

**FOREIGN POLICY PRIORITIES IN THE FY11
INTERNATIONAL AFFAIRS BUDGET**

HEARING

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS

UNITED STATES SENATE

ONE HUNDRED ELEVENTH CONGRESS

SECOND SESSION

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FEBRUARY 24, 2010
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FOREIGN POLICY PRIORITIES IN THE FY11 INTERNATIONAL AFFAIRS BUDGET

WEDNESDAY, FEBRUARY 24, 2010

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

The committee met, pursuant to notice, at 2:31 p.m., in room SD-419, Dirksen Senate Office Building, Hon. John F. Kerry (chairman of the committee) presiding.

Present: Senators Kerry, Dodd, Feingold, Boxer, Menendez, Cardin, Casey, Webb, Shaheen, Kaufman, Lugar, Isakson, Risch, DeMint, and Wicker.

OPENING STATEMENT OF HON. JOHN F. KERRY, U.S. SENATOR FROM MASSACHUSETTS

The CHAIRMAN. This hearing will come to order.

Madam Secretary, we are delighted to welcome you back here before the committee. If I can just say quickly, as soon as we have a quorum, Madam Secretary, we are going to interrupt for a goal that I know you will support wholeheartedly, which is to get a bunch of State Department nominations out of here. [Laughter.]

And a couple of legislative items. So if you don't mind, we will interrupt to do that. This was a meeting that we had scheduled during the snowstorm. So it obviously didn't take place.

I don't think any of us could think of a time in our history when we have had a greater need for energetic diplomacy to make the case for America globally. And we appreciate your incredibly hard work and your many travels in the effort to do just that, and we welcome the chance to hear from you today.

The international affairs budget is the backbone of our civilian efforts worldwide. And from fighting HIV/AIDS to supporting our aid workers and our diplomats on the front-line states like Afghanistan, Pakistan, and Iraq, this budget secures the tools that we need for a more effective foreign policy.

I think the Secretary would join me in agreeing that the funds we have are not all that many of us wish we could have. But we are living in a difficult fiscal environment, and they are, nevertheless, vitally needed for our national security.

As Defense Secretary Gates said in expressing his regret that America effectively abandoned Afghanistan after the 1980s, "If we abandon these countries once we are in there and engaged, there is a very real possibility that we will pay a higher price in the end."

It is with this history in mind and the lessons learned the hard way that we turn to the budget today to have this discussion. This

year's total international affairs budget request of \$58.5 billion represents a 2.8-percent increase over fiscal year 2010 amounts, including this year's supplemental. This money is a fraction of a fraction—just 1.4 percent—of the overall budget of our country.

We are discussing just one-sixteenth of our national security budget, and compare that with the 2011 Defense budget of \$708 billion. It is clear, at least to this Senator, that our foreign policy is somewhat out of balance.

This year's budget represents the beginning of our efforts to change that and to move funds that had migrated elsewhere back to the State Department budget. One-quarter of the additional \$6 billion in this budget for Iraq, Pakistan, and Afghanistan is for programs previously funded through the Defense Department, including Iraqi police training and the Pakistan Counterinsurgency Capability Fund. As we grow our civilian capacity, we are going to have to defend civilian budgets for programs that are literally vital to our security no matter how they are funded.

As we discussed last year, I believe that Congress ought to get back into the business of writing authorizing legislation. Senator Lugar and I have recently introduced legislation authorizing the State Department's management and operations and passed the Foreign Assistance Revitalization and Accountability Act out of this committee.

Madam Secretary, I am pleased to support your budget request for robust funding for the international affairs budget, and I look forward to hearing from you, as I know all the members of the committee do here, on a full range of foreign policy challenges, which is always what these hearings take advantage of.

For my part, if I can just say very, very quickly, I am really pleased to see that this budget includes a 38-percent increase in funding to address international climate change, especially in the wake of Copenhagen. I want to just say something about that.

A lot has been said about what wasn't accomplished at Copenhagen. But the fact is that all the parties who went there knew there wasn't going to be, nor was there an expectation of a final treaty or agreement. What was accomplished has not received the attention that it deserves.

The Copenhagen Accord united the world's foremost emitters and most of the rest of the nations behind an unprecedented new commitment to reduce emissions and report on their progress. And for the first time, nations agreed to financing targets. We were able to convince others to take action in large part because we made commitments ourselves.

President Obama told the world, "I am confident that America will fulfill the commitments that we have made—cutting our emissions in the range of 17 percent by 2020, and by more than 80 percent by 2050 in line with final legislation. We have charted our course, we have made our commitments, and we will do what we say." And those are the words of the President.

As a country, we have put our credibility on the line, and I look forward to working with members of this committee and others, as we are now with Senator Graham, Senator Lieberman, and others, to get a comprehensive energy, jobs, energy independence, pollution reduction, and climate bill through the Senate.

Madam Secretary, I am eager to hear your thoughts about how you think we can keep our word on the range of issues, not just from the Copenhagen Accord, but the adaptation assistance and the other issues. Needless to say, there are more issues on the table perhaps than at any time in recent memory, all of them consequential—from Iran to North Korea, the Middle East—and you are engaged in all of them. We look forward to having a good discussion with you about them today.

Let me just thank you again on behalf of the country. I think all of us are appreciative of your extraordinary expenditure of energy. And we are particularly grateful to your Department and others for the emergency response to Haiti. It has been a tremendous effort.

I want to thank many of the people that we have worked with directly who have helped families through a very difficult period, some in Massachusetts, and elsewhere. We are grateful to you and to our country, really, for the response. It has been a remarkable response and, I think, appropriate.

Senator Lugar.

**OPENING STATEMENT OF HON. RICHARD G. LUGAR,
U.S. SENATOR FROM INDIANA**

Senator LUGAR. Mr. Chairman, I join you in welcoming Secretary Clinton. We are pleased to have the opportunity to examine not only the State Department budget, but also the priorities and policies reflected in its numbers.

