

NOMINATION HEARINGS OF THE 114TH CONGRESS

HEARINGS

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

ONE HUNDRED FOURTEENTH CONGRESS

FIRST SESSION—MARCH 10 THROUGH DECEMBER 2, 2015

SECOND SESSION—FEBRUARY 11 THROUGH SEPTEMBER 20, 2016

Printed for the use of the Committee on Foreign Relations



Available via the World Wide Web: <http://www.gpo.gov/fdsys/>

NOMINATION HEARINGS OF THE 114TH CONGRESS

NOMINATION HEARINGS OF THE 114TH CONGRESS

HEARINGS

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

ONE HUNDRED FOURTEENTH CONGRESS

FIRST SESSION—MARCH 10 THROUGH DECEMBER 2, 2015

SECOND SESSION—FEBRUARY 11 THROUGH SEPTEMBER 20, 2016

Printed for the use of the Committee on Foreign Relations



Available via the World Wide Web: <http://www.gpo.gov/fdsys/>

U.S. GOVERNMENT PUBLISHING OFFICE

21-581 PDF

WASHINGTON : 2017

For sale by the Superintendent of Documents, U.S. Government Publishing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

COMMITTEE ON FOREIGN RELATIONS
ONE HUNDRED FOURTEENTH CONGRESS

BOB CORKER, TENNESSEE, *Chairman*

JAMES E. RISCH, Idaho
MARCO RUBIO, Florida
RON JOHNSON, Wisconsin
JEFF FLAKE, Arizona
CORY GARDNER, Colorado
DAVID PERDUE, Georgia
JOHNNY ISAKSON, Georgia
RAND PAUL, Kentucky
JOHN BARRASSO, Wyoming

BENJAMIN L. CARDIN, Maryland
BARBARA BOXER, California
ROBERT MENENDEZ, New Jersey
JEANNE SHAHEEN, New Hampshire
CHRISTOPHER A. COONS, Delaware
TOM UDALL, New Mexico
CHRISTOPHER MURPHY, Connecticut
TIM Kaine, Virginia
EDWARD J. MARKEY, Massachusetts

TODD WOMACK, *Staff Director*
CHRIS LYNCH, *Democratic Staff Director*
ROB STRAYER, *Majority Chief Counsel*
MARGARET TAYLOR, *Minority Chief Counsel*
JOHN DUTTON, *Chief Clerk*

NOMINATIONS

THURSDAY, FEBRUARY 11, 2016

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

Hon. Karen Brevard Stewart, of Florida, nominated to be Ambassador to the Republic of the Marshall Islands
Robert Annan Riley III, of Florida, nominated to be Ambassador to the Federated States of Micronesia
Swati A. Dandekar, of Iowa, nominated to be United States Executive Director of the Asian Development Bank
Matthew John Matthews, of Oregon, nominated to be United States Senior Official for the Asia-Pacific Economic Cooperation, APEC, Forum
Marcela Escobari, of Massachusetts, nominated to be an Assistant Administrator of the United States Agency for International Development

The committee met, pursuant to notice, at 10:15 a.m. in Room SD-419, Dirksen Senate Office Building, Hon. Cory Gardner, presiding.

Present: Senators Gardner [presiding], Cardin, and Murphy.

OPENING STATEMENT OF HON. CORY GARDNER, U.S. SENATOR FROM COLORADO

Senator GARDNER. This hearing will come to order.

Let me welcome you all to today's full Senate Foreign Relations Committee hearing on nominations.

I want to thank Senator Cardin for his work and cooperation in setting up this hearing today and, of course, the work that this committee did yesterday, as I think Senator Cardin mentioned to you, the excellent work of the Foreign Relations Committee, resulting in a very strong bipartisan bill addressing our concern with North Korea. So we are going to continue that bipartisan effort today.

We have a panel of five very well qualified nominees today, and I want to thank each and every one of them and their families for your willingness to serve, for your commitment to this country, and for being here today. I have had the opportunity to meet and speak with most of you and privately as well, and I appreciate your time being here today.

And I would ask the nominees to keep their remarks to no more than 5 minutes. We are on a little bit of an abbreviated schedule or I guess interrupted schedule today because of the fact that we have several votes that are going to be occurring within the next 15 to 20 minutes. And so you will see members come in and out, and I apologize for that as they make the vote.

And we are also going to be interrupted by the irascible Senator from Iowa who is going to be joining us today and making some comments on our nominee from Iowa.

Senator Cardin, I will turn to you as well.

**STATEMENT OF SENATOR BENJAMIN L. CARDIN,
U.S. SENATOR FROM MARYLAND**

Senator CARDIN. Well, thank you, Mr. Chairman. I really want to thank Chairman Gardner for making the arrangements so that we could have five nominees here today. We want to be able to act in an efficient manner in this committee. We have under Chairman Corker and Chairman Gardner, and I thank you very much for accommodating these hearings.

Just so people understand, a lot of the work on a confirmation process is done before the individuals appear before our committee, the material they submit to us, their records, et cetera. And this is an important part of the nominating process.

But I just really want to underscore what Chairman Gardner said, and that is thank you. Each one of you has had a long, distinguished career in public service, serving our country, serving your State, and it is an incredible sacrifice to you personally but also to your families. So I saw some young people walking around outside. So I think we have some family members here.

Senator GARDNER. They certainly were not Senators. [Laughter.]

Senator CARDIN. So we thank the family members for being here because we know this truly is a family event.

Mr. Chairman, what I will do is I will put my entire opening statement in the record where I say very glowing things about each one of you and your service, which is incredible. You served all over the world. You served in the State legislature. You have devoted yourself to public service, and many of you are career senior diplomats. And now you are going to be taking on critically important positions in East Asia, critically important positions in the economic forum and in our own hemisphere where we have some significant challenges. So thank you for being willing to do that.

[The prepared statement of Senator Cardin follows:]

PREPARED STATEMENT OF SENATOR BENJAMIN L. CARDIN

Let me start by thanking Senator Gardner for arranging this hearing on these five important nominations. I know that this week has been a very busy time for the Senate Foreign Relations Committee especially with regards to Asia-Pacific issues, but one of our primary responsibilities is to timely consider the President's nominees, so I want to thank you for accommodating this hearing, with its sizable number of nominees.

I also want to thank these nominees for their public service and for their willingness to serve their country in these critical posts during a very trying time for this country. For several of you before us, you are willing to perform this service to our country in places far away from where we sit today. So I also want to thank your families, because these postings are truly a family effort, and a family sacrifice.

First, Ambassador Karen Stewart, has had a distinguished career as a career member of the Senior Foreign Service. She served as Ambassador to Laos from 2010 to 2013, and as Ambassador to Belarus from 2006 to 2008. Most recently she served as Political Advisor to the Vice Chairman of the Joint Chiefs of Staff and to the Supreme Allied Commander Transformation since 2013. I am sure that, if confirmed, her broad mix of senior domestic and overseas experience will be a huge asset in her position, if confirmed, as Ambassador to the Marshall Islands.

Second, Mr. Robert Riley is also a Career Member of the Senior Foreign Service, and currently serves as a Management Counselor at our U.S. Embassy in Jakarta. Mr. Riley has over 35 years of experience in management and is recognized in the Foreign Service as an effective negotiator and team leader. I am sure that his experience as a Peace Corps volunteer will serve him well as Ambassador to Micronesia, if confirmed, which has a strong Peace Corps presence.

Let me just say that while it may not get as much attention as it should, the Pacific Islands including the Marshall Islands and the Federated States of Micronesia, represent a critical part our rebalance to the Asia-Pacific.

The Pacific Islands help the United States uphold important principles such as freedom of navigation and free and unfettered commerce. The United States, as a Pacific nation, with a long history when it comes to these islands knows that this region is strategically and economically vital and becoming more so.

Most recently we have looked to the Pacific nations for leadership on some of the world's most complex and urgent issues of our time.

In Paris, during the international negotiations towards a new global cooperative agreement on climate change, delegations from the tiny island nations, especially the Marshall Islands, were a strong and constructive force in brokering the final deal. Perhaps that's because these nations, more so than perhaps any other in the world, understand the harsh, grim realities of climate change.

To put it bluntly, these countries are disappearing from the Earth because of sea level rise caused by climate change. This is not some far off probability or theoretical outcome—IT IS HAPPENING NOW. Today's generations of Marshallese, Micronesians, Kiribase (citizens of Kiribati), and Palauans may be the last to inhabit their countries. Flooded buildings, as well as saltwater inundation of arable land and fresh drinking water sources, are quickly making the low lying islands of these atolls uninhabitable.

Climate change is at the forefront of these country's concerns. I strongly encourage our nominees, if confirmed, to keep the State Department and the Congress aware of the dire circumstances facing these countries. I would urge all members of this committee to pay attention to the plight of these nations and contemplate what our responsibilities are to the people of the Compact of Free Association nations as they face a very real existential crisis.

Our next nominees are being considered for positions at the Asian Development Bank and the Asian Pacific Economic Cooperation Forum. With so much global economic news coming out of that region, these will be important jobs for our international economic diplomacy.

So I want to welcome Mrs. Swati Dandekar, the nominee for United States Executive Director to the Asian Development Bank. She is a former Iowa state legislator and a Democratic member of the Iowa Utilities Board. She was a member of the Iowa House of Representatives for the 36th District from 2003 to 2009 and a member of the Iowa Senate for the 18th District from 2009 to 2011.

Mrs. Dandekar serves as the Chair (formerly President) of the National Foundation for Women Legislators and as a board member of the Iowa Math and Science Coalition. She previously served on the Iowa Association of School Boards, and as a board member of the Women in Public Policy (Iowa Charter), and the U.S. Center for Citizen Diplomacy.

Also, we have with us Mr. Matthew Matthews, nominee to the rank of Ambassador during his tenure of service as United States Senior Official for the APEC Forum, a position for which he is well prepared. Mr. Matthews is a career member of the Senior Foreign Service. He assumed his position as the Deputy Assistant Secretary for Australia, New Zealand and the Pacific Islands and concurrently as the Senior Official for APEC on June 16, 2015. He was Counselor for Economic Affairs at the U.S. Embassy in Kuala Lumpur, Malaysia, focusing on trade issues that set the stage for Malaysia's entry to the TPP negotiations, and at the U.S. Embassy in Canberra, Australia, where he focused on implementation of our bilateral FTA. Prior to that, while serving as the Chief of the Internal Unit in the Economic Section at the U.S. Embassy Beijing (2001-04), Matt led a team which worked extensively on Chinese macroeconomic and financial reform issues.

Finally, we have Ms. Marcela Escobarri, who is the Executive Director of the Harvard Center for International Development and our nominee to be the next Assist-

ant Administrator for Latin America and the Caribbean. Ms. Escobarri's extensive experience on development in the Western hemisphere and around the world will be of critical importance to responding to the public health crisis caused by the Zika virus, tackling the many challenges in Central America, supporting the implementation of a potential peace deal in Colombia, and addressing the political, social and economic difficulties that Haiti continues to face.

So, Mr. Chairman, we are very fortunate to have before us all of these dedicated Americans, who have devoted so much of their professional lives to serving our country. I look forward to hearing from each of you on your priorities and interests, and if confirmed, how you will work to further U.S. interests and values abroad.

Senator GARDNER. And thank you, Senator Cardin.

Turning to our nominees, we will begin with Karen Brevard Stewart, our nominee for the Ambassador to the Republic of the Marshall Islands. She is a career member of the Senior Foreign Service and has been since 2013. I guess she has served as Political Advisor since 2013 for the Vice Chairman of the Joint Chiefs of Staff. She is a two-time Ambassador to Laos from 2010 to 2013 and to Belarus from 2006 to 2008. Welcome, Ambassador Stewart.

I am going to introduce all of you and then we will get to your comments.

Robert Riley is our nominee to the Federated States of Micronesia. He is a career member of the Foreign Service and since 2013 has served as Management Counselor at the U.S. embassy in Jakarta, Indonesia. Welcome, Mr. Riley.

Matt Matthews is up for the rank of Ambassador during his tenure of service as the United States Senior Official for the Asia-Pacific Economic Cooperation Forum, and since 2015 has served as Deputy Assistant Secretary of State in the Bureau of East Asian and Pacific Affairs and concurrently as the Senior Official for APEC. Welcome, Mr. Matthews.

Ms. Marcela Escobarri is our nominee for Assistant Administrator of the United States Agency for International Development. Since 2007, she has served as Executive Director of the Center for International Development at Harvard University.

I am missing one here. Swati Dandekar. We will be hearing your testimony as well. Senator Grassley is going to introduce you. So I am not going to introduce you at all. [Laughter.]

Senator GARDNER. I thought was making some comments, but he has got them all.

So we will go ahead and start with you, Ms. Stewart. Thank you.

STATEMENT OF HON. KAREN BREVARD STEWART, OF FLORIDA, NOMINATED TO BE AMBASSADOR TO THE REPUBLIC OF THE MARSHALL ISLANDS

Ambassador STEWART. Thank you, Mr. Chairman and members of the committee. I am deeply honored to appear before you today as the President's nominee to be United States Ambassador to the Republic of the Marshall Islands. I am grateful to the President and the Secretary for their confidence in nominating me for this position, and I am equally grateful to you to receive your consideration.

With the chairman's permission, I would like to just briefly introduce some of my family who were able to make it here today: my sister-in-law, Kate Stewart; my niece and her husband, Katherine and Joe Stallings; a very dear friend, Alice Buckhalter—all of them

are from Maryland, Senator—and then several friends from my church—

Senator CARDIN. That was a good call. [Laughter.]

Senator CARDIN. I should point out that Mr. Riley was born in Baltimore. That was also pointed out in the resume. Any other connections, please bring them up. [Laughter.]

