricular, but work that is at the core of the United States effort to combat the world's most intractable problems—problems that merit our undivided attention. In short, this work matters.

In that spirit, I look forward to hearing your testimony today, and I'll end my comments there.

Seeing no other member before the committee now, please let me turn, then, to Senator Hutchison, who will introduce Mr. Morales. Senator.

**STATEMENT OF HON. KAY BAILEY HUTCHISON,  
U.S. SENATOR FROM TEXAS**

Senator HUTCHISON. Thank you very much, Mr. Chairman. Appreciate your holding this hearing, because, as you have said, these are very important posts to which I hope we can send American representatives.

I'm particularly pleased to introduce an outstanding Texan, Hector Morales. He has been an advisor and friend to me for many years. And it is for the position of U.S. Ambassador to the Organization of American States. This, too, is a very important organization for our country and for our initiatives, to try to bring in Central and South America to our trade base and our friendships, and to support democracies in Central and South America.

Hector is certainly qualified for this position. He's been confirmed twice by the Senate, as a member of the board of the Inter-American Foundation, in June of 2007, and as an alternate executive director of the Inter-American Development Bank, in December of 2007.

His impressive biography includes a bachelor of arts degree in history from Columbia University in New York, a law degree from the University of Texas at Austin School of Law. He's practiced law in both Houston and Austin, and had a long tenure with Reliant Energy, one of our largest utilities in Texas. He was first an attorney in the International Law Department, and rose to president and general manager of Reliant Energy Argentina, and then as director of project development for Latin America and the Caribbean. Today, he serves as executive director of the Inter-American Development Bank.

He certainly knows this area, and, I think, would be a wonderful representative for America. He also has given so much in service

to our country. I think, if there's one thing that stands out, it is that he has been willing to leave the private sector to give, in public service.

This is going to be a hard job. As you mentioned, the Summit for the Americas is going to be in 2009, and I think it would be wonderful to have him there to help in the planning for that very important summit.

So, I hope that the committee will act expeditiously for his confirmation. And, since he has been confirmed by the Senate before, I hope that it is uneventful.

Thank you very much. [Laughter.]

Senator MENENDEZ. As do all nominees. [Laughter.]

Thank you, Senator Hutchison.

Senator HUTCHISON. Thank you very much.

Senator MENENDEZ. Let me turn to my friend and colleague, who I'm proud to be back with, since I was with her in the House, and now I get to be with her in the Senate.

Senator Lincoln.

**STATEMENT OF HON. BLANCHE L. LINCOLN,  
U.S. SENATOR FROM ARKANSAS**

Senator LINCOLN. Thank you so much, Mr. Chairman. And it's great to have you in the Senate, that's for sure. We're delighted to be working with you again.

I am proud to be here today to introduce Larry Walther, who's a fellow Arkansan and a nominee to be the Director of the U.S. Trade and Development Agency.

As you know, and have very ably described, USTDA has an impact beyond promoting growth and developing in middle-income countries. They also help American businesses to export their products and services overseas; and, in doing so, they create U.S. jobs.

We, in Arkansas, understand small business. Small business is the engine of the economy for us in this great country, and certainly in States like ours. We also understand that small businesses grow. We have what used to be a very small business in Arkansas that's grown—WalMart comes to mind, but there's many of them—that start as small businesses, and grow tremendously.

Larry brings to this position an abundance of relevant private- and public-sector work experience that will help him pursue USTDA's objectives.

In the private sector, Larry worked for over 30 years for Southwestern Bell Telephone Company, and during that time he worked in many positions; among them, he worked closely with governmental and regulatory agencies at the State and Federal level. Larry's also served as the director of the Arkansas Department of Economic Development. It's a position that has clear relevance to the work that he would be doing over at USTDA.

As director of the Arkansas Department of Economic Development, Larry oversaw efforts to encourage business investment in the State from across the world, making many connections in that arena. This is no small order, and the Arkansas economy has made impressive gains in recent time.

This is, in no small part, due to the success of Arkansas's home-grown Fortune 500 companies—I mentioned WalMart; there's also



Alltel and Tyson Foods, Axiom—that have benefited from a favorable business environment.

Given his past professional experiences in the private sector and the work he has done for my home State of Arkansas, I believe Larry has a great understanding of the latent potential that many emerging economies have for companies that are looking for new consumers abroad.

So, I hope you will look favorably upon Larry Walther's nomination for director at USTDA, Mr. Chairman. And I thank you for inviting me, allowing me to come today, to introduce yet another great Arkansan for an opportunity to serve this country.

Thank you, Mr. Chairman.

Senator MENENDEZ. Thank you very much, Senator Lincoln. For a moment there, I thought you were trying to tell me WalMart was a small business, so—

[Laughter.]

Senator LINCOLN. Used to be.

Senator MENENDEZ. Yeah, used to be. Okay.

Senator LINCOLN. Started that way.

Senator MENENDEZ. All right. Thank you very much.

Senator LINCOLN. Thank you.

Senator MENENDEZ. And I know that you have a busy agenda, so that if you need, at some point, to excuse yourself, we appreciate you coming before the committee and sharing your insights on Mr. Walther.

As we set you up there, let me just say it's time to turn to the nominees.

We ask that you summarize your statements. Certainly, your full statements, each and every one of you, will be included for the record in its totality.

And we invite you, if you wish, to introduce any members of your family that may be here with you today. We welcome all of them.

And we'll start with you, Mr. Morales.

**STATEMENT OF HON. HECTOR E. MORALES, NOMINEE TO BE PERMANENT REPRESENTATIVE TO THE ORGANIZATION OF AMERICAN STATES, WITH THE RANK OF AMBASSADOR**

Mr. MORALES. Thank you, Mr. Chairman and the members of the committee, for the opportunity to appear before you today.

I am honored that President Bush has nominated me to serve as the United States Permanent Representative to the Organization of American States, and I am grateful to have the support of the President, Secretary Rice, and the privilege of your consideration.

And, with your indulgence and the committee's indulgence, I would like to accept your offer and introduce the members of my family that are here with me today.

First, my wife, Selden Wallace Morales, my sister, Ann Michel Morales, and my brother-and sister-in-law, David and Manar Morales.

For the last 4 years, I have had the honor of representing our country at the Inter-American Development Bank; first, as the alternate executive director, and, for the last 3 years, as the executive director. I have also been honored to serve on the board of the United States agency, the Inter-American Foundation.

The Inter-American Development Bank's mission is to help accelerate economic and social development individually and collectively among the region's countries. During my tenure at the bank, there have been notable accomplishments, including the \$150 million replenishment of the Multilateral Investment Fund, the participation of this fund and the Inter-American Investment Corporation with OPIC, and the creation of a \$200 million financing initiative for small and medium businesses in Latin America and the Caribbean, and, less than a year ago, a \$3.4 billion debt relief package to the poorest countries of the region.

I've also been a strong advocate for greater transparency and accountability. While I've been at the IDB, an Office of Institutional Integrity was implemented, and the board now has an audit committee to improve the vigilance and fiduciary oversight of bank operations.

Latin America and the Caribbean are regions with great economic potential, but they face the formidable challenges that confront most developing countries. We must take advantage of the opportunities that effective multilateralism offer to the United States, working through institutions like the IDB and the OAS, as we pursue goals in key strategic areas, including the promotion of democracy, human rights, economic prosperity, and security.

As we do so, we recognize and reaffirm our commitment, expressed in the Inter-American Democratic Charter, that democracy is essential for social, political, and economic development of the peoples of the Americas.

I've had the opportunity to work multilaterally in the Inter-American system in development. I hope this experience, if I am confirmed, will help the United States in our commitment to work with our partners multilaterally to advance our common interests and values, and to ensure that the OAS remains true to the core principles upon which it was founded, now enshrined in the Inter-American Democratic Charter.

Over recent decades, the Western Hemisphere has undergone profound and positive changes. Democracy prevails in all countries but one—Cuba—and respect for human rights is the norm, not the exception. People throughout the region have made enormous sacrifices to strengthen their democracies, and must now consolidate these gains in the face of very serious challenges. These include poverty, inequality, social exclusion, and the inability of institutions to deliver the goods and services that people need, to take advantage of the benefits of democracy and economic opportunity.

It is also important that the United States remain committed to the summit process, which has enjoyed bipartisan support since its inception, in 1994, under the Clinton administration. President Bush has attended three summits, which have brought significant accomplishments in the areas of democracy, job creation, HIV/AIDS, infrastructure, development, education, and competitiveness. The fifth Summit of the Americas, which will take place in Trinidad and Tobago in the first half of 2009, will be an early opportunity for the next President to build on the accomplishments of prior administrations, and also engage many of the region's leaders for the first time. It is critical that the OAS remain engaged and proactive. And, from the U.S. standpoint, this means enterprising,

multilateral engagement in the Americas to ensure that the OAS and the Summit of the Americas continue to enhance their important catalytic role in advancing our shared hemispheric agenda.

If confirmed, I look forward to working with you to address these issues and to continue to promote U.S. multilateral diplomacy in the Americas at the Organization of American States. If given the opportunity to serve, I would approach my role as U.S. Permanent Representative with the benefit of having traveled, worked, and lived in the region. I would also bring to this position my deeply held belief in the importance of a robust U.S. engagement with our regional partners to advance freedom, economic prosperity, and social justice for all the peoples of the Americas.

Thank you, Mr. Chairman, for the privilege of appearing before the committee, and I would be pleased to answer any questions you or the other members of the committee might have.

[The prepared statement of Mr. Morales follows:]

PREPARED STATEMENT OF MR. HECTOR E. MORALES, JR., NOMINEE TO BE U.S. PERMANENT REPRESENTATIVE TO THE ORGANIZATION OF AMERICAN STATES

Thank you, Mr. Chairman and members of the Committee for the opportunity to appear before you today. I am honored that President Bush has nominated me to serve as the United States Permanent Representative to the Organization of American States (OAS), and I am grateful to have the support of the President and Secretary Rice and the privilege of your consideration.