Our discussion of the foreign affairs budget comes at a time of great domestic economic stress. Many American families are dealing with lost jobs, falling income, and declining security. Our Nation is also attempting to address a national debt situation that limits our policy options and could have grave economic consequences in the near future. In this context, our foreign affairs budget must efficiently deal with our most immediate problems, as well as address negative trends that could undermine the breathing space necessary to promote domestic recovery and solvency.

We should start with the recognition that secure international conditions are inherently fragile. We have to expect and prepare for international political, economic, and security shocks such as wars, terrorist attacks, energy disruptions, and even natural disasters, as we have seen in Haiti. World events can undercut our own economy's ability to recover and necessitate emergency expenditures that put further pressure on the national budget. This is especially true at a time of global economic stress. We know from history that societies living with severe economic conditions often do not make good political choices. Economic desperation can spawn ethnic rivalries, demagogic governments, extremism, and violent conflict within and between nations.

The United States is heavily engaged in Afghanistan, Iraq, and Pakistan. These front-line states will require substantial resources, and it is vital that these funds are used effectively. Each of these countries presents unique and difficult transparency challenges. If our investments are to be successful, we must ensure that strong implementation, monitoring, and review mechanisms are in place that can account for the vast amounts projected to be spent in the coming years.

Beyond areas of heavy diplomatic and military presence, the most critical expenditures are those that prevent problems from spiraling into crises. In my judgment WMD proliferation, energy insecurity, and global food shortages are the underlying threats most likely to create the type of instability that can lead to conflict and thereby derail our domestic agenda. I know the President and Secretary Clinton share my concern with these problems.

I appreciate that additional funding is being devoted to the State Department's nonproliferation and energy diplomacy activities. Countering the spread of biological, nuclear, and chemical threats requires robust engagement around the globe, and Department nonproliferation experts are making important contributions in the former Soviet States, Iraq, and elsewhere. State Department efforts to expand the Nunn-Lugar programs in front-line states will only grow in the years ahead. Likewise, bolstering multilateral non-proliferation mechanisms, such as the International Atomic Energy Agency is a vital contribution to meeting the threats of WMD.

The Foreign Relations Committee has paid much attention to the impacts of energy security on our foreign policy. I am encouraged that more emphasis is being given to energy concerns at high levels of the State Department. Our energy crisis is not defined by any single threat. Our current energy mix produces near-term concerns of foreign oil supply manipulation and price volatility, which will grow over time. Wasted economic gains from attainable energy efficiencies are a drag on economic recovery. We are also concerned about the possible crises that could occur if dramatic climate change takes hold. While some threats share solutions, others require us to prioritize policies commensurate with the relative immediacy of these threats.

I especially appreciate the strong and visible commitment that Secretary Clinton has made to addressing global hunger. Unless nations work together to reverse negative trends in agricultural productivity, we may experience frequent food riots and perhaps warfare over food resources. We almost certainly will have to contend with mass migration and intensifying global health issues stemming from malnutrition.

With these factors in mind, Senator Casey and I introduced the Global Food Security Act last year. We are hopeful that it will serve both as a practical starting point for improving the efficiency of U.S. and global efforts in this area and as a rallying point for those who agree that food security should play a much larger role in our national security strategy.

The Lugar-Casey bill, which was passed by the Foreign Relations Committee on May 13, 2009, is the product of more than 2 years of study involving numerous foreign country visits and consultations with agriculture and development experts.

Over the course of the last year, the administration, under Secretary Clinton's leadership, has undertaken its own intensive study of food security. As we have compared notes with administration officials, it has become clear that the Secretary's Global Hunger and Food Security Initiative has reached many of the same conclusions as we reached on the most efficient ways to expand food production and address hunger. Both the Lugar-Casey bill and the Global Hunger and Food Security Initiative focus on increasing

agricultural productivity and incomes, promoting research and technology, being attentive to the special role of women farmers, and emphasizing the nutritional needs of children. Both initiatives would construct partnerships with host country governments, indigenous organizations, institutions of higher learning, and the private sector. I look forward to working with Secretary Clinton to pass the Global Food Security bill.

I would also mention the importance of fixing our foreign assistance programs. If we are to avoid inefficient experimentation, USAID must have a decisionmaking role and the capacity to evaluate programs and disseminate information about best practices and methods. These goals are reflected in the bill that Senator Kerry and I introduced last year, S. 1524, the Foreign Assistance Revitalization and Accountability Act.

I am eager to review the State Department's Quadrennial Diplomacy and Development Review and the National Security Council's Presidential Study Directive on Development when they are ready. But in the meantime, Congress should be offering its own ideas on how to improve our Government's development capacity. And the Kerry-Lugar foreign assistance reform bill has strong support in the aid community and is cosponsored by a bipartisan group of 24 Senators, 11 of whom are members of the Foreign Relations Committee. This level of backing for a bill related to foreign assistance is extremely rare. The bill has garnered wide support because it strengthens USAID and emphasizes greater evaluation and transparency of our foreign assistance programs to ensure we maximize the dollars that are available. I am hopeful that the executive branch will recognize that a bill cosponsored by a majority of the Senate Foreign Relations Committee and nearly a quarter of the full Senate should be given substantial weight in its review process.

We appreciate very much that Secretary Clinton is with us today. We look forward to our discussion on these and other matters.

And I thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Lugar.

We do have a quorum now. Let me move quickly to the agenda so we can get to the Secretary's testimony.

[Recessed.]

The CHAIRMAN. Madam Secretary, thank you for letting us do that, and we look forward to your testimony. I appreciate it.

STATEMENT OF HON. HILLARY R. CLINTON, SECRETARY OF STATE, DEPARTMENT OF STATE, WASHINGTON, DC

Secretary CLINTON. Thank you very much, Mr. Chairman, Senator Lugar, members of the committee. It is a real pleasure to be back here in the Senate, to be with all of you and participate in this important hearing.

When I was last here to discuss our budget, I emphasized my commitment to elevating diplomacy and development as core pillars of American power. And since then, I have been heartened by the bipartisan support of this committee and the rest of Congress.