Ambassador STEWART. As a Foreign Service officer, I have been privileged to serve in a varied and fascinating mix of assignments, including the honor of serving as U.S. Ambassador to Belarus and to Laos. If confirmed, I will draw on the lessons learned in these assignments and my many years of regional policy experience to advance the United States' strategic interests in the Pacific.

The Republic of the Marshall Islands is a key partner in the United States' deepening relationship with the Pacific. Our two nations have a close and special relationship dating back to the end of the Second World War and United States' administration of the U.N. Pacific Islands Trust Territory. In 1983, the Marshall Islands and the United States concluded the Compact of Free Association, which then entered into force in 1986. We thus entered into the new phase of our relationship with the RMI. And this compact, which was amended in 2003 to extend greater economic assistance, now provides the structure for much of our bilateral relationship.

The mutual security of our nations is a core feature of this special relationship. Under the compact, the United States has committed to defend the RMI and its people from attack or threats as the United States and its citizens are defended. The United States also enjoys access to Marshallese ports, airports, and airspace, a vital asset for our defense and security needs. The RMI hosts the U.S. Army's Ronald Reagan Ballistic Missile Defense Test Site on Kwajalein Atoll. This is a major U.S. missile testing and also space tracking and operations facility. And under the amended compact, the United States has access to Kwajalein through 2066 with the option to extend until 2086.

If confirmed, I will work to maintain the strong relationship between the Kwajalein facility and the Marshall Islands Government and to promote its benefits for affiliated Marshallese communities.

The United States and the Marshall Islands also have an important economic relationship. To help achieve the amended compact goal of economic self-sufficiency, the United States, through the Department of the Interior, will provide the Government of the RMI with roughly \$70 million a year through fiscal year 2023. Approximately \$35 million of this is provided in annual grant assistance, targeting health, education, public infrastructure, environment, public and private sector capacity development.

Another very important aspect of the amended compact is a jointly managed trust fund that will serve as a source of income for the Marshall Islands after the compact's direct grant assistance ends. If confirmed, I will promote outcome-oriented, sustainable economic development and strongly advocate for the wise and accountable use of our assistance to support Marshallese capacity to build a prosperous and healthy future.

Under the amended compact, most citizens of the RMI can live, study, and work in the United States without a visa.

The RMI Government has an excellent voting record with the United States in the United Nations, sharing our positions on many important issues, including on human rights and Israel.

The RMI is also a close ally of the United States in the multilateral climate change negotiations. As one of the nations most vulnerable to the impacts of a rise in sea level, the RMI played a crucial role last December in Paris in furthering our shared goal of ensuring ambitious action by all major greenhouse gas-emitting countries, both developed and developing, in order to reach a historic international agreement. If confirmed, I will continue to work collaboratively with the RMI to tackle environmental challenges.

The RMI is a vibrant democracy that conducted another free and fair election just last November and recently installed a new government. In working with this new government, we will continue to look to the RMI as a reliable partner that strongly backs U.S. engagement in the Pacific and supports U.S. strategic priorities around the globe. If confirmed, I will continue the fine work of Ambassador Armbruster by working closely with the Department of the Interior, the Department of Defense, and the rest of the inter-agency community to strengthen a bilateral relationship based on partnership and mutual respect between the Marshallese and American people.

Mr. Chairman, in closing, I would like to emphasize that the Republic of the Marshall Islands was part of our trust territory but is now our good friend. The people of RMI are woven into the American fabric, serving with distinction and honor in our military and living and working beside us in the United States. The Marshall Islands remains a dependable partner in bolstering security in the Pacific. As the economic center of gravity shifts to the Asia-Pacific region, the importance to U.S. interests of a stable, increasingly prosperous, and democratic Marshall Islands continues to grow. If confirmed, I look forward to working with you in pursuit of that goal.

I appreciate this opportunity to appear before you today and am pleased to answer your questions.

[The prepared statement of Ambassador Stewart follows:]

PREPARED STATEMENT OF KAREN STEWART

Mr. Chairman and members of the committee, I am deeply honored to appear before you today as the President's nominee to be United States Ambassador to the Republic of the Marshall Islands. I am grateful to the President and the Secretary for their confidence in nominating me for this position, and am equally grateful to receive your consideration.

As a Foreign Service Officer, I have been privileged to serve in a varied and fascinating mix of assignments, including the honor of serving as U.S. Ambassador to the Republic of Belarus and to the Lao People's Democratic Republic. If confirmed, I will draw on the lessons learned in these assignments and my many years of regional policy experience to advance the United States' strategic interests in the Pacific.

The Republic of the Marshall Islands is a key partner in the United States' deepening relationship with the Pacific. It is an isolated, sparsely populated, low-lying Pacific island country consisting of approximately 70 square miles of land spread out over 750,000 square miles of ocean southwest of Hawaii and just north of the equator. These characteristics make it vulnerable to natural disasters and the effects of climate change. Our two nations have a close and special relationship dating back to the end of the Second World War, when the United Nations entrusted the United States with the administration of the Pacific Islands Trust Territory. In 1983, the Marshall Islands and the United States concluded the Compact of Free

Association, which its people approved in a plebiscite a few months later and which entered into force in 1986 upon Congressional approval. We thus entered into a new phase of our relationship with the RMI. This Compact, which was amended in 2003 to extend greater economic assistance, provides the structure for much of our bilateral relationship. Mutual security of our nations is a core feature of the special relationship between the United States and the Marshall Islands. The RMI has no military of its own. Under the Compact, the United States has committed to defend the RMI and its people from attack or threats as the United States and its citizens are defended. The United States also enjoys access to Marshallese ports, airports and airspace, a vital asset for our defense and security needs. The RMI hosts the U.S. Army's Ronald Reagan Ballistic Missile Defense Test Site on Kwajalein Island (known as USAG-KA). The base is the country's second largest employer, second only to the RMI government. The test site plays a significant role in the U.S. missile defense research, development, and testing network. It is used to monitor foreign launches and provide deep-space tracking and is an ideal near-equator launch-site for satellites. In February 2015, the U.S. Air Force and Lockheed Martin broke ground at the future six-acre site of the new Space Fence next-generation radar system at the base. When it comes online in 2018, Space Fence will enable the Air Force to locate and track hundreds of thousands of objects orbiting Earth with more precision than ever before, helping reduce the potential for collisions with our critical space-based infrastructure. Under the Amended Compact, the United States has access to Kwajalein through 2066, with the option to extend until 2086.

Continued access is important, but just as important is a good relationship with the Marshallese. If confirmed, I will work to maintain the strong relationship between USAG-KA and the Marshall Islands government and to promote USAG-KA's beneficial role for affiliated Marshallese communities.

The United States and the Marshall Islands also have an important economic relationship. To help achieve the Amended Compact goal of economic self-sufficiency, through the Department of the Interior, the United States will provide the Government of the RMI with roughly \$70 million a year through FY2023. Approximately \$35 million is provided in annual grant assistance, targeting health, education, public infrastructure, environment, public sector capacity development, and private sector capacity development. Priority is given to education and healthcare, including addressing the high prevalence of diabetes, heart disease and other non-communicable diseases.

Another very important aspect of the Amended Compact is a jointly-managed Trust Fund that will serve as a source of income for the Marshall Islands after annual direct grant assistance ends under the Amended Compact in FY 2023. If confirmed, I will promote outcome-oriented sustainable economic development and strongly advocate for the wise and accountable use of our assistance to support Marshallese capacity to build a prosperous and healthy future.

Under the Amended Compact, most citizens of the RMI can live, study, and work in the United States without a visa. The Compact obliges the two countries to consult on certain matters of foreign policy. The RMI government has an excellent voting record with the United States in the United Nations, sharing our positions on many important issues, including on human rights and Israel. The RMI is also a close ally of the United States in the multilateral climate change negotiations. As one of the most vulnerable nations to the impacts of climate change, the RMI played a crucial role last December in Paris in furthering our shared goal of ensuring ambitious action by all major green-house gas emitting countries, both developed and developing, in order to reach a historic international climate agreement. If confirmed, I will continue to work collaboratively with the RMI to tackle climate challenge, and also support efforts of the U.S. Mission to further assist the RMI in adapting to the impacts of climate change.

The RMI is a vibrant democracy that conducted another successful, free and fair election just last November and recently installed a new government. In working with this new government, we will continue to look to the RMI as a reliable partner that strongly backs U.S. engagement in the Pacific and supports U.S. strategic priorities around the globe. If confirmed, I will continue the fine work of Ambassador Armbruster by working closely with the Department of the Interior, the Department of Defense, and the rest of the interagency community to strengthen a bilateral relationship based on partnership and mutual respect between the Marshallese and American people.

Mr. Chairman, in closing, I would like to emphasize that the Republic of the Marshall Islands was part of our trust territory, but is now our ally. The people of RMI are woven into the American fabric, serving with distinction and honor in our military and living and working beside us in the United States. The Marshall Islands remains a dependable partner in bolstering security in the Pacific. As the economic

center of gravity shifts to the Asia-Pacific region, the importance to U.S. interests of a stable, increasingly prosperous, and democratic Marshall Islands continues to grow. If confirmed, I look forward to working with you in pursuit of that goal.

I appreciate the opportunity to appear before you today and am pleased to answer your questions.

Senator GARDNER. Thank you, Ambassador Stewart. Thank you very much for your testimony.

We will turn to Mr. Riley. Mr. Riley, again our nominees to the Federated States of Micronesia, please proceed with your testimony.

STATEMENT OF ROBERT ANNAN RILEY III, OF FLORIDA, NOMINATED TO BE AMBASSADOR TO THE FEDERATED STATES OF MICRONESIA

Mr. RILEY. Thank you, Mr. Chairman and members of the committee.

I am honored to appear before you today and am grateful to President Obama and Secretary Kerry for their confidence in nominating me to be United States Ambassador to the Federated States of Micronesia, or FSM. If confirmed, I welcome the opportunity to work with you, this committee, and other members of Congress to advance American interests in the Pacific. I am thrilled to be associated again with our embassy in the FSM, as I supported the operations of Embassy Kolonia while assigned to our embassy in Manila from 2009 to 2013, and I count myself fortunate to be a member of a select group to have worked with our mission in this beautiful but faraway country.

My sense of service growing up in Annapolis, Maryland was inculcated in me by my late father and namesake, a highly dedicated doctor, who devoted himself to his patients and waived his fees for the poor, and by my 90-year-old mother Fritzzi, who raised her four children selflessly while my father worked. She also began her bachelor's degree at age 40, finished her master's at 55, and then worked as a college professor until when was 70.

My stepfather, John Kenney, is an active and wonderful man, who married my mother when he was 88 and she was 85. My dear lovely Timmy is here today. She provides loving support and encouragement. One of my two beautiful and talented daughters Carol is also present. My other older daughter Susan is a Peace Corps volunteer in China. My very good friend, Buddy Shanks, is also here.

The FSM consists of over 600 mountainous islands and low-lying coral atolls spread over 1 million squares of the Pacific Ocean. It faces inherent challenges to economic development, including susceptibility to natural disasters, remoteness from major markets, and limited land resources. The United States and the FSM have enjoyed a close and special relationship for over 65 years. In 1947, the United Nations designated the United States as the Administering Authority of the Trust Territory of the Pacific Islands, including what is known today as the FSM. And in 1986, the Compact of Free Association between the FSM and the United States entered into force, ushering a new phase in our bilateral relationship.

The compact, as amended in 2003, provides the framework for much of our bilateral relationship. Under the amended compact,

most citizens of the FSM may live, study, and work in the United States without a visa. In addition, the United States is committed to providing over \$107 million per year in direct economic assistance and trust fund contributions through 2023. After U.S. contributions to the trust fund and direct sectoral assistance under the amended compact end in 2023, the FSM will begin to draw distributions from the trust fund. The FSM faces a critical juncture as it shifts from direct financial assistance to the use of trust fund distributions. If confirmed, I will work constructively with the Government of the FSM, encouraging it to make the structural reforms needed to ensure its sustained development beyond 2023.

While U.S. contributions to the trust fund and direct economic assistance under the amended compact will end in 2023, the amended compact itself does not expire. Unless otherwise stated, the amended compact will remain in effect until terminated according to its terms. If confirmed, I will do my best to reassure the people of the FSM that the United States remains committed to assisting the FSM as it faces the challenges of the coming decades.

The FSM is an important partner in our Pacific engagement. The mutual security of our nations is an underlying element of our special relationship. The FSM has no military of its own. Under the amended compact, the United States is committed to defending Micronesia and its people from attack or threats as the United States and its citizens are defended. If confirmed, I will work closely with the Government of FSM to highlight our strong support for regional security.

The importance of our strong relationship with the FSM extends beyond defense considerations. The FSM is a loyal friend and ally in many other ways. For example, the FSM votes with the United States at the United Nations over 90 percent of the time. Our people-to-people ties also continue to grow. There are 47 Peace Corps volunteers currently serving in the FSM. If confirmed, I will draw on my Peace Corps experience to work with the Peace Corps and the Government of the FSM to enhance the success of this valuable program.

Finally, the FSM is among the small island nations already impacted by climate change. If confirmed, I will support efforts by the Department of the Interior and other Federal agencies to further assist the FSM in adapting to the impacts of climate change, including by integrating climate change adaptation considerations into long-term planning.

In closing, I can think of no greater honor or opportunity than to lead the U.S. mission in the FSM and work with our valued Micronesian friends on these and other important issues. It is a time of renewed focus on our role in the Pacific, and I am excited to be part of it. Thank you for the opportunity to appear before you, and I am happy to answer your questions.