With the Committee's indulgence, I would like to introduce the members of my family here today: my wife, Selden Wallace Morales, my sister Ann Michele Morales, and my brother and sister-in-law, David and Manar Morales.

For the last four years, I have had the honor of representing our country at the Inter-American Development Bank; first as the Alternate Executive Director and for the last three years as the Executive Director. I also have been honored to serve on the board of a United States agency, the Inter-American Foundation.

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I have had the opportunity to work multilaterally in the Inter-American system in the area of development. I hope this experience, if I am confirmed, will help the United States and our commitment to work with our partners multilaterally to advance our common interests and values, and to ensure that the OAS remains true to the core principles upon which it was founded, now enshrined in the Inter-American Democratic Charter.

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services that people need to take advantage of the benefits of democracy and economic opportunity.

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If confirmed, I look forward to working with you to address these issues and to continue to promote U.S. multilateral diplomacy in the Americas at the Organization of American States. If given the opportunity to serve, I would approach my role as U.S. Permanent Representative with the benefit of having traveled, worked, and lived in the region. I would also bring to this position my deeply held belief in the importance of robust U.S. engagement with our regional partners to advance freedom, economic prosperity, and social justice for all the peoples of the Americas.

Thank you, Mr. Chairman, for the privilege of appearing before the Committee. I would be pleased to answer any questions you and the other members of the Committee may have.

Senator MENENDEZ. Thank you very much, Mr. Morales.  
Mr. Grieco.

**STATEMENT OF JEFFREY J. GRIECO, NOMINEE TO BE ASSISTANT ADMINISTRATOR OF THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT**

Mr. GRIECO. Thank you, Mr. Chairman, members of the committee. Thank you for the opportunity to appear before you today.

On January 22nd, 2008, the President nominated me for the position of Assistant Administrator for Legislative and Public Affairs at the U.S. Agency for International Development. I'm deeply honored by his confidence in me, and I'm most appreciative of the support that's been given to me during the nomination process.

I would also like to acknowledge and thank my family for their support. Without their love and encouragement, I, frankly, wouldn't be here today. And, with your permission, I'd like to be able to ask my family just to stand up, briefly, if I could: my wife, Susie, of 15 years plus, and my four great kids, Grant, Alexandra, Danielle, who's probably asleep by now, and Joseph, as well. And they're very appreciative for being out of school today, Senator. [Laughter.]

Senator MENENDEZ. They all look real sharp, too. So—  
[Laughter.]

Mr. GRIECO. Thank you.

I would also like to express my appreciation to my parents, Joseph and Theresa Grieco, of Orchard Park, New York, and my brother, Dave, whose wisdom and love and guidance throughout all the years has been very helpful to me.

I'm a long-time student of international affairs. I've received degrees from the Elliott School of George Washington University, as well as the Edmund Walsh School of Foreign Service at Georgetown, where I received my master's in Foreign Service. In addition, I have studied at the American University in Paris, as well as a

short stint at Oxford University's Templeton College on Comparative International Management.

I knew pretty early on that I wanted to get engaged in a career in international affairs. I joined the administration following 9/11, and I've taken this opportunity to serve my country with the utmost of seriousness and respect for those who serve. It's been exhilarating. It's been highly educational for me, not the least because of what I've learned from my responsibilities dealing with Congress and the American public on behalf of the agency.

Throughout my service as the senior deputy assistant administrator for public affairs within the LPA Bureau, and during the past 9 months as the acting assistant administrator at the agency for LPA, I've been struck by the emerging broad consensus for America's international development and foreign assistance activities, and, in particular, about the mission of USAID.

The humanitarian development mission of the United States has, and will continue to be, a moral imperative for this country. Post-9/11, it is also a national security imperative. And, among the most effective means by which this Nation brings about transformational change in the world is through its use of soft power. If confirmed as USAID administrator for legislative—assistant administrator for legislative and public affairs, I will hold the position that is central to the ongoing conversation between the executive and legislative branches, essential to the effective formulation of U.S. foreign and national security policy.

If confirmed by this position, I see my responsibility as helping to explain USAID's missions, USAID's goals, USAID's programs to the Congress and to the American public, and to foreign audiences, as well as to help ensure a timely flow of information between the Congress and the agency.

I intend to ensure that you are fully informed, in a timely manner and with a measurable fashion, about all of our USAID matters that merit your attention, and that your advice, concerns, and questions are immediately conveyed to our agency's senior leadership, including our administrator, Henrietta Holsman Fore, and our Acting Deputy Administrator, James Kunder.

I'm very proud of our LPA team, several of which are here today. They've received three favorable audits in the last 4 years from the Government Accounting Office, recognizing our innovation and our communications techniques and our competencies. More specifically, these reports have highlighted how USAID's overseas public diplomacy activities and the first coordinated use of targeted paid media campaigns, primarily in GWOT countries, have helped to improve the impact of our programming.

We've also received top honors from the League of American Communications Professionals for our Development, Outreach, and Communications Initiative now being implemented at more than 70 USAID missions abroad.

The combination of broad public affairs experience and, during the past half-dozen years, serving at the agency, of legislative experience and work on U.S. foreign assistance, has prepared me for the added responsibilities that I will assume, if confirmed, as assistant administrator for legislative and public affairs.

Should the Senate choose to confirm me for this position, it would be an honor to serve side by side with the 8,000 dedicated USAID employees who, at great risk and personal sacrifice, answer the development challenges around the world.

Just this past month, I helped to supervise the return of the remains of a USAID Foreign Service officer, John Granville, who was murdered in Khartoum, Sudan, on New Year's Day. John was from the town that I was born and raised in—Buffalo, New York. And the sense of outpouring from Buffalonians for the service that John provided to our country and for the service that USAID provides to the poor, the starving, and the hopeless throughout the developing world, was truly inspiring for me.

As I committed to John in my prayers at his funeral, and to his family, we will endeavor to serve them with the same distinction and purpose that John served our country and that our committed USAID employees do for the American people every day at over 80 missions and offices around the developing world.

In closing, I want the committee to know that, if confirmed, I intend to make myself fully available to consult with any interested staff and members on any and all issues at AID that may fall within your purview. It's my strong belief, and my firm conviction, that full and ongoing communications among all of our major stakeholders are critical within our system of government if the U.S. national interest is to be effectively served. I will dedicate myself to carrying out that principle, Mr. Chairman.

This concludes my formal public statement. I now welcome any questions that you or other Senators here today may have for me. Thank you.

[The prepared statement of Mr. Grieco follows:]

PREPARED STATEMENT OF JEFFREY J. GRIECO, NOMINEE TO BE ASSISTANT ADMINISTRATOR OF THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Mr. Chairman, Ranking Member Hagel, and other Senators of the Foreign Relations Committee, thank you for the opportunity to appear before you today.

On January 22, 2008, President Bush nominated me for the position of Assistant Administrator for Legislative and Public Affairs at the U.S. Agency for International Development. I am deeply honored by his confidence in me and am most appreciative of the support that has been given me during the nomination process.

I would also like to acknowledge and thank my family for their support. Without their love and encouragement, I would not be here. With your permission Mr. Chairman, I would like to recognize my wife of 15 years, Suzie, and our four great-children—Grant, Alexandra, Joseph, and Danielle. I would also like to express my deep appreciation to my parents, Joseph and Theresa Grieco of Orchard Park, NY, and my brother, David Grieco, whose wisdom, love, and guidance has helped me so much over the years.

I am a long time student of international affairs, having received degrees from the Elliott School of International Affairs at George Washington University and the Edmund A. Walsh School of Foreign Service at Georgetown University. In addition, I studied at the American University in Paris, and also for a short time at Oxford University, Templeton College. I knew early on that I wanted a career in international affairs.

Indeed, I have been very fortunate to have had many experienced and well-known mentors and professors over the years including Dr. Jeanne Kirkpatrick, former Secretary of State Madeline Albright, Dr. Gaston Sigur, Dr. Alan Goodman, and former USAID Deputy Administrator, Dr. Carol Lancaster.

I joined the administration following September 11, 2001, and I have taken this opportunity to serve my country with utmost seriousness and respect for those who serve. It has been exhilarating and highly educational, not the least because of what I have learned from my responsibilities in dealing with the Congress and public on behalf of USAID.

Throughout my service as the Senior Deputy Assistant Administrator for Public Affairs in the Bureau of Legislative and Public Affairs (LPA), and during the past 9 months as the Acting Assistant Administrator, I have been struck by the broad political consensus for America's international development and foreign assistance activities and, in particular, about the mission of USAID.

In his National Security Strategy of 2002, the President stated that "including the world's poor in an expanding circle of development—and opportunity—is one of the top priorities of U.S. international policy." Since then, the administration has nearly tripled official development assistance (ODA) worldwide, doubled assistance to Latin America, and nearly quadrupled assistance to Africa. Secretary Rice has reaffirmed his mandate to elevate development. It now plays a key role in our national security architecture as part of the three "D's"—defense, diplomacy, and development—and it is vital to her vision of "transformational diplomacy."

The humanitarian and development mission of the United States has been and will continue to be a moral imperative of this country. Post 9-11, it is also a national security imperative and among the most effective means by which this Nation brings about transformational change in the world through its "soft power."

If confirmed as USAID Assistant Administrator for Legislative and Public Affairs, I will hold a position that is central to the ongoing conversation between the executive and legislative branches essential to the effective formulation of U.S. foreign and national security policy.