I want to thank the chairman and the ranking member and all of the members for your bipartisan support in moving State

Department nominees. One hundred fourteen were confirmed in 2009. We are now looking to get up and get nominated for your consideration the leadership team at AID, and we are very grateful for the expeditious support, and we hope they can move quickly when they hit the floor. But I thank you very much, Mr. Chairman.

And let me also take this opportunity to express appreciation on behalf of the men and women who work every day at the State Department, at USAID, here in our country and around the world to put our foreign policy in action.

The budget we are presenting today is designed to protect America and Americans and to advance our interests and values. Our fiscal year 2011 request for the State Department and USAID totals \$52.8 billion. That is a \$4.9 billion increase over 2010.

But as the chairman has pointed out, of that increase, \$3.6 billion will go to supporting efforts in front-line states—Afghanistan, Pakistan, and Iraq. Other funding will grow by \$1.3 billion, which is a 2.7-percent increase that will help address global challenges, strengthen partnerships, and ensure that the State Department and USAID are equipped with the right people and resources.

Over the past 6 weeks in Haiti, we have been reminded yet again of the importance of American leadership. I am very proud of what our country has done, and we will continue to work with our Haitian and international partners to address ongoing suffering and transition from relief to recovery.

But I am also acutely aware that this is a time of great economic strain for many of our fellow Americans. As a former Senator, I know what this means for the people you represent every single day.

So, for every dollar we spend, as Senator Lugar said, we have to show results. That is why this budget must support programs vital to our national security, our national interests, and our leadership in the world, while guarding against waste, duplication, irrelevancy. And I believe that we have achieved those objectives in this budget.

Now, these figures are more than numbers on a page. They tell the story of challenges we face and the resources needed to overcome them. We are fighting two wars that call on the skill and sacrifice of our civilians, as well as our troops.

We have pursued a dual-track approach to Iran that has exposed its refusal to live up to its responsibilities and helped us achieve a new unity with our international partners. Iran has left the international community little choice but to impose greater costs for its provocative steps, and we are now working actively with our partners to prepare and implement new measures to pressure Iran to change its course.

We have also achieved unprecedented unity in our response to North Korea's provocative actions, even as we leave the door open for a restart of the six-party talks. And we are moving closer by the day to a fresh nuclear agreement with Russia, one that advances our security while furthering President Obama's long-term vision of a world without nuclear weapons.

With China, we seek areas of common purpose while standing firm where we differ. We are making concrete our new beginning with the Muslim world. We are strengthening partnerships with

allies in Europe and Asia, with friends in our hemisphere, and with countries around the world, from India to Indonesia to South Africa, Brazil, and Turkey. And we are working, under the leadership of former Senator George Mitchell, to end the impasse between Israelis and Palestinians.

At the same time, we are developing a new architecture of cooperation to meet transnational global challenges like climate change and the use of our planet's oceans. With regard to the latter, I want to reiterate my support for U.S. accession to the Convention on the Law of the Sea. Our country stands to gain immensely from this treaty. Everything we know from what we are picking up with respect to other countries' use of the tools under the Law of the Sea demonstrates that we will lose out in economic and resource rights, in terms of environmental interests, and national security.

In so many instances, our national interest and the common interest converge. We are promoting human rights from Africa to Asia to the Middle East, the rule of law, democracy, Internet freedom. We are fighting poverty, hunger, and disease, and we are working to ensure that economic growth is broadly shared, principally by addressing the role of girls and women.

And I want to applaud the chairman and the subcommittee chairwoman, Barbara Boxer, for putting this issue on the map of the Foreign Relations Committee.

Now, our agenda is ambitious because our times demand it. America is called to lead. I think we all believe that. And therefore, we need the tools and the resources in the 21st century to exercise that leadership wisely and effectively. We can bury our heads in the sand and pay the consequences later, or we can make hard-nosed, targeted investments now. Let me just highlight three areas where we are making significant new investments.

First, the security of front-line states. In Afghanistan, we have tripled the number of civilians on the ground. Civilians are embedded with our troops in Marjah, in the combat operations going on. As soon as an area is cleared, they are part of the American team, along with our international allies, who go in to hold and build.

Our diplomats and development experts are helping to build institutions, expand economic opportunities, and provide meaningful alternatives for insurgents ready to renounce violence and join their fellow Afghans in the pursuit of peace.

In Pakistan, our request includes \$3.2 billion to combat extremism, promote economic development, strengthen democratic institutions, and build a long-term relationship with the Pakistani people. That is the vision of the Kerry-Lugar-Berman initiative, and this includes funding for that. And I want to thank you again, Mr. Chairman and Senator Lugar, for your leadership.

Our request also includes a 59-percent increase in funding for Yemen, Senator Feingold, to help counter the extremist threat and build institutions and economic opportunity.

In Iraq, we are winding down our military presence and establishing a more normal civilian mission. Our civilian efforts will not, and cannot, mirror the scale of our military presence, but rather, they must provide assistance consistent with the priorities of the Iraqi Government.

So our request includes \$2.6 billion for Iraq. These are resources that will allow us to support the democratic process and ensure a smooth transition to civilian-led security training and operational support.

As these funds allow civilians to take full responsibility for programs, the Defense budget for Iraq will be decreasing by about \$16 billion. That is a powerful illustration of the return on civilian investment and illustrates the point that the chairman was making that this is really part of the security budget for the United States and should be seen as part of that whole.

We are blessed with the best troops in the world, as we have seen time and again. But we also need to give our civilian experts the resources to do the civilian jobs, and this budget takes a step in that direction. It includes \$100 million for a State Department complex crisis fund, replacing the 1207 fund through which the Defense Department directed money toward crisis response. And it includes support for the Pakistan Counterinsurgency Capability Fund, which previously fell under the Defense Department as well.

Secretary Gates and I are working literally hand in hand and are committed to having a seamless relationship between the Defense Department and the State Department and USAID to further American security.

The second major area is investing in development. And this budget makes targeted investments in fragile societies, which, in our interconnected world, bear heavily on our own security and prosperity. These investments are a key part of our effort to get ahead of crisis rather than just responding to it, positioning us to deal effectively with threats and challenges that lie ahead.