[The prepared statement of Mr. Riley follows:]

PREPARED STATEMENT OF ROBERT RILEY

Mr. Chairman and members of the committee, I am honored to appear before you today and am grateful to President Obama and Secretary Kerry for their confidence in nominating me to be United States Ambassador to the Federated States of Micronesia (FSM). If confirmed, I welcome the opportunity to work with you, this committee, and other members of Congress to advance American interests in the Pacific.

I am thrilled to be associated again with our Embassy in the FSM, as I supported the operations of Embassy Kolonia while assigned to our Embassy in Manila from 2009 to 2013, and I count myself fortunate to be a member of a select group to have worked with our Mission in this beautiful but faraway country.

My sense of service was inculcated in me by my late father and namesake, a highly dedicated doctor who devoted himself to his patients and waived his fees for the poor, and by my 90-year-old mother, Fritz, here today, who raised her four children selflessly while my father worked, started work on her Bachelor's degree at age 40, finished her Master's degree at 55, and then worked as a college professor until she was 70.

Also present is my step-father, John Kenny, an active and wonderful man, who married my mother when he was 88, and she was 85. My dear wife Timmy was unable to make it today: she is keeping the home fires burning at my current post in Indonesia. My two beautiful daughters were also unable to be here—Susan is a Peace Corps Volunteer in China, and Carol is attending college in California.

The FSM consists of over 600 mountainous islands and low-lying coral atolls spread over one million square miles of the Pacific Ocean. It faces inherent challenges to economic development, including susceptibility to natural disasters, remoteness from major markets, and limited land resources. The United States and the FSM have enjoyed a close and special relationship for over 65 years. In 1947, the United Nations designated the United States as the Adminstrating Authoring of the Trust Territory of the Pacific Islands, which included the FSM, and, in 1986, the Compact of Free Association between the FSM and the United States entered into force, ushering in a new phase in our bilateral relationship.

This Compact, as amended in 2003, provides the framework for much of our bilateral relationship. Under the Amended Compact, most citizens of the FSM may live, study, and work in the United States without a visa. In addition, the United States is committed to providing over \$107 million per year in direct economic assistance and Trust Fund contributions through 2023. After U.S. contributions to the Trust Fund and direct sectoral assistance under the Amended Compact end in 2023, the FSM will begin to draw distributions from the Trust Fund. The FSM faces a critical juncture as it shifts from direct financial assistance to the use of Trust Fund distributions. If confirmed, I will work constructively with the government of the FSM, encouraging it to make the structural reforms needed to ensure its sustained development beyond 2023.

While U.S. contributions to the Trust Fund and direct economic assistance under the Amended Compact will end in 2023, the Amended Compact itself does not expire. Unless otherwise stated, the Amended Compact will remain in effect until terminated according to its terms. If confirmed, I will do my best to reassure the people of the FSM that the United States remains committed to assisting the FSM as it faces the challenges of the coming decades.

The FSM is an important partner in our Pacific engagement. The mutual security of our two nations is an underlying element of our special relationship.

The FSM has no military of its own. Under the Amended Compact, the United States is committed to defending Micronesia and its people from attack or threats as the United States and its citizens are defended. If confirmed I will work closely with the Government of FSM to highlight our strong support for regional security.

The importance of our strong relationship with the FSM extends beyond defense considerations. The FSM is a loyal friend and ally in many other ways. For example, the FSM votes with the United States at the United Nations over 90 percent of the time. Our people-to-people ties also continue to grow. There are 47 Peace Corps Volunteers currently serving in the FSM. If confirmed, I will draw on my Peace Corps experience to work with the Peace Corps and the Government of the FSM to enhance the success of this valuable program.

Finally, the FSM is among the small island nations already impacted by climate change. If confirmed, I will support efforts of the U.S. Mission to further assist the FSM in adapting to the impacts of climate change, including by integrating climate change adaptation considerations into long-term planning.

In closing, I can think of no greater honor or opportunity than to lead the U.S. Mission in the FSM and work with our valued Micronesian friends on these and other important issues. It is a time of renewed focus on our role in the Pacific, and I am excited to be part of it. Thank you for the opportunity to appear before you and I am happy to answer your questions.

Senator GARDNER. Thank you, Mr. Riley.

And I see Senator Grassley has arrived at the hearing. Now, I will, Ms. Dandekar, warn you that perhaps the only way to outdo

the flattery of the Senator from Maryland is you may or may not want to mention ethanol after your remarks. [Laughter.]

Senator GARDNER. But with that, we will turn to Senator Grassley for the introduction of Ms. Dandekar, our nominee to be United States Director of the Asian Development Bank.

**STATEMENT OF HON. CHUCK GRASSLEY,
U.S. SENATOR FROM IOWA**

Senator GRASSLEY. Thank you, Mr. Chairman, and thank you, Ranking Member Cardin.

My short statement will not give enough credit to her devotion to public service. I want to emphasize that, but I still want to say these few words anyway.

Thank you for allowing me to introduce to the committee Ms. Swati Dandekar and her husband Arvind Dandekar. Now, I happen to have known her and her husband personally for many years. Swati immigrated to the United States from India in 1973, earned her bachelor's degree from Nagpur University and a post-graduate diploma from Bombay University, India.

Swati began her public service as a member of Linn-Mar School Board in 1996 and then served there until she was elected to the Iowa House of Representatives in 2002. With her election to the Iowa House of Representatives, she became the first Indian-born American to hold a State legislative position. She served on the Appropriations Committee, Economic Growth and Economic Development Appropriations Subcommittees, as well as the Education and Transportation Committees there in the Iowa House.

She was also appointed to the Vision Iowa Board by then Governor Vilsack, now our Secretary of Agriculture. This board awarded communities across Iowa with grants and funding for community and economic development projects.

In 2008, Swati was elected to the Iowa Senate where she became the first Democratic woman to chair the Senate Commerce Committee.

In 2011, she was elected President of the National Foundation of Women Legislators where her national platform consisted of STEM education and increased application of broadband communication for economic growth.

Republican Governor Branstead appointed Swati to the Iowa Utilities Board as its Democratic member in 2011, where she served until 2013.

Swati has led numerous trade and education missions to India. She was honored as the India Abroad Person of the Year 2002 and the Asia-Pacific American Person of the Year 2008.

I am pleased that Swati has been called by the President to serve again as U.S. Executive Director for the Asian Development Bank. I am confident that she will represent the United States well in that position as she has done very well in all of her other positions of public service.

So I thank you, Mr. Chairman, for the courtesy you have given me to allow me to introduce Swati to this committee. And I want you to know that I fully support her nomination, and I hope the committee will see it fit to vote her out for Senate consideration. Thank you very much.

Senator GARDNER. Thank you, Senator Grassley. Thank you for joining the Foreign Relations Committee today and for that gracious introduction.

Ms. Dandekar, if you would like to proceed with your testimony following that introduction, it would be great.

STATEMENT OF SWATI A. DANDEKAR, OF IOWA, NOMINATED TO BE U.S. EXECUTIVE DIRECTOR OF THE ASIAN DEVELOPMENT BANK

Ms. DANDEKAR. Thank you, Senator Grassley, for your kind comments. I am really honored to say that we are family friends. Thank you. They are a part of my American family in Iowa.

Senator CARDIN. Let me also thank Senator Grassley for being here. He has incredible responsibilities in the United States Senate and is one of our great Members. And his introduction here means a great deal, and thank you very much for taking the time.

Ms. DANDEKAR. Thank you.

Chairman Gardner, Ranking Member Cardin, and distinguished members of the committee, thank you for the opportunity to appear before you today. I am honored to have been nominated by President Obama to be the next United States Executive Director with the rank of Ambassador to the Asian Development Bank.

I came to the United States as an immigrant in 1973 when I married my husband of 43 years, Arvind Dandekar, who is here today. Arvind is President of Fastek International, a software development company. Arvind has always been supportive of my public service. We have two sons. Our older son Ajai and his wife Allison live in Seattle, Washington. Both Ajai and Allison are medical doctors. They have two sons: Evan, 9 years old; and William, 5 years. Our younger son, Govind and his wife Shaneeda live in Vancouver, Canada. Govind is an economist and computer scientist, and Shaneeda is a lawyer. They have two daughters: Ayanna, 2 years; and Iyla, 1 month. Our sons and their families were not able to be here today.

During my 9 years in the Iowa House and Senate, from 2003 until 2011, I had the chance to work at the State level. Additionally, during my 2 years as Commissioner of Iowa Utilities Board, I gained national-level experience. I am excited by the potential opportunity to work internationally as the U.S. Executive Director of the Asian Development Bank. As a legislator, I always worked with both sides of the aisle to develop consensus positions that were acceptable to all interested parties. Senator Joni Ernst was my colleague in the Iowa Senate and we became friends.

I served as the Economic Development Budget chair in the Iowa House and Commerce Committee chair in the Iowa Senate. I have gained insight into State finances and budgets in these assignments.

I also have extensive experience serving on a variety of boards in Iowa, such as Linn-Mar School Board, Vision Iowa Board, Iowa Values Fund, Iowa Power Fund, and Iowa Utilities Board. These experiences have provided me with a firsthand look at the transformative power of appropriate use of development funds.

My extensive background in managing projects and cultivating partnerships will help me to carry out the responsibilities of the

U.S. Executive Director at ADB, which is dedicated to reducing poverty in the Asia-Pacific region through sustainable and inclusive economic growth, investments in human capital, and good governance. If confirmed, my first priority will be to advance U.S. policy interests at the ADB.

Additionally, I will work to ensure that the U.S. Commerce Department and other entities that publicize opportunities for U.S. businesses to compete for business overseas include information on how to compete for contracts from the ADB; strengthen outreach and engagement with NGO's, the nongovernmental organizations, communities and citizens to establish direct feedback channels for information on implementation status of ADB projects; modernize the ADB communications, such as the bank's website, to increase transparency and enhance marketability of the ADB; encourage ADB's efforts to create opportunities for women and girls across Asia for its own female staff; maintain communications with Congress; and advocate for ADB's continued application of high social, environmental, and fiduciary standards, including promoting their adoption by new multilateral institutions in Asia.

My upbringing in India provides me with an excellent understanding of the Asian culture. In addition to English and Hindi, I am fluent in Gujarati and Marathi. I also have working knowledge in Urdu, Punjabi, and Bengali languages. My language skills and cultural awareness will position me well to address challenges facing the ADB.

If confirmed, I look forward to representing the United States at the ADB and ensuring that our country's priority initiatives are advanced. It is my distinct honor to appear before you, and I sincerely appreciate the opportunity to be here today. I look forward to answering any questions you have. Thank you.

[The prepared statement of Ms. Dandekar follows:]

PREPARED STATEMENT OF SWATI ARVIND DANDEKAR

Chairman Gardner, Ranking Member Cardin and distinguished members of the committee, thank you for the opportunity to appear before you today. I am honored to have been nominated by President Obama to be the next United States Executive Director with the rank of Ambassador to the Asian Development Bank.

I came to the United States as an immigrant in 1973 when I married my husband of 43 years, Arvind Dandekar who is here today. Arvind is President of Fastek International, a software development company. Arvind has always been supportive of my public service. We have two sons. Our older son Ajai and his wife Allison live in Seattle, Washington. Both Ajai and Allison are medical doctors. They have two sons, Evan (9 years) and William (5 years). Our younger son Govind and his wife Shaneeda live in Vancouver, Canada. Govind is an economist and computer scientist, and Shaneeda is a lawyer. They have two daughters, Ayaana (2 years) and Lyla (1 month). Our sons and their families were not able to be here today.

During my nine years in the Iowa House and Senate, from 2003 until 2011, I had the chance to work at the state level. Additionally, during my two years as a Commissioner of the Iowa Utilities Board I gained national level experience. I am excited by the potential opportunity to work internationally as the U.S. Executive Director of the Asian Development Bank (ADB). As a legislator I always worked with both sides of the aisle to develop consensus positions that were acceptable to all interested parties. Senator Joni Ernst was my colleague in the Iowa Senate and we became friends. I served as the Economic Development Budget chair in the Iowa House and Commerce Committee chair in the Iowa Senate. I have gained insight in to state finances and budgets in these assignments. I also have extensive experience serving on a variety of boards in Iowa, such as the Linn-Mar School Board, Vision Iowa Board, Iowa Values Fund, Iowa Power Fund, and Iowa Utilities Board.

These experiences have provided me with a firsthand look at the transformative power of appropriate use of development funds.

My extensive background in managing projects and cultivating partnerships will help me to carry out the responsibilities of the U.S. Executive Director at the ADB, which is dedicated to reducing poverty in the Asia Pacific region through sustainable and inclusive economic growth, investments in human capital, and good governance. If confirmed, my first priority will be to advance U.S. policy interests at the ADB. Additionally, I will work to ensure that the U.S. Commerce Department and other entities that publicize opportunities for U.S. businesses to compete for business overseas include information on how to compete for contracts from the ADB; strengthen outreach to and engagement with Non-Governmental Organizations (NGO) communities and citizens to establish direct feedback channels for information on implementation status of ADB projects; modernize the ADB's communications, such as the Bank's website, to increase transparency and enhance marketability of the ADB; encourage ADB's efforts to create opportunities for women and girls across Asia and for its own female staff; maintain communication with Congress; and advocate for ADB's continued application of high social, environmental, and fiduciary standards, including promoting their adoption by new multilateral institutions in Asia.

My upbringing in India provides me with an excellent understanding of the Asian culture. In addition to English and Hindi, I am fluent in Gujarati and Marathi. I also have working knowledge in Urdu, Punjabi and Bengali languages. My language skills and cultural awareness will position me well to address challenges facing the ADB and communicate how ADB is fueling positive economic development and stability throughout the region.