If confirmed for this position, I see my responsibilities as helping to "explain" USAID missions, goals, and programs to the Congress and to the American people and foreign audiences, as well as to ensure a complete and timely flow of information between the Congress and the Agency. I intend to ensure that you are fully informed in a timely and measurable fashion about all USAID matters that merit your attention, and that your advice, concerns, and questions are immediately conveyed to the Agency's senior management including the Administrator of USAID, Henrietta Holsman Fore, and Acting Deputy Administrator James Kunder.

In my professional career, prior to joining the administration, I have had substantial experience in international and public affairs, working in major public affairs firms and managing major international accounts. This has equipped me to participate in and help lead the public diplomacy and outreach efforts of the U.S. Agency for International Development.

I am very proud of our LPA team for receiving three favorable audits by the Government Accounting Office (GAO), recognizing our innovative communications techniques and competencies. More specifically these reports highlighted USAID's overseas public diplomacy activities and the first coordinated use of targeted paid media campaigns combining tailored message targeting and pre- and post-campaign audience impact measurements. We have also received top honors from the League of American Communications Professionals for our new Development Outreach and Communications Initiative (DOC), now being implemented in more than 70 USAID missions abroad.

The combination of broad public affairs experience and, during my past half dozen years service in the U.S. Agency for International Development, legislative experience on U.S. foreign assistance has prepared me for the added responsibilities I would assume as Assistant Administrator for the Bureau for Legislative and Public Affairs.

Should the Senate choose to confirm me for this position, it would be an honor to serve side by side with the 8,000 dedicated USAID employees who, at great risk and personal sacrifice, answer the development challenges around the world. Just this past month, I helped to supervise the return of the remains of a USAID Foreign Service officer, John Granville, who was murdered in Khartoum, Sudan on New Years Day. John was from the town that I was born and raised, Buffalo, NY, and the sense of outpouring from Buffalonians for the service that John and USAID provide the poor, the starving and the hopeless throughout the developing world, was inspiring. As I committed to John in my prayers at his funeral and to his family, we will endeavor to serve them with the same distinction and purpose that John and our committed USAID employees do for the American people everyday at over 80 missions and offices around the world.

In closing, I want the committee to know that, if confirmed, I intend to make myself fully available to consult with interested staff and members on any and all matters at USAID that may fall within your purview. It is my strong belief that full and ongoing communications among all major stakeholders are required within our system of Government if the U.S. national interest is to be effectively served, and I will dedicate myself to carrying out that principle.

Mr. Chairman, this concludes my statement before the committee. I now welcome any questions that you and the other Senators here today may have for me.

Thank you.

Senator MENENDEZ. Thank you very much. And I apologize, I thought I had your name—surname right. It's Grieco.

Mr. GRIECO. Grieco, that's right.

Senator MENENDEZ. Grieco. Okay. Thank you very much for your opening statement.

Ms. Guevara.

**STATEMENT OF ANA M. GUEVARA, NOMINEE TO BE ALTERNATE EXECUTIVE DIRECTOR OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT**

Ms. GUEVARA. Mr. Chairman, I'm grateful for the opportunity to appear before you today.

I'd like to recognize my little godchild, Ian Carr, who is in the back of the room with his little sister, Mary, and my little niece and nephew, who are in Californian history class, watching this on the Internet. I also have a large group of supporters, here, of very good friends and colleagues. And, especially, I'd like to recognize my current boss, Assistant Secretary of Commerce Admiral Sutton, the tall one in the back of the room, and two very good friends and mentors, Ex-Im Bank board member Bijan Kian, and former Congressman Henry Bonilla, from the great State of Texas.

I am honored to have been nominated to serve—

Senator MENENDEZ. That's all? [Laughter.]

Ms. GUEVARA. I am honored to have been nominated to serve as U.S. Alternate Executive Director at the International Bank for Reconstruction and Development.

President Bush said, in his State of the Union Address, that America is leading the fight against global poverty, hunger, and disease, and that America is a force of hope in the world, because we are a compassionate people. I share this belief. And as compassionate people with a unique leadership role in the World Bank, the United States must engender strong partnerships to ensure programs meant to eradicate poverty and create inclusive economic growth are not squandered by corruption and mismanagement. If confirmed, I will have the great privilege and responsibility to represent the United States at the World Bank. I look forward to the opportunity to work with Secretary of the Treasury Paulson and others in our Government, as well as with our partners at the World Bank, to improve its effectiveness and impact.

Catalyzing prosperity in the developing world and post-conflict countries is not just a moral imperative; it helps create local stability and peace, and it creates new markets for America entrepreneurs. Indeed, our prosperity and security is tied to those whom we endeavor to help.

For the past two decades, whether as a businesswoman or a government official, I have gained extensive experience forging strong partnerships and formal agreements with governments and international institutions in Asia and Latin America. If confirmed, I will apply these skills to build coalitions that will foster broad support for U.S. priorities with member countries of the World Bank.

My professional life has focused on increasing trade and developing economic competitiveness, whether by opening new markets, providing capacity-building for modern supply chains, customs pro-



cedures, and cultural and heritage tourism, or by protecting U.S. countries from unfair and corrupt practices overseas, or even by promoting venture capital and entrepreneurship. I have also served as ex-officio board member of the Export-Import Bank, worked with the board of the Overseas Private Investment Corporation, and overseen the Department of Commerce's participation in the Inter-agency Working Group on Multilateral Aid.

The most gratifying experience of my professional life, however, has been the community education projects—in Mexico, China, Poland, Ukraine, and rural America—that I was fortunate to be involved with while in the private sector.

In Mexico, I developed a 10-year educational development program, where I learned, firsthand, about the many challenges in implementing a results-oriented project. It allowed me to see how, given the right tools, proper food and nutrition, warm clothes, and a little hope and encouragement, that even the poorest child facing the greatest odds can flourish, exceeding his or her own expectations and transforming a community's quality of life, and, more important, quality of spirit.

In working with the community projects, I also learned how corruption can hurt these programs and the people they are meant to help, when I was forced to turn away one of the communities under consideration because I was not convinced local officials would enforce proper fiduciary controls for project funds.

Mr. Chairman, if confirmed, I will use the combination of my experience with the private sector, public sector, and community service to build support for U.S. priorities, such as anticorruption, governance and accountability, transparency, debt sustainability, environmental safeguards, and to improve results. I will seek to help developing countries capitalize on the benefits of globalization and trade, and to promote an inclusive and sustainable prosperity through private-sector development in these countries.

Thank you, Mr. Chairman. I would be pleased to answer the committee's questions.

[The prepared statement of Ms. Guevara follows:]

PREPARED STATEMENT BY ANA M. GUEVARA, NOMINEE FOR UNITED STATES ALTERNATE EXECUTIVE DIRECTOR OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, BEFORE THE SENATE COMMITTEE ON FOREIGN RELATIONS

Mr. Chairman and Members of the committee, I am grateful for the opportunity to appear before you today. I am honored to have been nominated to serve as U.S. Alternate Executive Director at the International Bank for Reconstruction and Development. President Bush said in his State of the Union Address that America is leading the fight against global poverty, hunger and disease; and that "America is a force for hope in the world because we are a compassionate people." I share this belief. And as compassionate people with a unique leadership role in the World Bank, the United States must engender strong partnerships to ensure programs meant to eradicate poverty and create inclusive economic growth are not squandered by corruption and mismanagement.

If confirmed, I will have the great privilege and responsibility to represent the United States at the World Bank. I look forward to the opportunity to work with Treasury Secretary Paulson and others in our government—as well as with our partners at the World Bank—to improve its effectiveness and impact. Catalyzing prosperity in the developing world and post-conflict countries is not just a moral imperative. It helps create local stability and peace. And it creates new markets for American entrepreneurs. Our prosperity and security is tied to those whom we endeavor to help.

For the past two decades, whether as a businesswoman or government official, I have gained extensive experience forging strong partnerships and formal agreements with governments and international institutions in Asia and Latin America. If confirmed, I will apply these skills to build coalitions that will foster broad support for U.S. priorities with member countries of the World Bank. My professional life has focused on increasing trade and developing economic competitiveness, whether by opening new markets or providing capacity building for modern supply chains, customs procedures and cultural and heritage tourism or by protecting U.S. companies from unfair and corrupt practices overseas, or even by promoting venture capital and entrepreneurship. I have also served as ex-officio board member of the Export Import Bank, worked with the board of the Overseas Private Investment Corporation and overseen the Department of Commerce's participation in the Inter-agency Working Group on Multilateral Aid.

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Mr. Chairman, if confirmed I will use the combination of my experience with the private sector, public sector and community service to build support for U.S. priorities such as anti-corruption, governance and accountability, transparency, debt sustainability, environmental safeguards, and to improve results. I will seek to help developing countries capitalize on the benefits of globalization and trade, and to promote inclusive and sustainable prosperity through private sector development in these countries.

Thank you, Mr. Chairman. I would be pleased to answer the committee's questions.

Senator MENENDEZ. Thank you, Ms. Guevara.  
Mr. Walther.

**STATEMENT OF LARRY WOODROW WALTHER, NOMINEE TO BE  
DIRECTOR OF THE TRADE AND DEVELOPMENT AGENCY**

Mr. WALTHER. Thank you, Mr. Chairman.

I'd like to introduce my wife and soulmate of almost 38 years now, Janice Walther. She's over there. Janice and I have two children, Bill and Mandy. And Bill is a mechanical engineer who works for other Department of Army in Pine Bluff, Arkansas, and he and his wife have two children under—let's see, 7 and under. My daughter—her husband is a college professor; they have four children, 8 and under. And so, it was a little difficult for them to travel from central—you know, from Arkansas and from Missouri to be here, but they really wanted to be here.

It is a pleasure to appear before you today as President George W. Bush's nominee to be director of U.S. Trade and Development Agency. If confirmed, I look forward to making a direct impact on the economic growth and development of middle-income and developing countries around the world through the promotion and export of U.S. technology and ingenuity. My career has taught me many things that are relevant to the success leading USTDA, but none may be as important as the impact of the expansion of infrastructure and its impact on economic development and growth.