The first of these is in health. Building on our success in treating HIV, malaria, and tuberculosis, our Global Health Initiative will invest \$63 billion over 6 years, starting with \$8.5 billion in FY11, to help our partners address specific diseases and, equally importantly, build strong, sustainable health systems as they do.

This administration has also pledged to invest at least \$3.5 billion in food security over 3 years, and this year's request includes \$1.6 billion, of which \$1.2 billion is funded through the State Department. And I greatly appreciate the work that Senator Lugar and Senator Casey have done to help target the United States effort when it comes to global hunger and food security. So this funding will focus on countries that have developed effective, comprehensive strategies where agriculture is central to prosperity and hunger remains widespread.

On climate change, we could not agree with the chairman more. Therefore, we have requested \$646 million to promote the United States as a leader in green technology and to leverage other leaders' cooperation, including through the Copenhagen Accord, which, for the first time—to underscore the chairman's point—brings developing and developed countries together.

This is such an important initiative. We need leadership from the rest of the world. This is an opportunity for us to push this initiative and to ensure that we have support to give to core climate change activities and to spread the burden among other countries so that they share part of the responsibility in meeting this global challenge.

The budget also includes \$4.2 billion for humanitarian assistance programs. Our efforts in Haiti have made clear that State and USAID must be able to respond quickly and effectively.

All of these initiatives are designed to enhance American security, help people in need, and give the American people a strong return on their investments. Our aim is not to create dependency. We don't want to just pass out fish. We want to teach people to fish. And we want to help our partners devise solutions they can sustain over the long term. And essential to this is a focus on advancing equality and opportunity for women and girls. They are the key drivers for economic and social progress.

And that brings me to the third area that I want to highlight. None of this can happen if we do not recruit, train, and empower the right people for the job.

The State Department and USAID are full of talented, committed public servants. But unfortunately, we have too often failed to give them the tools they need to carry out their missions on the ground. Rather than building their expertise, we have too often relied on contractors, sometimes with little oversight and often with greater cost to the American taxpayer.

This budget will allow us to expand the Foreign Service by over 600 positions, including an additional 410 positions for the State Department and 200 for USAID. It will also allow us to staff the stand-by element of the Civilian Reserve Corps, a critical tool for responding to crises.

Now, while deploying these personnel generates new expenses in some accounts, it does reduce expenses in others by changing the way we do business. We are ending an overreliance on contractors and finding opportunities to save money by bringing these functions into Government and improving oversight.

So, Mr. Chairman, one thing should be very clear from this budget. The State Department and USAID are taking a lead in carrying out the United States foreign policy and national security agenda. As we finish the first Quadrennial Diplomacy and Development Review and as the White House finishes the coordination of the Presidential Directive, we have a unique opportunity to define the capabilities we need and then to match resources with priorities.

The QDDR will help ensure that we are more effective and accountable. And I want to thank all of you for your individual contributions on so many of these issues that are important not only to our constituents, but to our country and the world.

And Mr. Chairman, I look forward to continuing to work closely with this committee, and I would be pleased to take your questions.

[The prepared statement of Secretary Clinton follows:]

PREPARED STATEMENT OF SECRETARY OF STATE HILLARY RODHAM CLINTON,
DEPARTMENT OF STATE, WASHINGTON, DC

Chairman Kerry, Senator Lugar, and members of the committee, it is a pleasure to be with you today. When I was last here to discuss our budget, I emphasized my commitment to elevating diplomacy and development as core pillars of American power. Since then, I have been heartened by the bipartisan support of this committee and the rest of Congress. Let me take this opportunity to thank you, on behalf of the men and women who work every day around the world to put our foreign policy into action.

The budget we are presenting today is designed to protect America and Americans and to advance our interests. Our fiscal year 2011 request for the State Department and USAID totals \$52.8 billion—a \$4.9 billion increase over 2010. Of that increase, \$3.6 billion will go to supporting efforts in “frontline states”—Afghanistan, Pakistan, and Iraq. Other funding will grow by \$1.3 billion, a 2.7-percent increase that will help address global challenges, strengthen partnerships, and ensure that the State Department and USAID are equipped with the right people and resources.

Over the past 6 weeks in Haiti, we have been reminded yet again of the importance of American leadership. I’m proud of what our country has done, and we continue to work with our Haitian and international partners to address ongoing suffering and transition from relief to recovery.

This is a time of great economic strain for many Americans. As a former Senator, I know what this means for the people you represent. For every dollar we spend, we have to show results. That is why this budget must support programs vital to our national security, our national interests, and our leadership in the world, while guarding against waste. I believe it achieves those objectives.

OUR PRIORITIES

These figures are more than numbers on a page. They tell the story of challenges we face and the resources we need to overcome them.

We are fighting two wars that call on the skill and sacrifice of our civilians as well as our troops. We have pursued a dual-track approach to Iran that has exposed its refusal to live up to its responsibilities and helped us achieve a new unity with our international partners. Iran has left the international community little choice but to impose greater costs for its provocative steps. We are now working actively with our partners to prepare and implement new measures to pressure Iran to change its course.

We have also achieved unprecedented unity in our response to North Korea’s provocative actions, even as we leave the door open for a restart of six-party talks. And we are moving closer to a fresh nuclear agreement with Russia—one that advances our security while furthering President Obama’s long-term vision of a world without nuclear weapons.

With China, we are seeking areas of common purpose while standing firm where we differ. We are making concrete our new beginning with the Muslim world. We are strengthening partnerships with allies in Europe and Asia, with friends in our hemisphere, and with countries around the world, from India to Indonesia to South Africa, Brazil, and Turkey. And we are working to end the impasse between Israelis and Palestinians.

At the same time, we are developing a new architecture of cooperation to meet global challenges like climate change and the use of our planet’s oceans. With regard to the latter, I want to reiterate my support for U.S. accession to the Convention on the Law of the Sea. Our country stands to gain immensely from the treaty—in terms of economic and resource rights, in terms of environmental interests, in terms of national security.