I have led delegations to India as Iowa Legislator, as Iowa Utilities Commissioner and as President of the National Foundation of Women Legislators. After leading these delegations, I believe empowering women is the key to eradicating poverty and to achieving economic growth. If confirmed, I hope to work closely with NGOs and other international organizations on women's issues as it relates to development financing.

If confirmed, I look forward to representing the United States at ADB and ensuring that our country's priority initiatives are advanced. It is my distinct honor to appear before you, and I sincerely appreciate the opportunity to be here today. I look forward to answering any questions you may have.

Thank you.

Senator GARDNER. Thank you very much.

As you can tell by the bells, we have started a vote. So Senator Cardin will be voting, coming back, and then I will be heading to the floor as well. We will do that a couple times most likely during the hearing.

We will turn now to—thank you, Ms. Dandekar, for your testimony. We will turn now to Mr. Matthews, Matt Matthews, up for the rank of Ambassador during this hearing today. I look forward to your testimony. Thank you.

**STATEMENT OF MATTHEW JOHN MATTHEWS, OF OREGON,
NOMINATED TO BE THE U.S. SENIOR OFFICIAL FOR THE
ASIA-PACIFIC ECONOMIC COOPERATION, APEC, FORUM**

Mr. MATTHEWS. Good morning, Mr. Chairman. I am happy to be here today with my wife Rachel. My two children, Daniel and Kristen, are grown and live and work in Portland, Oregon and Bethlehem, Pennsylvania, so they were unable to join me today. Too bad Senator Cardin is not here. I could tell him that my son graduated from the University of Maryland Dental School. [Laughter.]

Mr. MATTHEWS. Mr. Chairman and members of the committee, I am honored to appear before you today as the President's nominee to serve as the Senior Official for APEC with the rank of Ambassador. I appreciate the confidence that President Obama and Secretary Kerry have shown in me, and if confirmed, I look forward

to working with you to advance U.S. economic interests through the Asia-Pacific Economic Cooperation Forum as we strive to foster a rules-based economic system in the Asia-Pacific region that supports prosperity abroad and jobs here at home.

APEC is the premier economic organization in the Asia-Pacific region and a key venue for engaging the most economically dynamic region in the world. APEC's 21 members span both sides of the Pacific and account for over half the global economy. They purchase 62 percent of our goods exports and comprise a market of 2.7 billion consumers.

Through APEC, the United States works with our partners to tackle a wide range of issues critical to long-term prosperity across the Pacific Rim. For over 25 years, APEC has steadily advanced a vision of growth and integration, within Asia and across the Pacific.

The United States works within APEC to open markets in the Asia-Pacific region and connect them to U.S. exporters. APEC's focus includes eliminating barriers to trade and investment and creating better environments for our companies to do business overseas.

APEC has played and will continue to play a central role in enabling agreements like the Trans-Pacific Partnership and those at the World Trade Organization by helping economies envision and prepare for a high-standard, rules-based economic system throughout the Asia-Pacific. Agreements like these can deepen America's economic ties to the region and build a more level economic playing field that will help Americans to compete successfully.

The economies of the Asia-Pacific region have benefited greatly over the past half century from progressively freer and more open trade and investment. The vast majority of the region's citizens live better lives because of the region's economic integration, but disruptions in the financial markets, natural disasters in the region, rising inequality in many regional economies, and raising long-term potential growth are key challenges.

From our point of view, APEC is a key part of the solution, and the United States and other APEC members recognize that just as important to ensuring meaningful prosperity is promoting economic growth that is sustainable and benefits all of our citizens.

If confirmed, I will work with Congress, the business community, and my colleagues in the executive branch through APEC to expand and sustain economic growth at home and abroad and to promote new opportunities for our exporters overseas.

If confirmed, I will build on my experience in the Asia-Pacific to advance our economic interests. Most recently I served as the Foreign Policy Advisor to the Commander of the U.S. Pacific Command, Admiral Sam Locklear, but I have spent most of my 30-year career in the Foreign Service primarily handling trade and economic issues at our embassies and posts overseas. In particular, my time working on macroeconomic reform and financial market access issues during multiple tours in China and Taiwan and on bilateral FTAs in the region has provided me with a good foundation of knowledge of both the region and the issues that the United States is working to address through APEC.

Mr. Chairman, it would be a great privilege to serve my country as the U.S. Senior Official to APEC with the rank of Ambassador. The Asia-Pacific region represents the future of the global economy, and we can play a key role in shaping and sustaining our vision for the region through APEC. I look forward to helping the United States work through APEC to promote growth and job creation in the Asia-Pacific for American businesses and citizens.

Thank you for your consideration of my nomination. I look forward to your questions.

[The prepared statement of Mr. Matthews follows:]

PREPARED STATEMENT OF MATTHEW J. MATTHEWS

Mr. Chairman, and members of the committee, I am honored to appear before you today as the President's nominee to serve as the U.S. Senior Official for APEC with the rank of Ambassador. I appreciate the confidence that President Obama and Secretary Kerry have shown in me and, if confirmed, I look forward to working with you to advance U.S. economic interests through the Asia-Pacific Economic Cooperation (APEC) forum as we strive to foster a rules-based economic system in the Asia-Pacific region that supports prosperity abroad and here at home.

I'm happy to be here with my wife, Rachel. My two children are grown and live and work in Portland, Oregon, and Bethlehem, Pennsylvania, so were unable to join us today.

APEC is the premier economic organization in the Asia-Pacific region and a key venue for engaging the most economically dynamic region of the world. APEC's 21 members span both sides of the Pacific and account for over half of the global economy. They purchase 62% percent of our goods exports, and comprise a market of 2.7 billion potential consumers.

Through APEC, the United States works with our partners to tackle a wide range of issues critical to long-term prosperity across the Pacific Rim. For over twenty-five years, APEC has steadily advanced a vision of growth and integration, within Asia and across the Pacific.

The United States works within APEC to open markets in the Asia-Pacific region and connect them to U.S. exporters. APEC's focus includes eliminating barriers to trade and investment and creating better environments for our companies to do business overseas.

APEC has played—and will continue to play—a central role in enabling agreements like the Trans-Pacific Partnership (TPP) and those at the World Trade Organization (WTO) by helping economies envision and prepare for a high-standard, rules-based economic system throughout the Asia-Pacific region. Agreements like these can deepen America's economic ties to the region and build a more level economic playing field that will help Americans to compete successfully.

The economies of the Asia-Pacific region have benefitted greatly over the past half-century from progressively freer and more open trade and investment. The vast majority of the region's citizens live better lives because of the region's economic integration, but disruptions in the financial markets, natural disasters in the region, rising inequality in many regional economies and raising long-term potential growth are key challenges.

APEC is part of the solution, and the United States and other APEC members recognize that just as important to ensuring meaningful prosperity is promoting economic growth that is sustainable and benefits all our citizens.

If confirmed, I will work with Congress, the business community, and my colleagues in the Executive Branch through APEC to expand and sustain economic growth at home and abroad, and to promote new opportunities for our exporters overseas.

If confirmed, I will build upon my experience in the Asia-Pacific to advance our economic interests in this region. Most recently, I served as Foreign Policy Advisor to former U.S. Pacific Command Commander Admiral Sam Locklear in Honolulu, but I have spent most of my thirty-year career in the Foreign Service primarily handling trade and economic issues at our Embassies and Posts overseas. In particular, my time working on macroeconomic reform and financial market access issues during multiple tours each in China and Taiwan, and on bilateral Free Trade Agreements (FTAs) in both Australia and Malaysia, has provided me with a good foundation of knowledge of both the region and the issues that the United States is working to address through APEC.

Mr. Chairman, it would be a great privilege to serve my country as the U.S. Senior Official for APEC with the rank of Ambassador. The Asia-Pacific region represents the future of the global economy, we can play a key role in shaping and sustaining the vision for the region through APEC. I look forward to helping the United States work through APEC to promote growth and job-creation in the AsiaPacific for American businesses and citizens.

Thank you for considering my nomination. I look forward to your questions.

Senator GARDNER. Thank you, Mr. Matthews, for your testimony.

Ms. Escobari is our nominee for Assistant Administrator to the United States Agency for International Development. Welcome and please proceed.

**STATEMENT OF MARCELA ESCOBARI, OF MASSACHUSETTS,
NOMINATED TO BE AN ASSISTANT ADMINISTRATOR OF THE
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT**

Ms. ESCOBARI. Chairman Gardner, thank you for considering my nomination and for the opportunity to testify before you today. It is an honor to be nominated by President Obama to serve as Assistant Administrator for the Bureau for Latin America and the Caribbean at USAID.

I have had a chance to meet with people from USAID and those working in this community, and I have been impressed by their deep knowledge and commitment.

My own passion for development comes from growing up in Bolivia, one of the poorest countries in the hemisphere, a daughter of two pediatricians who spent most of their life working in public hospitals. I mean, they brought home the joys of making a difference one child at a time, but also the frustrations of seeing children dying more from poverty than disease. I recall telling my parents that I wanted to become a doctor like them and them counseling me that I should, instead, focus on the more structural issues that keep people in poverty instead of its symptoms. At the time, I did not quite understand what they meant, and it, for sure, sounded less fun than being a doctor. But I know that my parents, who are watching from afar today, are proud to see me here trying to do just that.

I want to thank them, my husband Beran, and our sons, Nico and Lucas, and our friends and family, whose unwavering support and love are the reason that I can sit before you today.

Throughout my career, I have had a chance to see international development from different perspectives. As an investment banker working in Latin America, I saw the win-win opportunities of foreign direct investment and the transfer of knowledge across borders. As a consultant working in Africa and the Americas, I saw the importance of partnership across sectors, and most recently as Executive Director of the Center for International Development at Harvard, I got a chance to work on ideas of how to spur economic growth that can be more inclusive and bring evidence to decision-making. These experiences have taught me lessons that I hope to bring to this job if confirmed.

First, I believe that there are no silver bullets. Solving poverty is probably among the most complex challenges of our time. Making progress requires a long list of ingredients, from access to quality schooling to jobs that provide sustenance and dignity, and

things we cannot touch like a sense of safety and the rule of law. The list continues, but we have learned the difficult truth that a one-size-fits-all approach will just not work.

Second, the answers to this complexity must be grounded in evidence. Effective policy requires a relentless, data-driven approach to learning.

And third, I have learned the importance of partnership. I worked on a project in Rwanda to help reconstruct the economy after the genocide. It focused on moving the coffee sector from green, low-value coffee to one that could be sourced by Starbucks. Success depended on entrepreneurs willing to venture into export markets, on a government that could provide widespread training to farmers, and USAID providing a loan guarantee to establish the first washing station. This partnership resulted in tripling of incomes of the poorest farmers in Rwanda. And these outcomes would not have been possible without multiple actors working together on a unified strategy.

Finally, I understand that economic growth alone is not enough. Development requires strong and transparent institutions that provide basic services and are accountable to its citizens.

It is an important time for Latin America and the Caribbean. There are winds of change that are bringing hope to millions of people. Historic elections have taken place in Venezuela and Argentina, and judicial systems are holding the most powerful accountable in countries like Brazil and Guatemala. There is a peace accord on the table in Colombia that might bring an end to a brutal 50-year-old war. But it is also a time of fragility. Winds of change can quickly turn to destructive storms, and so we must continue to work skillfully with our partners in the region to ensure that these gains are sustained. Our mission is shared in every sense not just with the American people as an extension of their will and with the burden and privilege of their trust, but also with our neighbors.

I was born in Bolivia, but circumstances gave me the incredible chance to become a citizen of this great country. I fell in love with a great man, but I was also drawn to the United States' core values, its belief in every individual's intrinsic dignity and our right to pursue our own happiness and prosperity in an environment where our freedoms are protected and rules apply equally to everyone. I believe that these values are a source of our Nation's strength, and they must be reflected in our foreign policy.

If confirmed, it would be an honor to give back to a country that has given me so much and to advance these values as Assistant Administrator for the Bureau for Latin America and the Caribbean at USAID. Thank you.

[The prepared statement of Ms. Escobari follows:]

PREPARED STATEMENT OF MARCELA X. ESCOBARI

Chairman Gardner, Ranking Member Cardin and members of the committee, Thank you for considering my nomination and for the opportunity to testify before you today. It is an honor to be nominated by President Obama to serve as Assistant Administrator for the Bureau for Latin America and the Caribbean at the United States Agency for International Development (USAID). I am grateful for the trust and confidence placed in me by Administrator Smith and Secretary Kerry at this critical time for the region. I also want to recognize the outstanding work being done by Beth Hogan, who has been leading the Bureau as acting Assistant Administrator.

I have had the opportunity to meet the dedicated staff of USAID, as well as those working for this committee, and I have been inspired by their knowledge and commitment. I have devoted my career to the practice of international development and I remain deeply optimistic about the role that U.S. policy and development assistance can play in improving lives for the poorest communities in Latin America and the Caribbean. If confirmed, I will work hard to make good on the Agency's mission to create prosperous, democratic, and resilient societies.

My passion for development was sparked by growing up in Bolivia, one of the poorest countries in the region, as the daughter of two pediatricians who practiced in the country's ill-equipped public hospitals. They brought home the joys of making a difference one child at a time, but also the frustration of seeing children die more often from poverty than disease. As a teenager, I recall declaring my intent to follow in their footsteps and become a doctor, to which they looked at each other with mild concern. They counseled me to instead focus on the "more structural forces" that keep people in poverty. At the time, I had no idea what they meant; only that it sounded much less fun than being a doctor. I soon figured out that they were encouraging me to tackle the root causes—not simply the symptoms—of the deprivation endured by the children they helped on a daily basis. I know that my parents, who are watching today from afar, are proud to see me here hoping to do just that.