Before being selected as the President's nominee for USTDA director, I enjoyed a wonderful career in the private sector. I started

as a switching engineer with Southwestern Bell Telephone Company in 1970, and was fortunate to achieve success throughout my career. Ultimately, I concluded 30 years of service with SBC, with is now AT&T, as the vice president for corporate services and chairman of the SBC Foundation. In that capacity, I oversaw a philanthropic organization that managed \$67 million in community and charity giving.

More recently, I had the honor of serving as director of the Arkansas Department of Economic Development. As the director of ADED, I was responsible for the overall direction and management of the department and for representing the governor and the State on all matters concerning statewide issues of economic development. In so doing, I provided direction and policy advice to the governor, to his cabinet, to the legislature, and regional and local leaders on key issues affecting the economic development and business climate in the State of Arkansas.

As a result of this background, I have a deep appreciation for the essential role of infrastructure, both physical and institutional, in establishing the ideal environment for the private sector to serve as a catalyst for growth. I also understand the role of government in promoting and assisting growth. USTDA trade and development missions reflect this focus. If confirmed, I will look forward to applying my experience in building the—on the agency's outstanding record of success.

As you well know, USTDA's activities position U.S. firms to play key roles in the priority projects in developing countries. Through the strategic use of foreign assistance funds, USTDA seeks to create an environment favorable for trade, investment, and sustainable economic development. The agency accomplishes its mission by assisting early project planning activities designed to promote trade capacity and sector development. In engaging U.S. private-sector expertise early in the project planning process, USTDA helps to ensure that U.S. firms will be competitive during the implementation phase. This model of foreign assistance has created successful mutual economic benefits to both U.S. industry and our partner countries in emerging economies.

On a more personal note, the agency already has a significant focus on promoting the development of information and communications technology around the world. Given my background and the capacity of this sector to serve as a catalyst in the development of other sectors, I would like to reinforce the agency's commitment in this area. More broadly, this unique trade and development mission is one that I am committed to successful leading.

Mr. Chairman, I am eager to undertake the role of USTDA director. If confirmed, I will build upon the agency's outstanding reputation of responsiveness, flexibility, and success with the U.S. business community. I intend to continue the agency's long track record of partnerships with exceptional projects, sponsors overseas to foster commercial solutions for their developmental goals. I am deeply honored and humbled that the President has nominated me to serve as USTDA director, and I look forward to working with you and your staff in the future.

I want to thank you, again, very much for holding this hearing today, and I'd be happy to answer any questions.

Thank you.  
 [The prepared statement of Mr. Walther follows:]

PREPARED STATEMENT OF LARRY W. WALTHER, DIRECTOR-DESIGNATE, U.S. TRADE  
 AND DEVELOPMENT AGENCY

Thank you very much Chairman Menendez, Senator Hagel and the Members of the Committee. It is a pleasure to appear before you today as President George W. Bush's nominee to be the Director of the U.S. Trade and Development Agency (USTDA). If confirmed, I look forward to making a direct impact on the economic growth and development of middle income and developing countries around the world through the promotion and export of U.S. technology and ingenuity. My career has taught me many things that are relevant to successfully leading USTDA, but maybe none as important as the impact that the expansion of infrastructure has on economic growth.

Before being selected as the President's nominee for USTDA Director, I enjoyed an accomplished career in the private sector. I started as a Switching Engineer for Southwestern Bell Telephone Company in 1970 and was fortunate to have achieved success throughout my career. In my professional capacities, a significant portion of my career with SBC was spent in a leadership role in the area of governmental and regulatory relations. Specifically, I had the pleasure of representing the company before all levels of government, the majority of which was working with state regulatory commissions and the legislative and executive branches. I also had a major role within the company in economic analysis and marketing oriented business development.

Ultimately, I concluded 30+ years of service with SBC as the Vice President for Corporate Services and Chairman of the SBC Foundation. In that capacity, I oversaw a philanthropic organization that managed \$67.4 million in community and charity giving. As Chairman of the Foundation, I was charged with the responsibility for developing and refining the Foundation's strategic plan, implementing that vision, and ensuring it met the goals of the SBC Foundation's directors and the Chairman of SBC. In supporting various philanthropic organizations, I had to evaluate and identify those programs that best met the goals of the Foundation, and had a high likelihood of success, ensuring I was a good steward of the Foundation's funds.

More recently, I had the honor of serving as Director of the Arkansas Department of Economic Development (ADED). As the Director of the ADED, I was responsible for the overall direction and management of the Department and for representing the Governor and the State on all matters concerning statewide issues of economic development. In so doing, I provided direction and policy advice to the governor and his cabinet, the legislature, and regional and local leaders on key issues affecting the economic development and business climate of Arkansas. I formed significant relationships with top level management within the private sector, addressing the economic conditions and business and investment opportunities in the State. In addition, I led numerous economic and trade development missions to the Far East and Europe, actively pursuing investment by foreign companies into the Arkansas economy.

As a result of this background, I have a deep appreciation for the essential role of infrastructure, both physical and institutional, in establishing the ideal environment for the private sector to serve as a catalyst for growth. I also understand the role of government in promoting and assisting growth. USTDA's trade and development missions reflect this focus. If confirmed, I look forward to applying my experience in building on the agency's outstanding record of success.

As you well know, USTDA activities position U.S. firms to play a key role in priority projects in developing countries. Through its strategic use of foreign assistance funds, USTDA seeks to create an environment favorable for trade, investment, and sustainable economic development. The agency accomplishes its mission by assisting early project planning activities designed to promote trade capacity and sector development.

Fundamentally, USTDA provides access to U.S. technology, expertise and ingenuity in meeting developmental challenges. This access serves as the basis of the public-private partnerships that are a hallmark of the agency's success. Often, USTDA investments are matched by contributions from U.S. firms that share the agency's and project sponsor's commitment to a development priority.

By engaging U.S. private sector expertise early in the project planning process, USTDA helps to ensure that U.S. firms will be competitive during the implementation phase. This model of foreign assistance has created successful mutual economic

benefits for both U.S. industry and our partner countries in emerging economies. USTDA has an impressive record of achievement in carrying out this mission. Since 1981, USTDA has been associated with more than \$28 billion in U.S. exports. This amounts to approximately \$39 in U.S. exports for every \$1 invested by the agency.

USTDA also has a strong record of support for U.S. small businesses. In fact, the agency contracts exclusively with small businesses in evaluating the funding proposals that the agency receives. These contracts help to provide small businesses with important international experience that they can apply in competing for other business opportunities.

In recent years, the agency has placed considerable emphasis on activities that advance U.S. policy objectives. Priority areas have included the promotion of global energy security, the application of environmental technologies, ensuring secure and safe trade, and enhancing regional integration. In doing so, I believe the agency has significantly leveraged its resources, and magnified its impact, by focusing on areas that complement efforts by other U.S. Government agencies.

In addition, USTDA has targeted its program on developing countries' trade capacity. This area now accounts for half of the agency's obligations worldwide. Recognizing the capacity of trade to unleash the dynamic power of the private sector as an engine for growth, these activities are designed to enhance countries' ability to efficiently and effectively participate in the global economy.

In these ways, USTDA rightly recognizes that for the infrastructure to reach its fullest potential, the institutional capacity also must be in place for the private sector to succeed. By helping to create both the infrastructure and the environment for U.S. firms to compete overseas, USTDA is opening new markets to U.S. goods and services around the world.

USTDA has a unique trade and development mission, and I am committed to that mission. I am also interested in exploring additional efforts that the agency can make as an integral part of advancing larger U.S. policy priorities. I seek and welcome the guidance and support of the Congress in these efforts. The agency already has a significant focus on promoting the development of information and communications technology around the world. Given my background and the capacity of this sector to serve as a catalyst for the development of other sectors, I would like to reinforce the agency's commitment in this area.

Mr. Chairman, I am eager to undertake the role of USTDA Director. If confirmed, I will build upon the agency's outstanding reputation for responsiveness, flexibility and success with the U.S. business community. I intend to continue the agency's long track record of partnerships with exceptional project sponsors overseas to foster commercial solutions to their development goals. Moreover, I will consult regularly with this committee and its counterpart in the U.S. House of Representatives. I also plan to continue USTDA's close coordination with other U.S. Government agencies through the Trade Promotion Coordinating Committee, and with other agencies that possess technical expertise and other resources that can be applied in increasing the effectiveness of USTDA's programs.

I am deeply honored and humbled that the President has nominated me to serve as USTDA Director and look forward to working with you and your staff in the future. Thank you very much for holding this hearing today. I am happy to answer any questions that you have.

Senator MENENDEZ. Thank you, Mr. Walther.

Thank you all.

And let me start a first round of questioning. We'll put up 7 minutes, and, unless we get other members, I'll continue thereon.

So, let me start with you, Mr. Morales. I appreciated what you said in your opening statement. I want to know what you think the role of the OAS should be. I know what it is, but I want to know what you think the role of the OAS should be in the Americas.

Mr. MORALES. Mr. Chairman, I think the role of the OAS is extremely important. I mean, clearly its mission to help promote and consolidate democracy is fundamental. I think that we need to continue to support that. But it also does quite a bit in the area of development. Both of these are critical if we're going to have the kind of stability, I think, that we want to see in the region. I believe that you have to have democracy in order to really have effective programs that are going to alleviate the challenges that I out-

lined in my statement—poverty, social exclusion—because that—hopefully, that will lead to economic and social development. They mutually reinforce one another. So, the role of the OAS is critical to that, and that's what I believe.