In so many instances, our national interest and the common interest converge, and so from our own hemisphere to Africa, Asia, and the Middle East, we are promoting human rights, the rule of law, democracy, and Internet freedom; we are fighting poverty, hunger, and disease; and we are working to ensure that economic growth is broadly shared.

Our agenda is ambitious because our times demand it. America is called to lead—and we need the tools and resources to exercise our leadership wisely and effectively. We can bury our heads in the sand and pay the consequences later, or we can make hard-nosed, targeted investments now—addressing the security challenges of today while building a foundation for security and prosperity in the future.

Let me now highlight the three areas where we are making significant new investments.

INVESTING IN SECURITY

First, the security of frontline states.

In Afghanistan, we have tripled the number of civilians on the ground, and this presence will grow by hundreds more with the \$5 billion in this budget. Our diplomats and development experts are helping build institutions, expand economic opportunities, and provide meaningful alternatives for insurgents ready to renounce violence and join their fellow Afghans in the pursuit of peace.

In Pakistan, our request includes \$3.2 billion to combat extremism, promote economic development, strengthen democratic institutions, and build a long-term relationship with the Pakistani people. This includes funding of the Kerry-Lugar-

Berman initiative, and I want to thank you, Mr. Chairman and Senator Lugar, for your leadership on this legislation. Our request also includes a 59-percent increase in funding for Yemen, to help counter the extremist threat and build institutions and economic opportunity.

In Iraq, we are winding down our military presence and establishing a more normal civilian mission. Our civilian efforts will not and cannot mirror the scale of our military presence, but rather provide assistance consistent with the priorities of the Iraqi Government. Our request includes \$2.6 billion for Iraq—resources that will allow us to support the democratic process and ensure a smooth transition to civilian-led security training and operational support. As these funds allow civilians to take full responsibility for programs, the Defense budget for Iraq will be decreasing by about \$16 billion—a powerful illustration of the return on civilian investment.

We are blessed with the best troops in the world, as we have seen time and again in today's wars. But we also need to give our civilian experts the resources to do civilian jobs. This budget takes a step in that direction. It includes \$100 million for a State Department complex crises fund—replacing the 1207 fund through which the Defense Department directed money toward crisis response. And it includes support for the Pakistan Counterinsurgency Capability Fund, which previously fell under the Defense Department as well.

INVESTING IN DEVELOPMENT

The second major area is investing in development. This budget makes targeted investments in fragile societies—which, in our interconnected world, bear heavily on our own security and prosperity. These investments are a key part of our effort to get ahead of crises rather than just responding to them, positioning us to deal effectively with the threats and challenges that lie ahead.

The first of these investments is in health. Building on our progress treating HIV, malaria, and tuberculosis, our Global Health Initiative will invest \$63 billion over 6 years, starting with \$8.5 billion in FY11, to help our partners address specific diseases and build strong, sustainable health systems as they do so.

The administration has also pledged to invest at least \$3.5 billion in food security over 3 years, and this year's request includes \$1.6 billion, of which \$1.2 billion is funded through the State Department. This funding will focus on countries that have developed effective, comprehensive strategies, where agriculture is central to prosperity and hunger remains widespread.

On climate change, our request of \$646 million seeks to promote the United States as a leader in green technology and to leverage other countries' cooperation—including through the Copenhagen Accord, which for the first time brings developed and developing countries together on this challenge. This is part of the administration's total request of \$1.4 billion to support core climate-change activities in developing nations.

Our request also includes \$4.2 billion for humanitarian assistance programs. Our efforts in Haiti have made clear that State and USAID must be able to respond quickly and effectively to human tragedies.

These initiatives are designed to enhance American security, help people in need, and give the American people a strong return on their investment. Our aim is not to create dependency, but to help our partners devise solutions they can sustain over the long term. Essential to this is a focus on advancing equality and opportunity for women and girls, who are the key drivers of economic and social progress in the developing world.

INVESTING IN THE RIGHT PEOPLE AND TOOLS

That brings me to our third area of investment. None of this can happen if we do not recruit, train, and empower the right people for the job.

The State Department and USAID are full of talented and committed public servants, but we have too often neglected to give them the tools they need to carry out their missions on the ground. Rather than building their expertise, we have too often relied on contractors, sometimes with little oversight.

This budget will allow us to expand the Foreign Service by over 600 positions, including an additional 410 positions for the State Department and 200 for USAID. It will also allow us to staff the standby element of the Civilian Reserve Corps, a crucial tool for responding to crises.

While deploying these personnel generates new expenses in some accounts, it will reduce expenses in others by changing the way we do business. We are ending an overreliance on contractors and finding opportunities to save money by bringing functions into government and improving oversight.

A YEAR OF RESULTS

One thing should be very clear from this budget: the State Department and USAID are taking a lead in carrying out the United States foreign policy and national-security agenda. As we finish the first Quadrennial Diplomacy and Development Review, we have a unique opportunity to define the capabilities we need and to match resources with priorities. This budget aligns our investments with the strategic imperatives of our time.

The QDDR will also help ensure that we are more effective and accountable. Jack Lew, the first Deputy Secretary of State for Management and Resources, has put his skill to work in developing this budget and in reviewing it over and over to make sure that every item is economical and effective.

At a time of change and challenge at home and abroad, these investments will enhance the security of Americans, assure the future American leadership, and help build the foundations of peace, stability, and prosperity in the years ahead. I look forward to working with all of you as we move forward, and I would be pleased to take your questions.

The CHAIRMAN. Thank you very much, Madam Secretary.

We will do 7-minute rounds.

Recently, I came back from Pakistan, and one of the things that they repeatedly brought to my attention was the fragility of the economy, but also the sort of balancing act that they have to perform, which you are well aware of, in terms of their public opinion, their relationship with the United States, and what they are being called on to do.

They pointed out that they are about to undergo another round of IMF negotiations. And the pressures already of the IMF restraints have been significant in terms of price increases and other things that their citizens are feeling. I wonder if you would comment on what other steps we might contemplate that can have an impact?