I want to thank them, my husband Beran, our sons Nico and Lucas, and all of our friends and family, whose unwavering support and love are the reason I can sit before you today.

Throughout my career, I've had the opportunity to observe and work on international development challenges from many different perspectives. An early memory—and one that impacted my career choice—was volunteering in an orphanage while in high school. There, I remember caring for a two year old child who could barely sit up because the staff had no resources to provide the most basic human interactions to foster his development. I knew even then, that his suffering was and should be preventable.

Years later, as an investment banker working in Latin America, I saw the win-win potential of foreign direct investment and the transfer of knowledge across borders. As a management consultant working on development projects in Africa and the Americas, I learned how structuring effective partnerships among the private sector, governments, and local institutions can help create economic opportunities. Most recently, as the executive director of an international development research center at Harvard University, I have overseen numerous research projects on how to spur economic growth that is inclusive, and build the capacity of governments to execute more effectively. Experiencing the practice of development from these different perspectives—some up close as a volunteer and some from afar in the private sector and academia—has taught me a number of lessons I plan to bring to this job, if confirmed.

First, I believe that there are no silver bullets. Solving poverty is among the most complex challenges of our time. Making progress requires a long list of ingredients—ranging from access to quality education and healthcare to reliable roads and functional ports. It requires jobs that provide both sustenance and dignity, and a viable transport system that allows people to get to those jobs. We also know that overcoming poverty requires intangibles. It requires effective governance. People must feel a basic sense of safety in their neighborhoods, they must believe in a future for themselves and their children; they must have faith in the rule of law and an impartial justice system. The list of course continues.

But here's what we also know: it is possible to prevail. History has shown us that progress is attainable. The economies of countries like the U.S. have grown twenty times in the last two hundred years, while others have remained stagnant for decades. By studying their experiences, we have learned a lot about what drives growth, and we have had to confront the difficult truth that a one-size-fits-all approach will not work. The varying histories, cultures, capacities, government structures and even geographic locations of countries means that the path to prosperity for El Salvador will be different from that of Haiti.

Second, I believe that the answers to the complex challenge of development must be grounded in evidence. Effective policy requires a relentless, data-driven approach to learning—and learning fast. We must start from the humble position that there is a lot that we still don't know. New technologies have given us the ability to experiment, gather data, and harness new insights at an accelerated pace. If confirmed, I will build on ongoing USAID innovations and evaluations efforts to bring this data driven approach to bear on initiatives to deliver results.

Third, I have experienced first-hand the transformative power of partnership for development. Growth requires a thriving private sector that creates opportunities for its citizens—and one works together with an accountable public sector and vi-

brant civil society. Early in my career I worked on a project in Rwanda to help reconstruct the economy after the genocide. The project helped to transform a coffee sector that produced mostly green, low-value coffee into a competitive global exporter of Arabica coffee beans that are of such high quality that they are now sourced for Starbucks. Success depended on many factors: on entrepreneurs willing to venture into new export markets, on a government that could provide widespread technical assistance to farmers, on USAID's ability to provide a loan guarantee that helped establish the first coffee washing station. This 10-year, cross-sector partnership resulted in tripling the incomes of some of Rwanda's poorest coffee farmers, helping them to send their children to school and envision a new future for them. These outcomes would not have been possible without multiple actors working together on a unified strategy.

In the end, nations can only provide opportunities for their people if they have competitive firms that produce goods the world wants to buy. While leading the Latin American and Caribbean practice for an international consulting firm, I witnessed what happens when local producers became globally competitive. Whether in manufacturing, tourism or music, the challenge is harnessing the specific advantages of local industry and effectively connecting them to global markets. These linkages provide jobs for the unemployed, increase wages for the poor, and ultimately drive sustainable growth and development—impacts that go well beyond a nation's own borders. I very much support USAID's focus on leveraging the investments of the private sector, and I believe that it is in the best interest of the American people to help build resilient economies that are integrated into the global marketplace. This is particularly true in our neighboring economies in Latin America and the Caribbean.

Finally, I understand that economic growth alone is not enough. Development requires strong and transparent institutions that provide basic services to people, ensure that rule of law and public safety are maintained, that universal rights are respected, and that governments are accountable to their citizens. If confirmed, I will work diligently to advance the U.S. government's long-standing commitment to promoting democracy, human rights and governance and supporting civil society to advocate for these conditions in Latin America and the Caribbean—from Cuba to Venezuela and beyond.

It is an important time for Latin America and the Caribbean. There are winds of change that are bringing hope to millions of people. Historic elections have taken place in Venezuela and Argentina. Judicial systems are holding the most powerful accountable in countries like Brazil and Guatemala. There is a peace accord on the table in Colombia that may finally bring an end to a brutal 50 year old civil war.

But it is also a time of fragility. Winds of change can quickly turn to destructive storms, and so we must continue to work skillfully with our partners in the region to ensure that these gains are sustained. In Venezuela, a humanitarian crisis is brewing amidst political turmoil. In Central America, we have seen the spillovers of escalating violence, stagnant growth and weak institutions. In Haiti, allegations of electoral fraud have brought the country to the brink of an institutional void. And while Colombia is on the verge of a milestone peace accord, the country has yet to move through the delicate process of disarming and reinserting former fighters into society. We need to combine hope with humility, and a hunger for progress with a clear-eyed recognition of what it takes to create sustainable progress in this complex world.

The region now faces a new threat—the Zika virus. While there is much we still do not know about this disease, I am encouraged by the U.S. Government's response and USAID's plan to focus its efforts on mitigating the outbreak through mosquito control strategies, communicating with the public about the virus and how to control it, supporting women and families in affected countries, and innovating to enhance the response and prevent future outbreaks.

As we look for solutions and for ways to support the region's dreams of prosperity and stability, we must not only deploy our own capabilities but also the commitment, knowledge and resources of our partners throughout the region. The solution to some of Guatemala's malnutrition challenges may be found in techniques developed in Argentina's agricultural sector. The answer to the scarcity of employment opportunities in Haiti may be found in the economic zones next door in the Dominican Republic. Ideas to address Central America's insecurity may be found in our own cities or in other cities across Latin America. Our mission is a shared one in every sense, not just with the American people—as an extension of their will and with the burden and privilege of their trust—but also with our neighbors in the region.

I was born in Bolivia, but circumstances gave me the incredible chance to become a citizen of this great country. I fell in love with a wonderful man, but I was also

drawn to the United States' core values, its belief in every individual's intrinsic dignity, in our right to pursue our own happiness and prosperity in an environment where our freedoms are protected and the rules apply equally to everyone.

I believe that these values are the source of our nation's strength and that they must be reflected in our foreign policy. It would be an honor to give back to a country that has given me so much and advance those values as Assistant Administrator for the Bureau for Latin America and the Caribbean at the United States Agency for International Development. Thank you again for considering my nomination and I look forward to answering your questions.

Senator CARDIN [presiding]. Well, once again, thank all five of you.

As you have noticed, Senator Gardner and I have rotated because there is a vote on the floor of the United States Senate, and we wanted to keep this hearing going. And I apologize for walking out. I have cast my vote. Now he is going over to do his vote, and he will be returning shortly.

But once again, thank you all for your service.

Let me, if I might, ask questions, first starting with Micronesia and with the Marshall Islands. Both are very much subject to the direct impact of climate change. They see it. The Marshall Islands was very helpful to us in Paris, as you pointed out. Micronesia is a great friend with us in the United Nations, as you pointed out.

In both of those countries, we have issues. The Marshall Islands is very important on maritime security issues, which is an area that is growing in tension in the region. We have certain commitments. The development assistance programs and the compact tails off over a number of years in both of these countries. The conditions for Micronesia complying with the compact has been difficult, denying them some infrastructure funds.

So I would welcome both of your views as to how you see us building on our traditional relationships with these two partner countries as we deal with international global issues from maritime security to climate change, to other issues in the United Nations, but also how you see the compact emerging with the United States' assistance during your terms as Ambassadors. Ambassador Stewart, we will start with you.

Ambassador STEWART. Thank you, Senator.

You have addressed a broad set of issues that will be the future work for myself, if confirmed in the Marshall Islands.

I think, first of all, I would like to say that in addressing the compact and the future of the assistance, it would be my goal, if confirmed, to work with the Marshallese for the goal of a more sustainable economic development, in other words, to as much as possible, shift the resources into outcome-oriented programmatic developments that would allow the Marshalls to become ready to become self-sufficient as the grant assistance comes to an end in 2023.

At the same time, the Marshalls are fortunate in having a fairly strong start on their trust fund, which will provide an alternate source of income after the grant assistance ends.

In the area of climate change, as you have noted, Senator, they worked with us very well in Paris, and I imagine we will continue to be close partners in the international negotiations. In terms of their own challenges, in the compact assistance, we are now moving to include resilience and adaptation measures in all of the

projects so that what gets built there is prepared for some of the effects of climate change. And also, we have continuing programs in disaster assistance and preparedness, better even to prepare for droughts and other severe weather elements.

And finally, in maritime security, we already have ship rider agreements with the Marshall Islands, but I think we continue to work with them on how to best preserve, conserve maritime resources and, if necessary, defend those areas.

Thank you, sir.

Senator CARDIN. Mr. Riley, your background in Peace Corps will serve you well here in Micronesia. You understand how important the economic development and infrastructure development is to the country's future. And yet, they have been very slow in moving forward on the conditions of the compact, which jeopardizes their ability to improve the infrastructure of their country, which is part of their economic future.

How do you see your role in trying to expedite the growth, economic growth, infrastructure growth, in Micronesia and partnership with the United States?

Mr. RILEY. Mr. Chairman, there are a lot of similarities between the Marshall Islands and the Federated States of Micronesia.

I think one key difference that you identified is the fact that the trust fund is not fully funded in Micronesia as it is in the Marshalls. And there is a lack of economic development in Micronesia. So I will be looking very closely at the situation, if confirmed, on the ground and see where we might encourage private sector development, which I think is a key area in Micronesia. There is very much a lack of private sector development in Micronesia at the present time.

And I am considering looking to U.S. business as partners in that effort. I think there are opportunities in tourism, some niche tourism in particular. There are opportunities in small business, small franchises, Starbucks and so forth, and there is even a possibility of establishing call centers there. They occupy kind of a unique place in the globe between the Philippines and the U.S. and India, and that might be a possibility. So those are some things I am thinking about and will be considering when I arrive in Micronesia, if confirmed.

Senator CARDIN. Well, I appreciate that answer. The call center issue is going to get some of our attention because we think you should be talking to someone in this country when you call for help. [Laughter.]

Senator CARDIN. I understand what you are saying.

Mr. RILEY. These would be American call center companies.

Senator CARDIN. We will do the best we can there.

Let me switch because this is a large panel and I want to give everybody an opportunity with Ms. Dandekar and Mr. Matthews. And both, I want to ask you questions related to China.

Ms. Dandekar, China has established the Asian Infrastructure Investment Bank, and it raises questions as to how it impacts the finance institutions in Asia with U.S. participation limited in how China is proceeding today. I would welcome your thoughts as to how you see the role within the Asian Development Bank in deal-

ing with the efforts by China to divert from the traditional development banks to one which it has more influence on.

Ms. DANDEKAR. Thank you for your question, Senator.

Yes, AIIB is a new bank. And what they have said, that they will work with multinational—the MDBs. That is what they have said. The requirement for infrastructure in Asia is so vast that AIIB, when they work with MDBs, it will be good for us—I mean for the Asian Development Bank.

The reason is AIIB said that they will work with MDBs because that is how they are going to work to get the good governance. If confirmed, I will encourage ADB to co-finance with AIIB. The reason is that this way we can make sure that there is transparency and there is good governance with AIIB.

Senator CARDIN. I would just caution—look, I do not think any of us disagree that the more players in the field, it adds more flexibility for how to deal with economic development. So I do not think we per se are concerned about China's trying to develop a development bank, but I do question whether China always does what it says and whether their motives are always as pure as what we are trying to do in international development, particularly in our rebalance to Asia. So I think your answer I agree with. We want to engage, but I would just caution that they may, in some instances, be trying to undermine the more traditional development opportunities.

Ms. DANDEKAR. Thank you, Senator, for your comment. And I agree that there is a concern, but I think when AIIB will work with MDBs, we will be able to make sure that they have high standards, good governance, good transparency. By working with them, we will raise their standards too. So I completely agree with you regarding the concerns. But when they work with MDBs, it will really help to make sure that they are doing what they say they will be doing.

Senator CARDIN. I appreciate that. When I get to Ms. Escobari, I am going to be focusing on the corruption issue and good governance issue, but it is going to affect every one of your portfolios. And you are going to be hearing from not only me but this committee as to how we are going to assist you in your work on developing good governance as a condition to programs that you want us to participate with in any other country in the world. So we are going to be insisting upon the good governance, anti-corruption issues.

Mr. Matthews, the fact that China's economy has cooled down considerably—oil prices, of course, are different—how does that affect the work of APEC?

Mr. MATTHEWS. Thank you, Senator.

I would say that it raises the general broad problem that we are in a period of mediocre economic growth. And in APEC, we are looking across the spectrum of how we can operate to improve our economic performance and find new sources of growth whether it is through the economic architecture in trade—and in APEC this year we are initiating work on services trade. It is a great start. It will take us some time. But by opening up services trade among our APEC members, we will be expanding the potential for growth.

In structural reform, we look behind the border barriers growth. We are trying to remove red tape. We are trying to eliminate un-

necessary bureaucratic processing to reduce costs for firms and to speed up their opportunities to take advantage of international trade.