Senator MENENDEZ. Let me ask you. We are the largest contributor to the OAS. How do you see our role in the process of developing consensus among member states? And, before you answer that, you know, we have a challenge in the hemisphere. I spent a lot of time on focusing in the hemisphere when I was in the House, as well as now, in the Senate, and just came from a visit there, of five countries. You know, we have a challenge in the hemisphere. We see authoritarian—what I consider to be authoritarian rule, guised under the cloak of constitutions, such as in Venezuela. We see a movement toward the populace of many countries who do not believe that democracy has brought good things to life and/or open markets. And we see a rising tide of anti-Americanism.

In that context, how do you see us working with the other countries of the OAS to bring common cause to what you describe as your own vision of what the role should be?

Mr. MORALES. I think that consensus-building is very difficult. I—the work that I've had the pleasure to do at the Inter-American Development Bank—while not similar to the OAS in terms of “one vote, one country,” the work there is very much based on a consensus spirit. So, what that means is, advocacy, a willingness to listen, and a willingness to engage—and I think that that is—I would imagine—I don't know what the OAS is like, but I have spoken to colleagues who have worked there and are working there, and it is, I think, critical that we send a signal that—one, that we care about the institution. I think the regional members have—and the observers—have a real interest in the success of the OAS. So, I think our active participation is a way of manifesting our commitment to the goals of the—to the OAS, as well as our commitment, more broadly, to the region.

So, I think that—while there are clearly many different voices, I think what we have to signal is that, if these are democratic governments, we need to be prepared to work with them across ideological lines, across party lines, and that's the signal that we should send. Hopefully, they'll want to work with us, but I think we have to be willing to say that this is what we're prepared to do.

I think, in terms of the budget, we do offer more than 60 percent of the budget, but we're also providing assistance in a number of other programs. I think that the fact that it's not percentage-based allows, I think, the other countries to feel that their vote is just as important. And it is. Every vote in that institution is important. But, it also means that we have to be very active and engaging, and be strong advocates.

Senator MENENDEZ. What do you think is the biggest challenge the OAS has? And, after defining it, how would you work to meet that challenge, to overcome that challenge?

Mr. MORALES. The—clearly, I think, the challenges—among the largest challenge is how democracies can help to provide the benefits and goods that people expect that type of government to offer. And I think that the OAS, through many of its programs, whether it's through the human rights—the work of the Human Rights

Commission, whether the electoral observation missions that it's doing—all of these programs, I think, are designed to show that a democratic and pluralistic form of government is the best way to ensure that these challenges that exist can be addressed, and addressed effectively.

I think that how I would go about it, if I were to be confirmed, would be to continue to underscore the importance of the Inter-American Democratic Charter, to work, not only on the reinforcement of democracy, but, as I said earlier, also on the development program. Economic and social programs are critically important to the—to democracy. So, that, if I were to be confirmed, would be how I would approach the position.

Senator MENENDEZ. Thank you for your answer. If you are to be confirmed, I would urge you to look at legislation, that Senator Martinez and I have, creating a fund for the Americas. I think it's incredibly important. And we certainly would be looking for some vigorous advocacy at the OAS. We think our country needs it in the hemisphere, and this is our front yard, our closest neighbors. And—many of us believe that the only time we pay vigorous attention is when we have a problem—and when we have a problem, it's late in the process. We need to engage, early on. So, I'm happy to hear some of your answers.

Mr. Grieco, let me ask you—you and I had a chance to talk, in private, about some of the challenges of the department, as you know. I know that both AID and the State Department have complained about a number of congressional directives, about limitations, about holes on reprogramming. And, as I talk to my colleagues, that happens because they feel they don't get the right consultation—not information, not notification, because that's just telling me what—something is happening; doesn't engage me in the process of working toward a decision. So, notification is one thing. A lot of that is by statute, and necessary, so it's not a question of whether you have the discretion. Engagement and consultation is another. And so, hence, I think you've seen a rise of congressional directives on limitations and holes in the reprogramming.

How would you, in your role—now, you've been acting in this role for 9 months. So, now the question is—now—and, I believe, largely, you've had authority, but now, with the absolute confirmation of the Senate, presuming that happens, how would you work to improve this relationship with Congress, number one? And, number two, would you commit—responsiveness is part of our challenge, getting responsiveness to questions posed, both orally and in written form—how would you commit—would you commit to a timeline for responsiveness to congressional inquiries? And, if so, what would that timeline be?

So, first, how would you seek to make the relationship more constructive, more engaging, more responsive? And, certainly, in terms of inquiries, what would you be willing to commit yourself to?

Mr. GRIECO. Well, I think—if I can start with the latter, I think what we'd like to try to do—since I've been involved in—as an acting assistant administrator in the bureau right now, we've gotten our congressional response rates for written requests down to 90 percent, or at a 2-to 3-week average right now. I think we can improve that even more, frankly.

In addition to those written responses, what we have talked about within the agency—and we've had several new assistant administrators now confirmed, that have now joined us in our African Bureau, Latin America Bureau, and so forth—there is a big interest on behalf of our assistant administrators to come up and do more regular consultations on our programming, with the committee and with our appropriators committees, as well. We're anxious to do that.

We are seeing, now, I think, a more active approach from our assistant administrators to come out to Congress and testify on various issues. We just had an assistant administrator, Kate Almquist, up, this week, on Kenya. We hope to have more assistant administrators in our functional bureaus also testifying in the next few weeks, as well. And I think we'd like to see an aggressive positioning of the agency, especially on its programming budget, on its operating-expense budgets, to come up and talk to Congress, and get Congress's ideas, too.

We talked, yesterday, a little bit about the congressional budget justification, some of the frustrations that you've experienced with that, and I think we're more committed than ever, and we're fairly optimistic, that the long version of that CBJ, which you're doing to receive, hopefully, in the next few weeks, is going to have much greater detail for your requests. We'll offer datasets from us to you, providing greater congressional interest—

Senator MENENDEZ. So, I'm going to get country—

Mr. GRIECO. You're going to get countries—

Senator MENENDEZ [continuing]. Or the committee—

Mr. GRIECO [continuing]. And sectors.

Senator MENENDEZ [continuing]. Country-by-country projects?

Mr. GRIECO. Plus sectors, as well. And I'm—if I can just—if you would oblige me for one second, we also added to the CBJ this year, specifically at this committee and other committees' request, you will receive sector and element representations in charts that break it out, not just by the countries, but also, now, by some of the biggest issue areas that you've raised with us—trafficking in persons; maternal and child health will now have its own page; HIV/AIDS, malaria, and TB will be broken out; family planning and reproductive health; and basic ed—just to name a few. So, that—we believe that it's going to be better than last year's version. We're listening to Congress, and we're responding to Congress. We think we can make it better. We're in the middle of a process in this, and we hope that, with your guidance and your consultation, that it can be what you want it to be.

Senator MENENDEZ. How about performance data?

Mr. GRIECO. Performance data is based on a separate system, so we have FACTS, which is a new foreign assistance measurement system, which is tied to our performance analysis, and that is—we're going to be offering the staff a briefing on that, I understand, within the next week or so. That's a newer system, and it's ready to roll out formally, I believe, to the Hill, and we're looking forward to doing that.

Senator MENENDEZ. Well, I see no other member before the committee, so I'm going to continue. If a member comes in, I will yield to them.



How does the budget of the Bureau of Legislative and Public Affairs compare to that of the H Bureau at the Department of State and the legislative shop at the Millennium Challenge Corporation?

Mr. GRIECO. AID is fairly small, sir, in comparison. AID's got about eight leg officers. My understanding is State's got approximately 100, with admin staff included; MCC, I think, between four and six on the leg side. Our bureau has about 80 people, total, when you add—

Senator MENENDEZ. Millennium Challenge has between four and six?

Mr. GRIECO. Just on the leg side, yeah.

Senator MENENDEZ. And you have what?

Mr. GRIECO. I have about eight leg liaison officers, for us. And we—

Senator MENENDEZ. What's your budget, compared to the Millennium Challenge budget?

Mr. GRIECO. I've never been asked, or privy to, the MCC's budget on their leg side, but I—if the committee requests, I'd be happy to try to provide that information.

Senator MENENDEZ. Yeah, well, we would like to see it. AID has a very important role, and I appreciate what the Millennium Challenge Corporation does, but it sounds like that's a disproportionate leg shop, compared to what you do.

Let me ask you this. How would you describe the overall capacity of the Legislative and Public Affairs Bureau at AID?

Mr. GRIECO. Compared to MCC—

Senator MENENDEZ. Just—the overall—your overall—

Mr. GRIECO. Oh, I think—

Senator MENENDEZ [continuing]. Capacity.

Mr. GRIECO. I think that we have tremendously dedicated people. Several of our staff—career staff have been in the bureau for more than 20 years, and are experts—really, I think, the U.S. Government's experts—on an appropriations process on our foreign assistance budgets. Our public affairs staff is equally dedicated, and we—as I said, the GAO reports have validated that we have unique competencies here that, I think, can be expanded. We're looking—the administrator, when she arrived, the first thing she did was, we need to rebuild LPA staffing. She's getting us several more legislative staffers, that are in process now. We have several more public affairs staffers coming in. A new chief of public liaison just arrived yesterday. And we're doing aggressive replanning on both the staffing and resource side for us. And we have a very small program budget within the bureau, which we implement the strategic ad campaigns, which we talked about in our doc program overseas.

But, there is some program money that we received previous, under the Biden Pell Grant, for domestic education, about what development does for U.S. interests, for us to talk about to the domestic audience. And, unfortunately, that's been capped at only about \$25,000 a year. We would love to see that cap removed, so that we could do more aggressive outreach to the American public about what foreign assistance does for their own security and does for U.S. national interests.

Senator MENENDEZ. You're capped at 25,000?

Mr. GRIECO. 25,000.

Senator MENENDEZ. To communicate to the American people why—

Mr. GRIECO. Yes.