We have a very significant amount of money going in. We have got additional assistance, the \$3.2 billion you have talked about. But it strikes me that there is a broader economic challenge and a provision of services challenge to their people that is going to have a profound impact on the outcome of what is happening in western Pakistan and, ultimately, Afghanistan.

And you are no stranger, Madam Secretary, to our thinking that what happens in Pakistan is going to be almost as important, if not far more important to the outcome of Afghanistan and some of what happens on the ground in Afghanistan. Therefore, should we be thinking about a free trade agreement or a broader trade agreement or something that is going to send a stronger signal from us about the economic possibilities?

Or should we work with the IMF to make sure that the next round doesn't result in unpalatable, unacceptable pressures on their citizens so that we undo the good that we are trying to do in all of these other efforts, I wonder?

Secretary CLINTON. Well, Chairman Kerry, you have asked one of the most important questions that we have to figure out how to answer. To the credit of the Pakistani Government and President Zardari, they have complied with the IMF conditions. They raised the price of wheat. They have raised the price of electricity. They have demonstrated a political will which has resulted in some positive economic outcomes for them.

But they have a very difficult road to negotiate ahead of them for several reasons, and I will tell this committee what I told a

group of Pakistani business leaders with whom I met when I was there. It was a very large, prestigious group, representing a broad cross-section of the Pakistan economy. And I told them that we did need to do more to promote trade, and I think the ROZs, the reconstruction opportunity zones, that legislation has been pending in the Senate. That would send a very strong signal to Pakistan. It would use trade instead of aid to promote economic growth.

We have committed to some large signature energy projects because part of their economic challenge is keeping the power on and keeping those factories humming. And so, I have ordered a redirection of our aid so that we produce results that are in line with the needs and aspirations of the Pakistani people.

I think we should explore additional opportunities that might increase more trade, remove more barriers. We could try it for a limited period of time, see what the results are, but I think the Pakistanis have to do more as well.

And I told the business group, after we had finished talking about the aid we give and the support we are giving and the Kerry-Lugar initiative, Pakistan has one of the lowest tax rates in the world. They don't tax income. They don't tax land, and a lot of the wealth is held in these huge feudal estates.

Some of you might have seen a program on television last night showing the failure to build schools, to staff schools, to equip schools. They have no public education system to speak of, and it is because the very well off, of whom there is a considerable number, do not pay their fair share for the services that are needed in health and education primarily.

So I think there is more we could do and more the international community could do. But increasingly, Senator Kerry, I am looking for ways that the IMF, the World Bank, the United States as a donor, other donors can say to countries that want our help, "You have a lot of rich people"—and those rich people make a lot of money out of their country, and yet the people of their country are mired in poverty—"And you are going to have to raise your tax GDP percentage rate from 7 percent to 9 percent."

You know, United States, we fluctuate between 16 and 22 percent. They don't have the resources or the opportunity to do that. But we can't continue to allow these countries' elite not to do their fair share for the people of their countries.

The CHAIRMAN. Well, to their credit, I will say they are now in the midst of a significant legislative initiative and government initiative to do exactly that. And I know some of it is at your urging and other people's urging.

One last question so I don't overly abuse the time here. But this is sort of a macroquestion that I would like to ask you. As you travel around as Secretary of State, you are engaged in any number of efforts to leverage our interests globally, whether it is arms control or economic interests or counterterrorism, et cetera, et cetera.

I don't want to draw you into a fight. But the gridlock here in Washington and the inability of us to leverage our own economy and to begin to show the world signs of economic strength, I have certainly run into many questions as I travel around, "Where is America going?"

And I would like to know if you could maybe share with this committee—which is the appropriate place to think about this, or at least start to—as you talk to people, to what degree is our domestic situation, our financial situation, our lack of cohesion with respect to responses affecting our status and leverage and position as we try to pursue our interests on a global basis?

Secretary CLINTON. Well, Senator, you travel also, and you encounter the same questions and, to some extent, anxiety that I do as I travel. The world wants the United States to lead, even if that is not what they tell you or what they say to their own press. But they want us to lead. They look to us. They also look to us as the world's oldest democracy, and they want to see us produce results and solve problems.

So I do think that we have to do a better job in demonstrating what we know is our core strength, which is this extraordinary country that we all love and have the privilege of serving. It is capable of doing anything once we put our minds to it.

But I think that this is not a partisan issue. It is not an executive versus legislative issue. It is really an American issue. And you mentioned climate change at the very beginning of your remarks, and I cannot say how important it would be—I cannot overstate it that we do what we can to show that we are a leader in this area.

I would say for political reasons, global political reasons, some of you may have read accounts of the President and I kind of crashing a meeting that the Chinese, the Indians, the Brazilians, and the South Africans were having without us to try to figure out how they could avoid some of the questions, the hard questions we were asking. But at the end of a tough negotiating session, they agreed to this Copenhagen Accord.

And this accord is the first time in probably since post-World War II that there has been any international agreement and the very first time that developing and developed countries have assumed the kind of equal responsibilities to show up, sign up, report, and verify what they are going to do. So the political imperative for the United States to lead, to be seen as leading, to manage this incredibly complex, interconnected world I think is absolutely paramount.

Second, on the facts on climate change, I know that Senator Kerry, Senator Boxer, others of you have been really leading on this. This clean energy economy is going to be captured by other countries.

I mean, the idea that we, the intellectual capital of the world that invented so many of these component parts and processes, could be outflanked and outproduced and outgenerated in terms of income by other countries, led principally by China, is deeply disturbing to me. This is an industry of the future, and we have jobs that are going to go by the wayside if we are not prepared to get in there.

Now, to me, the domestic progress that was made in 2009 with passing a House bill and what Senator Boxer did and what you are doing on a bipartisan basis gives us a foundation. But this is a political issue, and this is an economic issue.

People also know it is an environmental issue and a moral issue, but I focus on what are the strategic interests that the United States has? We have to continue to show leadership on a global issue, and we have to get our economy moving in a direction where we are going to reap the benefits.

The CHAIRMAN. Thank you very much, Madam Secretary.

Senator Lugar.