And the third area where we work in APEC to deal with this slower growth environment is improving human capital. You will see it in the work that we are doing particularly with regard to women. This year we are going to be launching work on STEM education for women trying to make sure we reduce the gap and get more women and girls involved in science and technological education to ensure that they are getting the skills necessary to actively work and participate in our economies and bring greater growth potential by just raising overall human capital development.

I would say those three core areas are ways in which we can engage effectively to help improve the potential for growth of our APEC economies.

Senator CARDIN. Well, thank you for that.

China, I think, presents opportunities for us. So I am not opposed to China's growth. I would rather see them also invest in the same areas you just talked about. Those of us who have visited China recognize that they have held back their own growth by how they have denied the full opportunities to their people. And I think some of the points that you are referring to will provide a more stable environment for APEC. So I appreciate that answer.

Ms. Escobari, I want to get to one of my favorite subjects. I recently was in Central America. I strongly support the President's initiatives in Central America, but I do not think it is enough. The programs seem to be more geared towards the military security front or the police security front rather than dealing with developing safety in communities for the full potential of their population. And impunity issue is horrible.

So tell me how you are going to make anti-corruption, good governance your top priority in the work that you are going to do and how you are going to keep us informed of the progress you are making and the obstacles that you confront in the State Department so that we can remove those obstacles.

Ms. ESCOBARI. Thank you, Senator, for the question.

Indeed, Central America is a priority and it is a key moment for the U.S. Government to invest in that region. I mean, the immigration crisis and the instability, as you said. And I think part of it is about, you know, people leave their countries because of fear and hope, and part of it is bringing hope closer to home. But both stability and economic development, or our key parts of the alliance for progress in the region, are not enough without dealing with governance and creating good institutions.

I think we are all optimistic on the role that CSIG has had in the region in combating impunity. This was a pretty small agency that had important effects through time. And I know that Honduras also wants to embrace a similar model that we are supporting.

So I think that the three-pronged approach of you have got to create jobs, which is I think important and crucial and you can be successful by taking a more regional approach, dealing with the safety issues—and the safety issues are very different in every

country. There is not a one-size-fits-all approach there—and working at the community level and understanding the root causes of each of the problems is key. But as you say, none of that is sustainable without a focus on strengthening these institutions, and I think that should be a priority. And I will maintain you are informed and seek your counsel.

Senator CARDIN. Thank you.

I admire Administrator Shah, Administrator Smith's initiatives at USAID to find ways to leverage a relatively small amount of assistance to bring about significant change. And we have been successful in doing that. I go back, Mr. Chairman, to President Bush's initiative on PEPFAR and that as a consequential change globally on our fight against AIDS. We need similar creative thoughts in dealing with hunger. And we have an initiative that we are doing at USAID with that. We need a consequential effort to deal with the gang violence in Central America.

But we also need to get a clear message out on anti-corruption that it is going to be tough love. We are not going to provide funds that can fuel corrupt regimes. In Central America, we have democratic regimes, but they have a hard time dealing with the extortion that gangs do in order to carry out their illegal activities. So we need you laser-focused as to how U.S. policy can have a more effective way of reducing anti-corruption strategies in the countries in which we are operating in. And I see that you fully support that. [Laughter.]

Ms. ESCOBARI. Yes, I do support that.

First, I think those commitments are part of this agreement and new funds to the region, that local governments need to be committed to these issues and show progress in them. I also think that corruption is extremely corrosive for development. It creates a huge tax. And we combat it directly and we also combat—the absence of corruption is public services that work. And when we focus on making sure that a system, you know, a health system, works, we are making sure that we are combating corruption too.

Senator CARDIN. Thank you very much. I appreciate all of your service.

Senator GARDNER [presiding]. Thank you, Senator Cardin.

And just a quick question to all of you. We have spent a lot of time on this committee talking about the rebalance, talking about the pivot, talking about our Asia rebalance. And we have talked about how it cannot just be a military rebalance with personnel and equipment, but it has to be a diplomatic, it has to be an economic, it has to be all of the above when it comes to making sure that we are providing leadership and showing opportunities for the rebalance to succeed.

So I guess I will start with Ms. Dandekar in terms of what you see our success with the Asia rebalance, how we are proceeding with it, how successful we have been, and what we need to do to truly continue making the rebalance effective.

Ms. DANDEKAR. Thank you, Senator.

I think it is important for ADB to be part of rebalancing, making sure that we have good governance, especially when it comes to economic development and infrastructure, also have good commu-

nications with the region like you mentioned. And I did talk about those issues in my opening statement.

One of the things I have found out, it is important for us to have good governance, meet with the NGO's, the nongovernmental organizations. They are the ones who are going to say that what we are doing at ADB is the right thing. It also gives us good PR for the public to know that we are working on infrastructure, we are working on economic development, we are working on education, and it is because of ADB's partnership those things are happening.

Senator GARDNER. Ambassador Stewart, on the issue of the rebalancing, where we are and how we can be successful, and where we have not lived up to what we should be doing.

Ambassador STEWART. Thank you, Senator.

With my many years of serving in Southeast Asia and South Asia, a priority given to the Asia-Pacific is of great interest to me.

I think in the particular area of the Marshall Islands, it demonstrates our relationship there, demonstrates three of the key themes of an emphasis and a rebalancing towards the Asia-Pacific.

We have first the very strong defense and mutual security relationship, the access that we have to facilities there, and our responsibilities for defense.

But we have also the important factor of the economic development and how we will work together to pick up that area more to work on the theme of mutual prosperity for the Marshall Islands. And I would say that is a broader theme for the Asia-Pacific in general. That is what we hope to achieve here.

And then thirdly, the people-to-people relationship, which I think should be emphasized also and which, in the case of the Marshall Islands, we have free travel back and forth and we can promote that. But I think, again, that would be a theme that I would see throughout the Asia-Pacific.

Thank you, sir.

Senator GARDNER. Thank you.

Mr. Riley?

Mr. RILEY. Thank you, Mr. Chairman.

As in all things, there are many similarities between the Marshall Islands and FSM. I would add that the FSM is geopolitically very important. It occupies a million square miles in the middle of the Pacific between us and China. And I think that PACOM is very much aware of its geopolitical importance and is active in a number of areas in FSM, as I think also in the Marshall Islands. The Coast Guard is also active there. There are a number of maritime initiatives there.

And the defense provisions in the compact are kind of a ready-built rebalance, if you will, in that we have the full responsibility and authority for all defense matters there, as well as the right of strategic denial to any third party military. And I think these are very important provisions in the compact that are good for their defense and for ours.

As far as the economics are concerned, that is something that is kind of built into the end of the compact in the FSM. We are going to have to do a lot to make sure that the economy is ready for 2023, and if confirmed, that will be one of my major priorities.

Senator GARDNER. Mr. Matthews?

Mr. MATTHEWS. Mr. Chairman, for the Asia rebalance, three core areas of course are, on the diplomatic side, sustaining and strengthening our traditional alliance relationships while building out partnerships with other key players for us like Singapore, New Zealand, and Vietnam I think has gone very well over the past few years.

On the military force reposturing, as you know, PACOM has, I think, completed a very effective restructuring and they have been working assiduously to make sure they have the most efficient down-lay of their forces across the Pacific in a way that strengthens our security, and I think they have been successful in that.

And the third element, of course, is on the economic side where I now have some responsibilities. And APEC has been working consistently—and we are redoubling our efforts to do so—to assure that we have that open, transparent, rules-based economic system that supports our market economies and that sustains new opportunities for our businesses. I would say that the Trans-Pacific Partnership agreement, which grew out of APEC—of course, it is a separate negotiated undertaking, but shares those same values—is a perfect expression of the goals that we seek to ensure are inculcated in the structure of the economic arrangements in the East Asia-Pacific. And if we can get it to ratification this year, that will be a permanent stamp of American leadership in the region.

Senator GARDNER. From a resource point of view, your experience as Deputy Assistant Secretary of State in the Bureau of East Asian and Pacific, are we redirecting resources to an adequate point for that bureau? Because I know it had been actually one of the lower resourced bureaus.

Mr. MATTHEWS. I think the East Asian and Pacific Bureau would always appreciate more resources. [Laughter.]

Mr. MATTHEWS. And I could put that vote in for Assistant Secretary Dani Russel. But I do believe that we are making best efforts with the resources that we have got to do all that we can to pursue those goals, and I think we are doing them fairly effectively.

Additional resources for development projects in the Pacific would be appreciated. I would say that there are a number areas where if we have adequate ESF funding, there are significant things we can accomplish in helping develop the capabilities of these economies and making sure that they are active and effective partakers in an open market economy.

Senator GARDNER. Ms. Escobari, would you like to address the question on the issue of rebalance?

Ms. ESCOBARI. Well, my area of expertise is around Latin America.

Senator GARDNER. I understand. I did not expect you to answer but I wanted to give you the chance if you wanted to add something to it.

Ms. DANDEKAR, the ADB with the AIIB—is there anything that ADB should be doing, any policies that it should be pursuing or perhaps the Senate needs to be addressing when it comes to the experience of the AIIB to make sure that we are competitive, that we are providing leadership and not taken off the scene?

Ms. DANDEKAR. Thank you, Senator.

I have talked about a few things with Senator Cardin before you came.

AIIB is a new bank. As you know, there is so much need, the vast need for infrastructure in Asia. And at this moment, AIIB has said that I am aware of that they will work with MDBs. And the Asian Development Bank will be one of them.

And one of the reasons we should co-finance with them because I think that we can say and MDBs can say that we have to have higher standards, good governance, and transparency.

And going back to my opening statement, I will work with Congress and with Treasury especially to take input from you if you have any concerns regarding how we should handle it and what should we do. I will keep the communications open, if confirmed as an Executive Director of the Asian Development Bank. I would really appreciate that.

Senator GARDNER. Very good. Well, thank you.

And I want to thank all of the witnesses for appearing today. Thank you to Senator Cardin for joining us. Thank you for your testimony, your families, travel. Welcome again to the committee and thank you for being here.

For the information of members, the record will remain open until the close of business next Monday, February 15th, 2016, including for members to submit questions for the record.

We ask the witnesses to respond as promptly as possible to those questions, and your responses will, of course, be made a part of the record.

With the thanks of the committee, this hearing is now adjourned.
[Whereupon, at 11:18 a.m., the hearing was adjourned.]

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

STATEMENT IN SUPPORT OF Ms. MARCELA ESCOBARI'S NOMINATION, SUBMITTED BY SENATOR EDWARD J. MARKEY

It is a pleasure to support the nomination of Marcela Escobari, of Massachusetts, to be an Assistant Administrator of the United States Agency for International Development.

If confirmed, Ms. Escobari will bring years of experience and knowledge to the job of Assistant Administrator. As Executive Director of Harvard University's Center for International Development, she focused on developing and disseminating breakthrough strategies to create prosperity in developing countries. Over her tenure at Harvard, the Center tripled in size, with a diversified set of supporters in the public, philanthropic and private realms.

Her over two decades of experience in economic development include serving on the Executive Committee of the OTF Group, a strategy consulting firm that advised private and public sector leaders on how to improve export competitiveness. There, she built partnerships between country governments and private enterprise to increase the competitiveness of sectors with strong potential for economic expansion.

Ms. Escobari has a particular interest on how information and communication technology affects economic development which is, I think, the area in which we should focus our efforts, as that is the approach that will spur entrepreneurship and innovation. Ms. Escobari grew up in Bolivia and worked with indigenous communities there for the World Bank.

I can't think of more relevant experience, background and interests than those of Ms. Escobari to lead the Western Hemisphere Bureau at USAID. I look forward to a speedy confirmation process for her and all her fellow nominees.

RESPONSES OF SWATI A. DANDEKAR, NOMINATED TO BE U.S. EXECUTIVE DIRECTOR OF THE ASIAN DEVELOPMENT BANK, TO QUESTIONS FROM MEMBERS OF THE COMMITTEE

DIRECTOR-DESIGNATE DANDEKAR'S RESPONSES TO QUESTIONS FROM SENATOR CARDIN

Regional Economic Issues

We've seen in recent months how China's economic deceleration and increased global economic uncertainty has led to negative spillovers for countries that for decades have been relying on China as a source of demand for commodities that the region provides.

Question. Historically, what have been the key drivers of economic growth for ADB borrowing countries and how has the slowdown in China and the region harmed those drivers? In light of the changing growth picture in the region, what policy reforms are the most pressing for the ADB? Is the ADB adequately equipped to address the changing needs of the region?

Answer. ADB borrowing countries extend from the Caucasus and Central Asia to the Pacific Islands, so the drivers of growth are extremely diverse. However, China's economic expansion has been a significant engine for export-led growth in many ADB borrower countries. In South Asia, China is a key importer of the region's agricultural commodities and lower value-added goods such as fabrics and garments. China's slowdown not only reduces demand for those exports, but also has created excess industrial capacity that may stunt efforts in South Asia, and in India in particular, to boost labor-intensive manufacturing. Trade between China and Central Asian economies has also increased sharply over the last decade, especially among energy-exporting economies like Azerbaijan, Kazakhstan, and Turkmenistan, where exports to China surpassed 10 percent of total exports in 2014. A faster-than-expected slowdown in China would affect global demand and reduce prices in energy and commodity markets, further hindering growth in these economies that are already slowing.

China's slowdown and weak external demand from other key export markets is underscoring the need for many of these borrowers to recalibrate their growth models to bolster domestic demand and develop new engines of growth in areas such as services. Continued investment in infrastructure and human capital along with other structural reforms are also crucial to enhancing their competitiveness. Additionally, China has become the world's largest source of tourists, and a precipitous slowdown in Chinese growth and a weaker Chinese currency could curtail Chinese tourism. Finally, China is also the second-largest source of foreign direct investment (FDI) globally (after the United States), and a faster-than-anticipated slowdown in Chinese growth could cause some of that FDI to dry up.