Senator MENENDEZ [continuing]. We spend what we spend, and what's their—

Mr. GRIECO. For development—

Senator MENENDEZ [continuing]. Interest in it?

Mr. GRIECO [continuing]. Education portion, yes. Now, I have a \$1.7 million budget for the whole bureau, which includes my staffing, my leg staff, my public affairs staff, and outreach activities, generally.

Senator MENENDEZ. Okay. Well, that answers part of that question I was going to provide to you. If you had more money, what you do differently, in terms of the public perception, here domestically, about the importance of AID and our foreign assistance, in general?

Mr. GRIECO. This would be program money, so the program money that we would receive for that purpose would have to—you know, I'm very cognizant that, in the past, Congress has had a number of problems with the agency, over many decades, with some of that money being provided for domestic audience education that was used for other purposes. And I think that's one of the problems, in the past, that's put some constraints on the agency.

Since I've been there, more 7 years, we're very focused on targeting our work, providing Congress with initial analyses of what we're trying to achieve, and then doing post-event performance reviews, and providing you with the information show what our audience reach was, did we move the audience awareness ticker? And I think we can show you a model that works, because we're doing it now throughout the developing world, as well.

Senator MENENDEZ. Now, let me—before I turn away from you—I would like to pursue that a little bit more, but—okay.

State wants the record to reflect that they only have 70, not 100 employees. [Laughter.]

Mr. GRIECO. Sorry. I stand corrected, and I'm sure I'll hear from Mr. Bergner later about that. [Laughter.]

Senator MENENDEZ. No, no, no. You were giving your best estimate. You didn't have the numbers before you. We can't hold you responsible for it. I just wanted to get proportionality, here—

Mr. GRIECO. All right.

Senator MENENDEZ [continuing]. Get a sense.

So, the record is reflected, now, for the State Department, that they don't have 100, they have 70. [Laughter.]

Senator MENENDEZ. Which means that I'm still going to get my requests a lot quicker, now that I know they have 70. Let me just—

[Laughter.]

Senator MENENDEZ. Let me just ask you one thing. You were very good in giving me an answer about how you're trying to improve the timelines, but you didn't make a commitment to what the timelines would be, in terms of responding to inquiry—congressional inquiries. Is it 2 weeks? Is it 3 weeks? What would it be?

Mr. GRIECO. Here is the issue, that we spoke about a little bit, briefly. If the request requires us to go out to our missions overseas, it automatically adds time for us, because our staffing at the missions is so tight, and they're doing, many of them, two and three different jobs at the mission, and with—

Senator MENENDEZ. So, let's bifurcate it.

Mr. GRIECO. So—

Senator MENENDEZ. Let's say it doesn't go out—

Mr. GRIECO. If it doesn't require—

Senator MENENDEZ [continuing]. The request doesn't require—go outside. What would you commit yourself to?

Mr. GRIECO. I'll commit myself, sir, to 2 weeks, at the outset; and if we can improve upon that, in practice, that's my goal.

Senator MENENDEZ. And if it is outside—or you have to go through the bureaus outside, what would you think would think would be an appropriate timeframe?

Mr. GRIECO. Again, it's going to depend on whether the information is going to require us, in the field, to undertake actions to extract the information from our local partners or our local NGOs or host governments, but—

Senator MENENDEZ. What do you think is a reasonable timeframe?

Mr. GRIECO. Within a month?

Senator MENENDEZ. Okay.

Ms. Guevara, let me ask you a couple of questions. You're going to be—you know, "alternative executive director" sometimes sounds like, well, doesn't really matter, until—it's like being Vice President, you know, you're there and waiting. I look at the alternative executive director in a little bit different way, much more proactively, and have—and certainly, as we have seen—if Mr. Morales gets confirmed, he's going to be leaving a position that the all—you know, there's going to be alternatives to—alternates to. So, you know, it can—you can ultimately function in the position, itself. So, I'd look at the alternate as very important in our decisionmaking.

And so, the World Bank—there's an area—two areas that I want to explore with you. One is, middle-income countries can now borrow from the private capital markets at pretty competitive interest rates. So, what's the incentive for poor countries to borrow from the World Bank? And, in essence, how—what do you see the comparative advantage is for the World Bank—to borrow from the World Bank versus—you know, from middle-income countries versus, largely, the market that they can achieve in the private marketplace, without the World Bank's constraints?

Ms. GUEVARA. Thank you, Mr. Chairman.

The World Bank has a mission that is not only just to loan money, but one of the things that it brings is its ability to have capacity-building and provide technical assistance. This is the one thing that it has over a regular bank that might be lending money to developing countries or to middle-income countries, is that the World Bank could provide capacity-building, could help with helping countries meet their environmental safeguards and other social safeguards.

Senator MENENDEZ. So, you think that that is the singular nature—that it's the capacity-building essence of it, that gives the bank the desirability—the people the desirability—countries, I should say—the desirability to go to the bank?

Ms. GUEVARA. I certainly think it's one of the best incentives. If the countries can go to the private sector and don't need that help, then there's no need to go to the bank.

Senator MENENDEZ. So, how do you think the bank should charge for those activities?

Ms. GUEVARA. I think the poorest countries—if we're looking at Africa, those services should not be charged, necessarily, for those countries. If you're looking at more middle-income countries, depending on the service, then you could look at what that capacity-building and technical assistance would be.

Senator MENENDEZ. Is that—well, what does the bank do now in that regard, do you know?

Ms. GUEVARA. I don't have a lot of information on that, but—

Senator MENENDEZ. Let me ask—

Ms. GUEVARA [continuing]. I'll be glad to find out.

Senator MENENDEZ [continuing]. You this. What do you think is the main mission of the bank? Is it economic expansion or is it poverty alleviation?

Ms. GUEVARA. It's eradication of poverty. And to the extent that it's promoting economic growth, it should do it in an inclusive manner.

Senator MENENDEZ. Okay. You gave me the words "inclusive manner." Give me a little bit of meat on that bone.

Ms. GUEVARA. Yes, sir. We've heard a lot about global prosperity, especially in the last years, and globalization, and the point is that not everybody has been able to partake in that growth and in that prosperity. And what the World Bank does is ensure that this prosperity includes all people, even those that perhaps don't have the natural ability to partake in it.

Senator MENENDEZ. And the reason I pursue that with you is because we can have economic expansion, but that does not guarantee poverty alleviation or elimination.

Ms. GUEVARA. I agree.

Senator MENENDEZ. And so, we look forward to seeing our leadership on the bank move in a direction that, maybe, can have economic expansion, but is also about significant poverty alleviation, at the end of the day.

Let me ask you this. The World Bank, as with so many institutions, particularly of this size, has—suffers from some of the problems that plague large bureaucracies: it has entrenched interests, it has turf wars, it has competing ideologies, power, and, of course, money. In my mind, the most obvious, and, frankly, in my view, the most absurd, tradition at the World Bank is the instinctive structure—the way in which the bank promotes its recognition for bank personnel is based on pushing money out of the door, rather than on the results their programs demonstrate. I know that—from your discussion of your private-sector experience, I'm sure you didn't achieve success by pushing—just simply pushing money out the door. If you did, I—tell me the company, so, when I retire, I can go try to work there. [Laughter.]

Senator MENENDEZ. So, point is, Do you think that's a good way to run an agency?

Ms. GUEVARA. I think it's vitally important for the effectiveness of the World Bank to have a focus on results-based measurements, and that it's not just about how much money you pushed out the door, but following that project and making sure that results on the ground were made, and, further, in having incentive to countries who show that they are showing results in the way that their loans and their credits are given to them.

Senator MENENDEZ. What would you do to—then, if you are confirmed, would you do to change that present standard at the bank?

Ms. GUEVARA. Well, if I was confirmed, I would work with the USCD. Again, I think, coalition-building and building support from different countries is very important, and working with President Zoellick to see what sorts of internal policies could be changed to move in that direction.

Senator MENENDEZ. Let me ask you one last set of questions. Give me a sense of the governance structure of the bank. Who has the power within the bank? And who makes the majority of the funding decision? Who decides where the money goes and what it's used for?

Ms. GUEVARA. The bank is run by the board of directors that are representatives of the member states, and it's the board that votes on where the funding will go.

Senator MENENDEZ. And how does that directorship—is it weighted, or is it—is it equal votes?

Ms. GUEVARA. Yes, sir, it's weighted, depending on how large a share the member has.

Senator MENENDEZ. So, therefore, it's not just that the directors have a vote, but, since it's weighted, there's obviously a universe in that structure that has a pretty big say about where that funding goes, right?

Ms. GUEVARA. Yes, sir.

Senator MENENDEZ. Mr. Walther, let me ask you—I thought I heard this in your opening statement. I think it's a good thing, but I just—let me ask you. Many people, when they're confirmed at the late stage of an administration, try to scramble and put their mark on the agency, and sometimes propose changes, reorganizations, a refocusing of the mission. Sometimes they can be good, sometimes it can be chaotic, because it cannot be executed within the time-frame of the appointment. So, how—what would be your agenda for the next 10 months or so, if you were to be confirmed by the Senate?

Mr. WALTHER. That's very—a very good question, Mr. Chairman. I have observed—

Senator MENENDEZ. I'm looking for a very good answer. [Laughter.]

Mr. WALTHER. I'm going to get—

Senator MENENDEZ. You have to have some humor in this process, I think. [Laughter.]

Mr. WALTHER. Touche.

I have observed this agency from afar for some time. I've had friends—two people who were former directors, and people that have worked within the agency—so, I've observed it for some time.

And this agency is very unique. It's small. It's very nimble. It uses its resources very conservatively and wisely. And the staff, from my observation, is very professional. I have had some discussions with the senior staff, only. But, I am very, very encouraged and very—the level of expertise and the way they conduct themselves is extremely professional. I can see no changes like that at all. They've got a wonderful mission. They're accomplishing their mission. And I would like to continue to aid them in doing that, and in aiding these countries, also.