Senator LUGAR. Madam Secretary, I have three short items and two longer ones. I will commence with the short ones. First of all, I very much appreciate your commendation of the efforts of your Department and, likewise, our shared efforts in crafting the Lugar-Casey bill on food security. I am hopeful that the recent work between your staff and the staff of this committee will continue—

Secretary CLINTON. Yes.

Senator LUGAR [continuing]. Intensively in the days and weeks ahead. Perhaps the chairman will entertain another hearing on the suggestions we have both made, so we can move this along. The Lugar-Casey bill has passed out of our committee, and I think it has broad support in the Congress as a whole.

Second, I just note that the budget calls for 8 to 10 American centers of public diplomacy, and it is not clear where those would be located. You will have to determine that.

The Chinese, according to our records, have now established 60 Confucius centers here in the United States, but they are permitting only four of our centers to be built in China. I call this to your attention so that you may consider potential negotiations with Chinese friends as we try to extend this important idea of diplomacy centers.

Furthermore, I appreciate your mention of the Law of the Sea Treaty. I have just come from a conference in which Russia and Russian aspirations were discussed. It was pointed out that with the melting of the Arctic, huge oil reserves, perhaps larger than those of Saudi Arabia have been uncovered there. The Russians immediately sent a ship to the area and planted a flag. This was a grandiose gesture. It does not establish that they are going to be drilling shortly.

But the fact is that this is going to be an area of huge contention, and there is a need to have some structure in place where American interests can come to the fore. The issue has always been sovereignty with regard to that, and sovereignty is the issue. But we have got to pin down our sovereignty. It is very important.

Secretary CLINTON. That is exactly—

Senator LUGAR. Let me just bring up the issue of plans to construct a new Embassy in London. In the past few days news reports and drawings of our proposed new \$1 billion Embassy in London have been in the media. The thought is that the sale of three U.S.-owned properties in London, including Grosvenor Square Embassy, would net us at least \$1 billion as an offset. Furthermore, we are refusing to pay the value-added tax assessed by Great Britain of 17 percent.

How is the financing of this undertaking going? And what comments can you make regarding the need for the new \$1 billion building, as well as this dispute over the value-added tax?

Secretary CLINTON. Thank you so much, Senator Lugar.

Just very briefly, our staff looks forward to continuing to work with yours and that of this committee, and we want to deepen our partnership on global hunger and food security.

On the Confucius centers, the Chinese Government provides each center with \$1 million to launch, plus they cover operating expenses that exceed \$200,000 per year. We don't have that kind of money in the budget. So we are limited in the numbers that we can do. And we are also raising the issue of reciprocity with Chinese officials. So we are very aware of the concerns that you have pointed out.

Thank you for what you said about the Law of the Sea. I could not agree with you more. The Law of the Sea provides commercial rights to the mining of what is in the seabeds of the territories that are claimable under sovereignty provisions in the treaty.

I believe, with all my heart, that we are going to be so sorry if we don't get this up and going. And I know that you and the chairman are committed to doing so. And if there is more that we need to do from the administration side, Mr. Chairman, I will get it done. You give me the date, and we will have the people here to testify because I want everybody on the committee and the Congress to know what is at stake here.

Finally, on the London Embassy, the construction of the Embassy is estimated at between \$500 million to \$700 million. It is self-financed because we are selling, I forget, maybe 11 sites that we currently own because we are consolidating everything in one place. We have sold the old Grosvenor Square Embassy, although we will inhabit it until we move to the new Embassy.

We have—also we are selling the Navy annex. We are going to realize a significant return on these sales, and the estimated cost of the construction, as I said, \$500 million to \$700 million. The site predeveloped was \$426 million. The VAT is \$46 million. So when you add it all up, because of the expense of doing business in London, among other reasons, it is going to be around \$1 billion.

And we are going to work very hard to get the VAT exception, but we are not coming in for any appropriations. This is really consolidating sites and becoming more efficient. And it will also be a green building, which we value. We think that is a great signal to send.

Senator LUGAR. Let me ask a final question, this one regarding the budget for Pakistan. There is obviously a submission for considerable expenditures this year. But I just want to inquire as to how expenditures are going from the 2010 budget.

The reason I ask this is that it appears expenditures are going slowly, and there are arguments as to how much should be channeled through NGOs as opposed to Pakistani officials, whether they be local, regional, or national. What are your feelings on the general progress of expenditures, whether they are part of the Kerry-Lugar \$1.5 billion or otherwise?

Secretary CLINTON. We are making progress, Senator. But we are trying to be very thoughtful about how we distribute this money because it is a significant investment in Pakistan. We have spent money already on some of the energy projects, which we think are paying off, both in terms of what they are doing for the people of Pakistan, but also because we are connected to them.

It is challenging because we do want to go through Pakistani institutions and NGOs wherever we can. But they have to be vetted, and we have to feel that they are going to perform in a way that I can come before this committee and report to you is in keeping with our efforts.

So we can give you a very thorough readout of where the money is in the pipeline. But we have been spending a lot of time—and Jack Lew, I think, has talked with this committee about that—in making sure that we are spending it right, or as right as we can make it.

Senator LUGAR. That would be very helpful to keep us up to date. It is challenging, as you say, but it is critical in terms of maintaining the confidence of the American people in appropriations of this size with Pakistan and Afghanistan.

Thank you very much.

Secretary CLINTON. Thank you.

The CHAIRMAN. Thanks, Senator Lugar.

Senator Feingold.

Senator FEINGOLD. Thank you again, Mr. Chairman, for holding this hearing. And Madam Secretary, just before I ask you some questions, I would just like to note that your identification of the 150 account as a national security budget is absolutely right on the mark.

A stronger State Department is vital to our Nation's security, as is expanding and strengthening our work in such areas as economic development, good governance, respect for human rights, respecting the rule of law, and conflict resolution. By ensuring these programs are well funded, we can help our foreign partners combat the recruitment and operation of al-Qaeda while also strengthening and protecting our Nation here at home. So I appreciate that very much.