The ADB is well-positioned to support its borrowers as they confront this slowdown. ADB's emphasis on infrastructure and regional integration can improve competitiveness in non-traditional sectors and open up new export markets for developing Asian economies. The ADB is supporting investments in human capital, including increased attention to tertiary education and vocational training. The ADB's policy advice and technical assistance can also support reforms to improve business climates to spur new private investment and help governments do more to mobilize domestic resources. ADB's emphasis on inclusion, including promoting equality for women and girls, increases opportunities for a greater number of people to benefit from those sources of growth.

The ADB's merger of its ordinary capital and concessional lending resources, which will significantly expand lending capacity to all ADB borrowers, is an important step for positioning ADB to meet the region's needs. The next steps are to ensure that ADB enhances its internal capacity to manage this additional lending as effectively as possible, including devoting more resources to anti-corruption and integrity due diligence. The ADB should also continue strengthening its framework for monitoring and evaluation and incorporating lessons learned on what parts of its assistance are most effective and which are not, which will allow ADB to better support inclusive growth and poverty reduction going forward.

Anti-Corruption

In your comments about the AIIB, you stated that by working with them the ADB could bring higher accountability standard to their operations. In that regard, I am particularly interested in the ADB's Office of Anticorruption.

Question. First, I am concerned that it may not be as effective as it could be in dealing with an expanding portfolio. Please provide your view on the effectiveness of the current Office of Anticorruption, and what you would do to improve it. Second, please explain the authorities the Office would have in any co-financing project with the AIIB. What is the role of the Office in existing co-financing projects?

Answer. ADB's Office of Anticorruption and Integrity (OAI) is only one of several units devoted to ensuring accountability at ADB (including most prominently the ADB's Accountability Mechanism, for which the United States has been a strong and key proponent). OAI's mandate is underpinned by ADB's zero tolerance for corruption, and its fundamental role is to ensure that ADB builds and maintains a culture of integrity among the institution's staff, fairly and transparently reviews procurement processes, and provides advice on integrity due diligence. If confirmed, I will aim to set the highest example by my own conduct. There are reforms that could strengthen OAI, such as updating the institution's code of conduct and implementing stronger provisions for disciplinary action.

Beyond setting a good example and updating ADB's codes, OAI needs resources to perform the expanding set of key accountability tasks that it is charged with carrying out. Due diligence and investigative requests will increase as ADB, with more resources after the merger of its lending balance sheets, strives to expand its non-sovereign portfolio and co-financing in accordance with its current strategy. Additional staffing will be needed to ensure that OAI can complete its investigations in a timely fashion. Finally, OAI is one of the units at ADB charged with the important mandate of ensuring a respectful workplace for all. To consolidate the good work OAI has achieved to date and to bring about necessary improvements, major shareholders like the United States will need to lead by impressing upon ADB's Management the importance of fully funding and staffing OAI.

OAI's role in projects co-financed with other institutions is the same no matter which institution is involved, but this role depends on the type of co-financing arrangement. For joint co-financing, ADB generally administers the funds and the project, and ADB's policies and procedures will always apply, including ADB's Anticorruption Policy. In these cases, OAI operates exactly as it would if the project were solely financed by ADB. In some instances, a co-financier will request application of its own anticorruption policy in addition to ADB's policy, usually to add its own bidder debarment list alongside ADB's. In those cases, if an OAI review determines that the co-financier's policies and procedures are fundamentally consistent with ADB's, OAI recommends that the Board approve the recognition of the additional sanction list. For parallel co-financed projects, each co-financier independently administers its own project in accordance with its respective policies and procedures. My understanding is that under the draft ADB-AIIB co-financing agreement, ADB would administer the co-financed funds and thus the full ADB OAI review for joint co-financing would apply.

U.S. Arrears to ADB

In my opinion, the U.S. should always lead by example and fulfill its commitments to all the international organizations to which it belongs. U.S. arrears to the ADB exceed \$300 million.

Question. What impact, if any, do these arrears have for U.S. participation in the ADB?

Answer. I fully share the view that the United States should lead by example and fulfill its commitments to all international organizations in which it is a member, including the ADB. I appreciate that the FY 2016 appropriations clear our unmet commitments and complete our payments for the ADB's general capital increase, preventing us from forfeiting shares and ensuring that the United States remains the joint largest shareholder with Japan. However, the \$297 million in unmet commitments that we still have to the Asian Development Fund (AsDF) undermine U.S. leadership and influence at the ADB and directly affect the AsDF's financial capacity for supporting the poorest countries in Asia. U.S. unmet commitments to the AsDF reduce our ability to influence policy priorities for both the AsDF and the ADB as a whole during AsDF replenishment discussions, including those currently taking place. Other donors and ADB Management are less willing to support our policy proposals if they do not believe that we will back our ideas with full funding of our commitments.

Beyond the \$297 million that the United States has not been able to contribute, our actions also impact other donors, who hold back some of their contributions until the United States is able to meet its commitments. My understanding is that other donors have required that AsDF withhold \$138 million of their contributions due to U.S. unmet commitments. This financing is critical for supporting countries

like Afghanistan, Nepal, and the small island countries of the Pacific (such as Micronesia and the Marshall Islands), even with the expansion of the ADB's and AsDF's lending capacity that will result from the merger of the ADB's ordinary capital and AsDF lending resources.

RESPONSES OF MATTHEW JOHN MATTHEWS, NOMINATED TO BE U.S. SENIOR OFFICIAL FOR THE ASIA-PACIFIC ECONOMIC COOPERATION (APEC) FORUM, TO QUESTIONS FROM MEMBERS OF THE COMMITTEE

NOMINEE MATTHEWS'S RESPONSES
TO QUESTIONS FROM SENATOR CARDIN

Top Priorities

Mr. Matthews, you would clearly bring a lot of experience and perspective to APEC. At the same time, things are changing in the Asia-Pacific region—on the economic front China's shifting economic policy is challenging existing institutions and relationships.

Question. What do you see as the most important issues facing APEC today?

Answer. Global economic growth continues to face major challenges and growth in the Asia-Pacific region remains moderate and uneven. APEC economies need to work together to ensure that the region's historically robust growth can continue. The rise of economic integration in the Asia-Pacific region requires closer coordination and cooperation on issues that include trade policy, customs processing, and rules making by regulators.

Question. Is APEC prepared to meet those challenges?

Answer. APEC is an important part of how we meet these challenges. Its collaborative, non-binding nature allows economies greater freedom to discuss and engage with ideas than would otherwise be possible. The organization is also addressing new drivers of growth, such as services and digital trade.

APEC and U.S. Foreign Policy

The Asia-Pacific region is presenting us with some of the most difficult security and diplomatic challenges today.

Question. What do you see as the proper roles of APEC and the East Asia Summit (EAS) in U.S. foreign policy? What are the implications of U.S. membership in the EAS for its engagement with APEC?

Answer. EAS and APEC are complementary. APEC provides an opportunity to advance trade and investment issues in the Asia-Pacific region, which includes important trading partners in the Western Hemisphere. The EAS provides a forum to address political and security issues in the region.

Question. Some have suggested that APEC consider downgrading its annual meeting to a ministerial meeting rather than a leaders' meeting with heads of state. How do you assess such suggestions?

Answer. The first APEC Leaders-level meeting took place on Blake Island in Seattle, Washington during the United States' first hosting of APEC in 1993, four years after its founding. Since then, Leaders have met annually to address pressing challenges and solidify their common vision for how to achieve regional economic integration and inclusive growth. As the premier economic forum in the region, Leaders-level participation demonstrates the importance we place on the Asia-Pacific economy, and our active participation in it as a Pacific power is critical to balancing interests from across the region and shaping its agenda.

APEC Expansion

With the rise of many dynamic economies in the region, APEC's membership may no longer reflect the true balance of influence and interests there.

Question. Do you believe APEC should be expanded to include India?

Answer. We welcome India's interest in joining APEC. India has substantial and growing economic linkages with the United States and other APEC member economies. Interagency discussions are currently underway regarding India's interest in membership and to better understand how APEC fits into India's domestic economic reform agenda.

Question. Are there other nations in the Asia-Pacific region that might be potential members for the group?

Answer. The following economies have expressed interest in APEC membership: Cambodia, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, India, Macau (China), Mongolia, Pakistan, Panama, and Sri Lanka. There is currently no consensus among APEC members on the parameters of membership expansion or on which of the roughly dozen candidates, including India as well as other countries in the Americas and South and Southeast Asia, should be considered.

Question. What are the pros and cons of enlarging APEC?

Answer. New members could extend APEC's reach and influence and could be an important mechanism to accelerate reform in the economies of new members. However, admitting new members could make the organization unwieldy and slow momentum toward regional integration. APEC serves as an effective forum to advance free and open trade and investment, and any expansion would have to be evaluated based on its impact on the organization.

RESPONSES OF MARCELA ESCOBARI, NOMINATED TO BE AN ASSISTANT ADMINISTRATOR OF THE USAID, TO QUESTIONS FROM MEMBERS OF THE COMMITTEE

ASSISTANT ADMINISTRATOR-DESIGNATE ESCOBARI'S RESPONSES TO QUESTIONS FROM SENATOR CARDIN

Human Rights

Question. What are the most important actions you have taken in your career to date to promote human rights and democracy? What has been the impact of your actions?

Answer. Throughout my career in development, my guiding principle has been to improve the lives and dignity of the people living in the countries I have sought to help. This has meant promoting inclusive growth strategies that help people access capital and networks, as well as supporting the development of strong institutions and governance to ensure that the benefits of development are widely shared and individual rights are respected.

In my role as Executive Director at the Center for International Development (CID) at Harvard University, I have sought to promote a comprehensive approach to development that includes improving governance, and promoting human rights and democratic principles. The Center is focused principally on exposing students of public policy to practitioners in the field and managing research initiatives. Examples of actions that I have pushed forward in this role include facilitating a fellowship at Harvard's Carr Center for Human Rights for a Venezuelan non-governmental organization (NGO) representing political prisoners and advocating for judicial accountability. This fellowship will enable a research project to analyze how to increase the cost to authoritarian governments that bypass judicial systems. When completed, this work will be made widely available. I also facilitated the engagement of the Centre for Applied Nonviolent Action and Strategies (CANVAS) to teach a course at Harvard on strategies to combat authoritarian regimes, helping educate public policy students from around the world on promoting human rights and democracy most effectively.

I have also worked on e-government efforts, including writing a paper on the topic to show the value of efficiency and transparency in government procurement, services and regulations. Lastly, many of CID's programs address topics that improve the capability and accountability of government. In particular, one of our projects in Venezuela seeks to help navigate the transition of the country to a more democratic and prosperous society.

Question. What are the most pressing human rights issues in Latin America and the Caribbean? What are the most important steps you expect to take—if confirmed—to promote human rights and democracy in Latin America and the Caribbean? What do you hope to accomplish through these actions?

Answer. The human rights landscape in Latin America and the Caribbean (LAC) has improved over the past several decades, but serious issues remain. In many countries, democratically elected populist leaders inhibit political participation and curb checks and balances by restricting or co-opting the power of legislative and judicial branches of government. Human rights defenders, labor activists, members of the media and other political activists remain at elevated risk of intimidation and violence.

High levels of violence across Latin America and the Caribbean—driven in part by high inequality and exacerbated by corruption, impunity, and lack of effective law enforcement—continue to threaten public safety and constrain efforts to spur

economic growth. Central American migrants to the United States, who often leave their countries because of security concerns, are vulnerable to numerous human rights violations including human trafficking and threats to life during their journey. Dysfunctional justice and security sectors only worsen the situation. Women and girls, as well as LGBTI persons, are especially susceptible to gender-based violence.

If confirmed, I will commit to employing a human rights-based approach to address these long-standing issues in LAC, from Cuba to Venezuela and beyond. I support USAID's continued work and consultation with government, civil society, and private sector partners to include all citizens in the benefits of development efforts. I was pleased to see increased resources for the region and for democracy and governance in the President's Fiscal Year (FY) 2017 request, and commit to leveraging these resources in support of independent civil society organizations that serve as a counterweight to the forces of repression, corruption, and disenfranchisement. Also, I will support USAID's work to reduce violence, particularly in Central America, through crime and violence prevention programs, justice sector reform, and government, social services, and civil society strengthening. I understand USAID is developing a new human rights program to improve national human rights protection systems that will work to protect vulnerable populations in the Northern Triangle. If confirmed as Assistant Administrator, I believe I can play an important role in sharpening these efforts and in leveraging our relationships in the region to support inclusive growth and protection of human rights. Through these actions, I hope to accelerate USAID's contribution to a safer, more inclusive and prosperous Latin America and the Caribbean.

Question. If confirmed, what are the potential obstacles to addressing the specific human rights issues you have identified in your previous response? What challenges will you face in Latin America and the Caribbean in advancing human rights, civil society and democracy in general?

Answer. Having worked on these and other development issues for many years, I understand that donors alone cannot bring about these changes. Addressing human rights issues requires a commitment by governments in the region to respect the fundamental freedoms—including freedom from violence—of their citizens. This includes passing and enforcing laws that protect citizens in each country as part of a comprehensive rule of law system—a challenge that has long plagued many countries in the region. Public awareness about human rights, including norms and responsibilities, as well as citizen engagement are also crucial to creating a culture of respect for human rights. Civil society organizations and the media play an important role in educating citizens about their rights, in monitoring the protection of those rights, and in calling for the enforcement of laws designed to protect citizens. However, in several of the countries in the region, many of these same groups face near constant threats, systemic persecution or intimidation. I understand that many of USAID's programs are designed to squarely address human rights challenges, and that the Agency is designing specific human rights protections programs for the Central America region. I look forward to advancing this work, if confirmed.