Senator MENENDEZ. Good. Let me ask you—you just described a very nimble agency. It's a niche agency, as well.

Mr. WALTHER. Right.

Senator MENENDEZ. It requires its interrelationship with other agencies, to some degree, to perform its mission. How do you see yourself working to facilitate that coordination?

Mr. WALTHER. I have a history, in jobs that I've had in the past, including as director of the Department of Economic Development, of being a team player. I like to work with other agencies. I've always done that. And there's a—when you can work together for the same goal, you can pool your resources and really accomplish more together than you can apart. And so, I see us working with the State Department, with the U.S. Trade Representative, with other agencies, with the Ex-Im Bank and others. And I will—they do that—I will continue to do that, and I will look forward to those relationships.

Senator MENENDEZ. One final question. The agency aims to promote U.S. enterprise and support at the same time—economic development in developing countries, through its activities. Of the two—export promotion or development assistance—which do you believe should be prioritized at TDA?

Mr. WALTHER. The notion is that they should be balanced equally. And there's a—there is, actually, a third thing, and that is the United States trade policy or foreign policy. So, we need to balance all three of those.

I'm—I've always been involved in economic development. I like to see the creation of jobs. And so, I am anxious to see our results in the area of creating jobs within the United States. But, on the other side, this is a unique way of providing international aid to developing and middle-income countries, where we both are partners, and we will equally benefit, and we should—in both the jobs, the exports, and the infrastructure in the foreign country.

So, I would hope that it would be a balanced approach to aid to foreign countries.

Senator MENENDEZ. Equal parts—

Mr. WALTHER. Equal parts.

Senator MENENDEZ [continuing]. At every TDA event?

Mr. WALTHER. That's the objective. We—you—I mean, and you can't—it's hard to measure that. I mean, you know, you put—you help them—convince them that a power plant's the right thing to do, and then we get the—we get the export, they get the infrastructure. So, it's—you know, hopefully, they think that they get a fair result from our partnership, and so do we.

Senator MENENDEZ. Mr. Morales, one last question. The—you mentioned it, and I think it's incredibly important, and we talked

about it privately; I just want to get you on the record on this—the Inter-American Democratic Charter. In recent years, the member states have debated whether to more clearly define what constitutes—what conditions constitute a violation of the charter, and what automatic responses might be included in the charter to help the OAS deal with violations of its principles. How do you believe we can work to strengthen the charter?

Mr. MORALES. Mr. Chairman, the charter is not a treaty, it's not a convention; so, it doesn't have, for example, sanctions associated with noncompliance. There are provisions in the charter that call for the review—for example, if there are conditions going on in one of the member states that raises concern, that those can be looked into, but they do require consent of the country.

Having said that, the—these issues can be raised to the Permanent Council; and, in fact, there have been a number of initiatives that have been presented, I believe, in the last three general assemblies, to try to help countries implement the principles that are enshrined in the Inter-American Democratic Charter. And, I believe, as recently as last year, Secretary Insulza has presented different—or, some initiatives to try to strengthen the charter. So—but, clearly—because it's not a treaty, it doesn't have those sanctioning provisions; but, ultimately, I think, the force of the charter, the strength of it, depends on the ability for all of the 34 member countries of the OAS to believe in it, to try to implement it in their countries and in their democracies.

Senator MENENDEZ. Wasn't Venezuela recently an example of which, just by saying no, the will of the OAS was largely aborted, in terms of having—I don't know if it was observers are in certain violations, or a rapporteur, or something to that effect?

Mr. MORALES. The case that you're referring to is with regard to RCTV, and there was a concern raised about the ability for freedom of expression. And, in fact, this is an issue that Secretary Rice raised at the general assembly in Panama. Our Alternate Permanent Representative sent a letter to Secretary Insulza, requesting that the matter be looked into under, I believe, it's article 18 of the charter. But, as I indicated earlier, the charter also provides that—to be able to do that, it requires the consent of the country in question, and Venezuela did not provide its consent.

Senator MENENDEZ. It seems to me that if the charter is going to be meaningful, at the end of the day, other than an aspirational document, we need to get the member states to come around, to have some teeth to it; otherwise, it's—it is a fine aspirational document, but it just remains that, at the end of the day. It would be something I would look forward to, when you're there, hearing about what ground exists for moving in that direction.

Let me—we've tried to explore, on behalf of the committee, both your views as—on some of the critical issues, your capabilities to perform the job. Let me thank all of you for testifying, for your willingness to serve our country in these important positions.

However, the record will remain open until the end of the day tomorrow so that committee members may submit additional questions for the record.

I ask that each nominee respond expeditiously these questions. Obviously, we need your answers to them before we can move—the

Chairman can move, when he chooses to do so, to a final business committee meeting.

And since I have no other members here and no additional comments, this hearing is adjourned.

[Whereupon, at 3:45 p.m., the hearing was adjourned.]

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#### ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

RESPONSES OF ANA GUEVARA TO QUESTIONS SUBMITTED  
BY SENATOR JOSEPH R. BIDEN, JR.

*Question.* Corruption and lack of transparency in the natural resource sector severely hampers development and poverty alleviation in less developed countries. The World Bank has made a commitment to combat corruption through adoption of the Governance and Anti-Corruption Strategy. What should the U.S. Government do to ensure that this strategy is meaningfully implemented and mainstreamed into World Bank interventions?

*Answer.* Fighting corruption has become a top priority for the Bank. In March of 2007, the board approved the Governance and Anti-Corruption (GAC) Strategy, and in September the Bank released its final implementation plan. Implementation of the GAC will likely have tremendous resource and operational implications for how the Bank does business, and it is still developing appropriate ways to integrate governance and anticorruption efforts into all levels of Bank engagement. The United States has actively engaged management on the implementation of this strategy at the policy, country strategy, and project levels. Moving forward, it will be important to provide incentives to Bank staff to (1) engage more proactively on the ground, (2) incorporate concrete good governance objectives in projects, (3) develop stronger results frameworks, (4) increase early involvement of a broad range of stakeholders, and (5) strengthen synergies with other international actors at the global level, such as it has with the Extractive Industry Transparency Initiative (EITI). If confirmed, I will commit to strongly pursue this top priority of the United States.

*Question.* What actions should be taken to ensure that the World Bank effectively tackles natural resource corruption and adopts a more focused and coherent approach to natural resource management?

*Answer.* The World Bank has adopted several initiatives to tackle the natural resource corruption issue. For example, it is a strong supporter of the Extractive Industries Transparency Initiative, which promotes transparency in resource rich countries through the reporting and publication of company payments and government revenues from oil, gas and mining. It has also worked on a set of indicators that can be used to measure and track countries' overall fiscal transparency. But more could be done to encourage a broader comprehensive and systemic approach for natural resource management. Among other initiatives, the Bank could (1) incorporate the GAC implementation principles consistently into all natural resource Bank projects, (2) ensure natural resource programs are supported on the ground by governance and law enforcement programs specific to its sector as well as with those that are nationally focused, (3) incorporate strategic partners, civil society, and indigenous people in project development and oversight to ensure human rights, economic, and environmental goals are strategically met, (4) develop projects that promote equitable economic and social development, and (5) strengthen synergies with other international actors at the global level, particularly those that fight money laundering. If confirmed, I would have the opportunity to obtain more information about these challenges once inside the World Bank, and would urge the World Bank management to strengthen its efforts.

*Question.* The forestry sector is at particularly high risk for corruption, with a long history of illegal logging fueling conflict and poor governance from Cambodia to Liberia. The World Bank has funded several failed forestry projects, for example with the Bank's inspection panel reporting last month that its forestry initiative in the Democratic Republic of Congo broke several internal procedures and ignored the rights of local people living in the forest areas. What concrete benchmarks to combat corruption in the forestry sector will be developed so that the Bank does not repeat these mistakes? How should the United States promote these efforts?

*Answer.* Good governance in the forestry sector is critically important because it can help improve the livelihoods of hundreds of millions of poor people in developing



countries and because forests provide a global public good supplying carbon storage services.

As part of its efforts to attack corruption and consistent with the broader U.S. Government's results agenda, the Bank should consider applying governance benchmarks for the forest sector. While it would be necessary for me to have access to more detailed information at the Bank before making specific recommendations on benchmarks in the DRC, or other countries, benchmarks could generally focus on ensuring Bank projects include (1) transparent practices and engagement with local communities and civil society groups in project development, management and oversight, (2) participatory and sustainable land use planning that includes environmental and social safeguards, and (3) strengthened law enforcement capacity and improved management of artisanal logging. The United States has been engaged on the Bank's forest sector activities, as reflected in the U.S. statement on the inspection panel case. If confirmed, I look forward to opportunities to engage with Bank management to underscore the seriousness that the United States attaches to this issue, and to work closely with Treasury and other U.S. Government agencies to make sure that the U.S. interests in forest sector governance reflected in that statement are fully addressed by the Bank in its future operations.

*Question.* How should the World Bank actively support the efforts of civil society groups, including their ability to operate freely and without intimidation?

*Answer.* Unfettered input from civil society is an important component of the development process. It plays an especially crucial role in post-conflict countries. The World Bank has several mechanisms to actively support the efforts of civil society groups both at the country programming and project levels. It also holds hundreds of learning programs for civil society each year. Inclusion of civil society in Bank activities often gives the poorest people a voice without fear, and the ability to hold the Bank and local governments accountable. While the Bank cannot control the policies of host governments, these mechanisms lend legitimacy to civil society groups and help create political space for their activities. If I am confirmed, I will use my voice on the board to encourage the Bank to maintain and strengthen its mechanisms for engaging with civil society.