Question. Are you committed to meeting with human rights, civil society and other non-governmental organizations in the U.S. and with local human rights NGOs from Latin America and the Caribbean?

Answer. Engaging in consultations with human rights, civil society, and non-governmental organizations is fundamental to USAID's work in Latin America and the Caribbean. If confirmed, I will make this a priority. Indeed, I believe that doing so is critical to help inform program design, implementation, and sustainability for all of the Agency's programming, including in the areas of democracy, human rights and governance.

Question. Will you engage with Latin American and Caribbean governments on matters of human rights, civil rights and governance as part of your mission?

Answer. Active engagement with governments in the region on matters regarding human rights, civil rights and governance will be vital to addressing the issues previously mentioned. Engagement will also support all of USAID's programs, including those that seek to improve citizen security and strengthen democracy and governance, so that they foster more sustainable development in LAC. If confirmed, I will prioritize engagement with Latin American and Caribbean governments as a central part of my role and mission as Assistant Administrator.

Central America

I am deeply concerned about the situation in Central America—where youth face extreme levels of violence and where weak public institutions

struggle to uphold the rule of law and address the corrupting influence of illicit trafficking.

Question. In your opinion, what steps do we need to take to achieve consequential change in Central America? What investments will you make in programs that advance democratic governance, strengthen the rule of law, and combat corruption?

Answer. Social development and economic growth in Central America have been stymied in recent years by a dramatic rise in crime and violence—particularly in the Northern Triangle countries of El Salvador, Guatemala and Honduras. This insecurity is rooted in deep-seated issues of social and economic inequity, weak criminal justice institutions, the failure to expand economic opportunity for vast segments of the population, and increases in gang violence and transnational crime. As these long-standing challenges in Central America have worsened, we have seen the consequences manifest at our border, where thousands of unaccompanied children left their homes in Central America to make the dangerous journey to the United States.

I believe that investing now in advancing democratic governance, strengthening the rule of law, countering gangs and combating corruption will have sustained long-term benefits for both the region and our own nation. These investments are also critical to enable USAID's other programs to yield benefits for the people of these countries. If confirmed, I will support implementation of the U.S. Strategy for Engagement in Central America, which directly addresses the root causes of migration by focusing on three interrelated objectives: prosperity, security and governance. By advancing these three objectives in tandem, the Strategy seeks to foster a secure, economically integrated Central America that provides opportunities to all its citizens, and is governed by more accountable, transparent and effective public institutions.

If confirmed, I will also support investments in Central America that are evidence-based. It is my understanding that USAID is already seeing some tangible results of the Agency's crime prevention activities in El Salvador. Initial analysis from a rigorous impact evaluation points to a 66 percent drop in homicides in the 76 communities where USAID targets its programming, which is in contrast to other communities where homicide rates have climbed sharply over the past year. If confirmed, I will support the Agency's efforts to have their investments to advance development, democracy and human rights principles grounded in evidence of what is working in Central America.

Colombia

President Santos recently visited Washington to commemorate 15 years of close cooperation between the U.S. and Colombia. Through Plan Colombia, our two countries paved the way for a stronger and more democratic nation, and one that stands on the brink of peace. During the visit, President Obama announced a new framework for bilateral cooperation, which he called "Peace Colombia" and has requested more than \$450 million in support of implementation of a potential peace agreement.

Question. What is your vision for USAID's priorities in Colombia as the country moves forward in a direction of peace? What do you believe USAID's strategy should be in support of a post-conflict society in Colombia?

Answer. USAID has maintained a long and deep presence in the most challenging and conflict-affected regions of Colombia, and this continued support will be necessary to maintain a sustained peace post-accord. My understanding is that USAID's strategy moving forward will be to focus on post-conflict programming by expanding support for the reintegration of ex-combatants, stabilization plans, transitional justice and post-conflict readiness efforts. If confirmed, I will strongly support enhanced assistance to the Government of Colombia in implementing its own peace accord commitments and establishing a stronger state presence in conflict-affected areas of the country.

Human Rights and Anti-Corruption in the Hemisphere

Over the past year, from Guatemala to Brazil to Venezuela, Latin American civil society has spoken out more loudly than ever against corruption and violations of human rights.

Question. Given the vital importance of strengthening democratic institutions, promoting good governance, and strengthening civil society, what priority will you place on these issues and how can we best tailor our assistance programs to address these issues?

Answer. Issues related to democratic governance are paramount to the development of safe, prosperous countries in Latin America and the Caribbean. If confirmed, I will prioritize these issues as fundamental components in all of the work USAID does in the region. Anti-corruption and transparency issues cannot be fully addressed with stand-alone governance programs. It is therefore critical that the principles of good governance, especially transparency and anti-corruption, are integrated into all development sectors in which the Agency works. USAID's health and education reform programs, for example, must include mechanisms to deter corruption and to support transparency of governance in their respective sectors.

I also believe that human rights principles are foundational to a country's ability to achieve sustainable, inclusive economic growth. If confirmed, I will support the efforts of the region's civil society to monitor human rights and corruption, to educate and empower citizens on their rights, and to propose solutions to intractable problems.

Haiti

Since Haiti's devastating earthquake in 2010, the U.S. Congress has appropriated more than \$4 billion in foreign assistance. USAID has been at the forefront of our efforts, with critical programs to strengthen Haiti's health sector, food security, economic infrastructure, and the rule of law. Repeated GAO studies have suggested that the U.S. has not achieved the results that we have hoped for. And, with the president stepping down last Sunday to make way for an interim government, many analysts have observed that weak democratic institutions are a hurdle to economic growth and stability.

Question. What will your priorities be for USAID's programming in Haiti? Should more attention be paid to strengthening democratic institutions and promoting good governance?

Answer. Haiti's political environment continues to be challenging and complex. As the poorest country in the region, it has suffered from political instability and low productivity for decades. The 2010 earthquake exacerbated that reality. In order to have sustainable growth, greater political leadership and good governance are needed, but short-term economic pressures further drive instability and corruption. This chicken and egg dilemma is not reason to give up, but rather to take a hard look at what is working and what is not, apply lessons learned and speed the Agency's execution and implementation. Despite the challenges in Haiti, my understanding is that several of USAID's projects, specifically in the health and agriculture sectors, are bearing fruit and that the Agency has made considerable progress in addressing bottlenecks in the obligation of funds.

To help Haiti achieve results that strengthen democratic institutions, it is my understanding that USAID focuses on key areas of capacity building for the Government of Haiti, which includes promoting political competition and consensus building, improving access to justice and legal assistance, and protecting human rights and vulnerable populations. The course of Haiti's future ultimately depends on Haitians themselves, but if confirmed, I will reinforce USAID's commitment to providing support to build Haiti's capacity to provide for its citizens.

ASSISTANT ADMINISTRATOR-DESIGNATE ESCOBARI'S RESPONSES
TO QUESTIONS FROM SENATOR RUBIO

Question. If confirmed, what will be your main priorities in Latin America and the Caribbean region?

Answer. If confirmed, I will focus on promoting inclusive growth, citizen security, and good governance in a manner that benefits all citizens. To achieve these objectives, I will amplify and expand USAID programs that are demonstrating results, and work with Congress to institutionalize and build on successful programs in Latin America and the Caribbean (LAC). My current priorities include expanding the Agency's work on democracy, human rights, and governance in LAC, particularly in Central America, Venezuela, and Colombia. I will also work to enhance the Agency's impact in Haiti, promote universal human rights and democratic reforms in Cuba, and further the implementation of the U.S. Strategy for Engagement in Central America.

While I will bring to this role a clear focus on results, I am a strong believer that no one has a monopoly on good ideas, and I welcome broad input on priorities, ways to evaluate program impact, and which programs are most effective in advancing the interests of the United States and the people of the region. I will use the man-

agement skills I have developed throughout my career to provide leadership, guidance, and tools that enable USAID's staff to deliver results in these priorities.

Question. What countries are in need of the most USAID programming in that region?

Answer. It is my understanding that USAID programming advances U.S. national interests of prosperity and security, and responds directly to U.S. policy priorities. Currently, these priorities include maintaining assistance to Central America, with a particular focus on the Northern Triangle, Colombia, Haiti, Cuba, and the Caribbean.

In Venezuela, a humanitarian crisis is brewing amidst political turmoil. In Central America, we have seen the spillovers of escalating violence, stagnant growth and weak institutions. And while Colombia is on the edge of a milestone peace accord, the country has yet to move through the delicate process of reinserting the guerrillas into the economy, disarmament, and strengthening civil society throughout the country. These countries will require attention and targeted programing. If confirmed, I look forward to working with USAID staff and the Congress on these priorities.

Question. On Central America, what specific programs will USAID be implementing in that region as a result of the passage of FY 2016 Omnibus?

Answer. My understanding is that the fiscal year (FY) 2016 Omnibus provides greater resources than previous years to support the U.S. Strategy for Engagement in Central America. This increase in funding will allow USAID to expand successful crime and violence prevention programs. The increase also facilitates USAID's execution of new regional and bilateral approaches designed to target assistance to those most likely to engage in violence at home or in the community, so as to significantly reduce homicides and other types of violence. In addition, these funds will enable the Agency to initiate programs in the areas of prosperity and governance, which address the core drivers of migration from Central America. For instance, I understand that new programs will support trade and investment facilitation across Central America, small and medium business competitiveness in Honduras, and agricultural value chain strengthening in Guatemala. These new efforts aim to provide rural households with more opportunities to connect to viable markets, and to diversify and increase their incomes. FY 2016 funding also enables USAID to support new civil society and governance programs designed to improve the effectiveness, transparency and accountability of public institutions in all three Northern Triangle countries. These programs will increase transparency and citizen participation in El Salvador, strengthen anti-corruption efforts and reforms in Honduras, and empower civil society to advocate more effectively in Guatemala.

Question. In Haiti, it has been reported that projects have been delayed or have failed to meet their desired results. If confirmed, what would you do to achieve better results? Please be specific on the programs.

Answer. My understanding is that the U.S. Government updated the 2011 "Post-Earthquake U.S. Government Haiti Strategy: Toward Renewal and Economic Opportunity" in 2015, specifically to respond to delays in some areas and improve cost efficiency and sustainability. The updated strategy is now extended to FY 2018, and continues to guide the United States' overall approach to development assistance to Haiti. The U.S. Government is aligning its programs with the Government of Haiti's priorities and supporting specific activities where the Haitian government demonstrates political will and leadership necessary to address needed reforms.

I believe in using evidence in policy making, and if confirmed, will support USAID to continue to monitor progress, scale up those interventions that are bearing fruit and terminate programs that are not working. For example, my understanding is that program activities that lack political will have ended, such as the reform of the state electric utility. With Congressional approval, USAID has reprogrammed funds to support programs that better address other key issues in the country. For example, USAID has shifted funds away from infrastructure and energy and is moving them into programs to improve the capacity of the Ministry of Health, address key human rights challenges such as child labor, to provide nutrition programs for vulnerable populations, and increase workforce development training with private enterprises in agribusiness, construction, and textile value chains. If confirmed, I will also work with the Agency to conduct routine analysis of each of the programs within the Haiti portfolio to determine appropriate actions and maintain a good understanding of the role of government capacity in the success of these projects.

Question. In Colombia, what role will USAID play if a peace agreement between the Government of Colombia and the FARC is reached by March 2016?

Answer. USAID strongly supports Colombia's expected implementation of a peace agreement. The United States-Colombia partnership will be critical to U.S. interests in a post-accord era. Key USAID program priorities will include political participation and transitional justice, reintegration and rehabilitation of ex-combatants, and promoting inclusive economic growth, especially in rural areas of Colombia. USAID's role will be to maintain its deep presence in the most challenging and conflict-affected regions of Colombia, as this continued support will be necessary to maintain a sustained peace led by the Government of Colombia. USAID's strategy will be to focus on post-conflict programming by expanding support for the reintegration of ex-combatants, stabilization plans and post-conflict readiness efforts. If confirmed, I will strongly support USAID assistance to the Government of Colombia in implementing its own peace accord commitments and establishing a stronger state presence in conflict-affected areas of the country.

Question. What is the current status of USAID funding for human rights and democracy in Cuba?

Answer. USAID's commitment to democracy in Cuba remains strong, and if confirmed, I will continue to make this a priority. For the past 20 years, USAID has promoted democracy in Cuba by providing humanitarian assistance to political prisoners and their families, supporting local civil society actors and groups, and facilitating the free flow of information to, from and within the island. With FY 2015 resources, it is my understanding that USAID recently put out Requests for Proposals that will focus on new programming in humanitarian assistance for political prisoners and their families, and in human rights support for civil society groups. If confirmed, I look forward to working with Congress to continue USAID's efforts to advance human rights and democracy in Cuba.

Question. What are the current and future USAID initiatives to support civil society and democratic governance initiatives in Venezuela?

Answer. My understanding is that USAID has provided assistance to support open democratic processes in Venezuela since 2002. Over this time, the Venezuelan executive has increasingly undermined the autonomy of other branches of government and thereby limited citizen rights. Given the recent parliamentary election in December 2015, USAID remains hopeful and committed to supporting initiatives in Venezuela, especially in the areas of democracy, human rights and civil society strengthening. If confirmed, and as the political landscape in Venezuela develops, I look forward to exploring opportunities for further USAID support for governance as well as broad economic stability. I believe that greater levels of peace, stability and rule-of-law in Venezuela are in the best interests of Venezuelans, the American people and the neighboring community in Latin America.