*Question.* The Governance and Anti-Corruption strategy highlights the importance of meaningful civil society engagement and consultation in World Bank efforts to combat corruption—what steps should the World Bank take to build up the capacity of civil society groups to monitor the natural resource sector and public financial management and to hold governments to account on these issues?

*Answer.* Civil society groups can provide an important check on government abuse and Bank projects, as we recently saw in the DRC Inspection Panel. In its March GAC report and the September implementation plan, the Bank committed to working with a wide array of stakeholders, including civil society groups, to combat corruption. A fundamental course of action for success that the Bank has identified is to strengthen transparency so the groups can be better informed. The Bank should also continue its trend of increasing civil society participation in country programming and projects, as well as its capacity-building seminars on building strong civil society organizations. These activities will be essential for holding governments accountable in the natural resource sector and public financial management. If confirmed, I will work with the U.S. Executive Director, other Bank Executive Directors and key Bank staff to strengthen civil society engagement and consultation as part of the overall effort to combat corruption.

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RESPONSES OF ANA M. GUEVARA TO QUESTIONS SUBMITTED  
BY SENATOR ROBERT MENENDEZ

*Question.* Relationships with other development partners: Do you currently have relationships with senior officials at USAID, the Department of Treasury, and the other multilateral financial institutions in Washington like the Inter-American Development Bank and the International Monetary Fund? If so, please describe the nature of these relationships. If confirmed how will you build upon and draw on these relationships to help advance the United States's role at the World Bank?

*Answer.* Yes, I do have relationships with senior officials at USAID, the Department of the Treasury, Department of Commerce, Inter-American Development Bank, Export-Import Bank, and Overseas Private Investment Corporation. The nature of the relationships vary from professional to personal. If confirmed, I will build upon and draw on these relationships in three ways:

- Learn from their personal experience what strategies have been most successful.
- Leverage their relationships to build new strategic partnerships at the World Bank.
- Pursue opportunities to create greater synergy with those institutions to help advance U.S. priorities.

An example might be working with USAID to create greater coordination with educational projects like the Education for All Fast Track Initiative, which is a World Bank initiative, but for which USAID has the lead in the U.S. Government. Another example might be working with IADB to garner "bloc" support for U.S. positions at the World Bank. Or even, to use the Department of Commerce's broad global network to promote U.S. priorities by urging Bank members in their capitals to adopt strong procurement practices.

*Question.* U.S. reputation with the World Bank: The World Bank has tremendous convening power, with the decrease of the United State's reputation for "playing fair" in multilateral environments, how are you going to improve the United State's credibility inside an institution whose staff increasingly views the United State's role with skepticism rather than optimism?

*Answer.* Improving U.S. relationships within the World Bank is essential for attaining desired results and will be my priority. I will work with the U.S. Executive Director and other U.S. Government colleagues to strengthen American leadership and advance our country's interests, while demonstrating consistent respect for multilateral engagement. I hope to achieve this by focusing on five key strategies:

- Identifying far-sighted strategies where the United States can take the lead and shape the agenda. This is important in order to shape consensus early prior to country positions being solidified;
- Incorporating other country's national interests into the justification of our position. This requires research up front to use hard data to relieve their concerns and invalidate their alternatives. It will also allow them to support U.S. positions without appearing to be submitting to U.S. pressure.
- Building broad coalitions by cultivating bilateral relationships with our key allies and developing countries that play influential roles. This will require head-to-head advocacy, including visits with key decision makers in capitals, and officials from small countries that are well respected and wield extensive personal influence. This is important in order to avoid opposition simply because an initiative appears to be American made.
- Promoting the importance of multilateral diplomacy and the work of the Bank through think tanks, educational institutions, policy makers, Congress, and young people. This will build public support for continued engagement.
- Ensuring that colleagues at the Bank understand the reasoning when the United States must take a position on its own. And ensure that others do not misrepresent the U.S. position.
- By being part of the process and the solution, the United States can foster increased respect and optimism. Engaging in consistent multilateral diplomacy will expand our influence and make it easier when we have to stand alone.

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RESPONSES OF JEFFREY J. GRIECO TO QUESTIONS SUBMITTED  
BY SENATOR ROBERT MENENDEZ

*Question.* If confirmed, would you commit to a timeline for responsiveness to congressional inquiries? If so, what would that timeline be for written inquiries? What would the timeline be for phone calls placed to USAID?

*Answer.* I would like to affirm the response I provided during my SFRC hearing that, should I be confirmed, LPA will commit to timelines for written Congressional member inquiries as a measure of our responsiveness. These timelines would be:

- Standard correspondence: Two weeks should be a reasonable standard for correspondence which can be answered in Washington.
- Field input correspondence: One month for letters that require major inquiry or research in the field involving our missions, in-country partners, and/or host governments. Needless to say, if confirmed, I intend to strive to do better in both cases.
- Interim response commitment: I also recognize that in some rare cases we may have no choice but to exceed those standards for a complete or comprehensive response. In those cases I commit to a timely interim response and/or other appropriate communication with the subject congressional office.

Receipt and processing of congressional correspondence: We would also like to affirm that all correspondence is time stamped upon date of receipt by our congressional correspondence unit. This is important since all USAID mail is routed via a terrorist screening center and there are some significant delays in receipt of correspondence sent via regular mail. For this reason, we also maintain a direct facsimile capability for member letters to be transferred to USAID at (FAX) 202-216-3237. Lastly, to speed up response times, we encourage members to call us directly to arrange pick-up. Upon receipt of this call to our congressional correspondence unit at 202-712-4462, a USAID legislative liaison officer will come by and pick up the letter.

*Question.* If confirmed, what improvements would you suggest for the management of staff and communications of the Bureau of Legislative and Public Affairs?

Answer. As noted at my hearing, I would like to focus on two sets of improvements critical to the Bureau—one set operational and one set strategic. My first set of improvements would be “operational” to support LPA mandated activities including:

- Staffing improvements: In helping to make the Agency better informed about the role, responsibilities, and needs of the Congress, it is valuable for us to find ways in which we can communicate more systematically and proactively to the Congress on Agency plans, programs, and issues. To do significantly better on this objective is conceptually easy, but harder in practice. With currently only seven congressional liaison officers and potential impending departures, to address the usual high demand for information from congressional members and staff, it is difficult to sustain significantly proactive communications efforts to Congress. I am already hard at work improving the staffing/hiring of open personnel positions within the Bureau, both of a career and noncareer nature. I will continue to make the case for further legislative staff in Washington and more targeted communication (specialists) staffing both in Washington and the field.
- Maintaining resources: We have been able to maintain the LPA operating expense budget at consistent levels but we need further support for improving our program allocations for (a) domestic development education activities so as to build a wider constituency for U.S. foreign assistance and development activities abroad (e.g., by removing the cap on Biden-Pell grants), and (b) encouraging wider program support for our successful targeted country-based ad campaigns which show dramatic and specific increases in host country awareness of USAID implemented foreign assistance activities.
- Better information sharing with congressional staff: We will further this through continued improvements to our correspondence unit and more assistance with CODELS and StaffDels. Note, USAID does not receive directly any list of CODELS and StaffDels to our more than 80 countries—this being very important to our efforts to improve support for member trips and planning. If these lists are provided to me I commit that we would secure the information on a classified system only.
- Intra-agency communications about legislative affairs:
  - There are numerous measures we have undertaken and will undertake to improve internal communication, including frequent and regular staff meetings, more systematic linkages between congressional liaison officers and press and public affairs officers, Bureau and office off sites for team building and communication, the creation and maintenance of an online congressional calendar and it's continual cross checking with the administrator's strategic scheduling activity; the weekly Strategic Communications Group (SCG) meetings.
  - Among the ways in which we have sought to improve sharing congressional priorities with our Agency staff is to assign congressional liaison officers and press officers to support specific Bureaus, and expect their close and intimate participation in the work of those Bureaus, beyond simply attending their staff meetings.
  - In addition, we have asked the Bureaus to designate, and intend to strengthen, a roster of “gate keepers” whose principal function is a close liaison with LPA.
  - We also plan to expand our LPA provided training to the rest of the Agency on congressional operations, and possibly to expand opportunities for USAID employees to perform details and other Hill assignments as a firsthand way of familiarizing more Agency employees with how the Congress works.

My second set of improvements would be Agency-wide imperatives or “strategic improvements” which may have a significant impact or reliance on LPA including the following:

- **Operating expense plus up for USAID staffing:** LPA will continue to seek approval from Congress for the operating expense increase for USAID which would allow 300 plus new Foreign Service officers and civil servants each year for next 3 years and would dramatically improve our training float for the Agency. This initiative, spearheaded by the administrator, is entitled the “Development Leadership Initiative” which LPA has already briefed some SFRC staff on its importance in revitalizing USAID.
- **Focus on new diversity recruitment strategies:** At the administrator’s initiative, USAID is reformulating its new human capital resources strategy for 2009–2013; LPA serves on the administrator’s new diversity recruitment working group and is especially active in seeking new strategies to increase Hispanic and underrepresented minority recruitment.
- **Securing agreement from Congress for the President’s program budget request for USAID:** LPA will work closely with Congress on the fiscal year 2009 proposed budget, as well as in consideration of any future action on the fiscal year 2008 supplemental and future fiscal year 2009 supplemental. We recognize the supplemental(s) are very important to Congress, especially in consideration of humanitarian assistance priorities contained therein.
- **GDA and Administrator Fore’s commitment to major expansion of USAID’s public-private partnerships:** In fiscally tight budget circumstances increased use of public-private partnerships only makes sense in order to maximize use and leverage of limited foreign assistance budget dollars. Today, of total resource flows to the developing world the vast majority are private—a reversal from 20 years ago. USAID needs to take advantage of this and LPA needs to help communicate the importance of this trend to key audiences.