Madam Secretary, on a number of subjects, I have noted that enhancing our diplomatic capacity is vital to our Nation's security. At the same time, as you well know, with skyrocketing deficits, we have to look at ways to eliminate wasteful or inefficient spending. And I think one glaring example of wasteful spending is a program that has for years now been found to be mismanaged and ineffective: Radio and TV Marti at the Broadcasting Board of Governors.

Given the multiple GAO reports highlighting the many problems that plague the Office of Cuba Broadcasting and the urgent national security and human rights priorities we face around the world, can you please tell me why the administration wants to continue funding Radio and TV Marti near previous levels in FY 2011, and does this allocation of resources really match our national security and human rights priorities?

Secretary CLINTON. Well, Senator, we are taking a hard look at all of our aid programs for Cuba. Frankly, my goal is to be effective in what we spend so that it actually assists those Cubans who are fighting for freedom, who are standing up against the abuses of the Cuban Government. And we are looking at everything.

I mean, I can't come before you and say that any program is sacrosanct because I want to be sure that we are getting our money's worth. And with new forms of communication and new ways of getting information into Cuba to help support the efforts of people on

the ground, I think we have to look at this expenditure like every other one.

Senator FEINGOLD. Appreciate that answer.

On a very different topic, in Africa, let us say a bit about our policy toward the Lord's Resistance Army, or the LRA, the rebel group from northern Uganda that is now operating across three countries—northeastern Congo, Southern Sudan, and the Central African Republic. It continues to kill at an alarming rate.

As you probably know, I have authored a bill that now has 63 cosponsors and which requires more strategic attention and resources to help address this violence. And Madam Secretary, without sort of getting into all the weeds of this, how does responding to and seeking to end the LRA's reign of terror throughout the region fit into the fiscal year 2011 budget? And does the administration have any kind of a specific plan and dedicated resources to help address this issue?

Secretary CLINTON. Senator, we are deeply concerned and share your views about protecting civilians who have been suffering at the hands of the Lord's Resistance Army now for years in Southern Sudan and the DRC and Central African Republic. We have provided support to improve the effectiveness of military responses to the LRA. We have helped to support and supply some of the militaries in the area.

Thus far, \$6.4 million has been provided. Additional funds will be notified to Congress soon. Resources have come from reimbursements from the U.N. for U.S. support for peacekeeping operations. We believe our support of these operations has helped to degrade the capacity of the LRA.

We have encouraged the military forces seeking to defeat the LRA and the U.N. peacekeeping missions in the region to put a very high priority on civilian protection. There needs to be better coordination, information, and intelligence-sharing. As you know, we tried that once, very unfortunately, not to the result we were seeking. But we are going to continue to work with existing militaries and U.N. peacekeepings.

I want to be specific here because we have also provided assistance for civilian victims in the DRC, CAR, Southern Sudan—\$1.7 million for NGOs in Southern Sudan, \$1.1 million to the International Organization for Migration for relocation efforts in Southern Sudan, \$1 million to the World Food Programme for U.N. humanitarian air service in Central African Republic, and of course, contributions to the UNHCR.

You know, I have been following the Lord's Resistance Army for more than 15 years. I just don't understand why we cannot end this scourge. And we are going to do everything we can to provide support we believe will enable us to do that.

Senator FEINGOLD. Thank you for that commitment.

Madam Secretary, I have concerns about supplemental spending bills, given that they fall outside of the normal budget process. But in this case, I would like to ask about the INCLE funds requested for Pakistan in the FY 2010 supplemental, the majority of which will go toward training and other support for Pakistani police, including to do such things as to better confront the spread of extremism.

Given the documented problems of police abuse in Pakistan from your own State Department human rights report, including allegations of torture, rape, and extrajudicial killings and continuing impunity for such crimes, and given the latest report's caution that "corruption within the police was rampant," what efforts are being taken to ensure that our assistance to the police forces does not inadvertently end up fueling the spread of extremism, rather than addressing the problems we sought to address?

Secretary CLINTON. Well, Senator, this is something that we are very focused on because, obviously, we have both legal and moral requirements as to how money that we provide to anyone is expended and what is done under the rubric of that kind of aid program. And what we have done is provide training, provide support to the Pakistanis so that they understand what we expect from them, what we are looking to see.

We have worked with the Pakistani military to try to better create more accountability, and we have asked that they respond whenever any issue is raised with us. I can't sit here and say that we know everything that is going on. But we are making a concerted effort to try to provide more oversight and expect more accountability in these funds.

Senator FEINGOLD. Thank you so much, Madam Secretary.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Feingold.

Senator DeMint.

Senator DEMINT. Thank you, Mr. Chairman.

Thank you, Madam Secretary.

I appreciate your professionalism in representing our country all over the world. The more I delve into foreign policy, the more I believe you probably have the hardest job in the administration.

A couple of points. First, I want to thank you for your leadership in Honduras. As you know, that was a situation that appeared to be moving out of control, and I think you and your Department have got it on a good track, trying to restore relationships within and around Honduras. I get very good reports there from what the State Department is doing.

Let me just mention a couple of things. In Iran, obviously, that is a big issue. My concern is timing. You have, I think, taken an international leadership role in, I think, raising the pressure levels in Iran. But in my conversations with people in Israel and their concern that—well, my concern is that we may be only a few months away from some type of action that could destabilize the region.

And I don't sense in the Congress the urgency of timing here of what we need to do and how quickly. And again, I appreciate you taking the sanction idea a step further, but I would like to hear a comment there and just ask for your comment in a few other areas.

One, and you have mentioned, and several others have mentioned, human rights. And I have long been a supporter of engagement with countries like China and trade with China, but it seems increasingly over the last year or two that human rights, religious freedom in China, Egypt, India, Vietnam, other countries, more and more reports that there is less religious tolerance, that there

is more problems. And perhaps that is just a matter of what gets to the news, but I am hearing from a lot of people directly in my office that are suggesting a deteriorating situation.

And meeting with people from Georgia, a lot of representatives, again I hear a concern that our emphasis is more on Russia and even to the point of them not getting equipment they need for basic protection, such as parts for their rifles. So some pretty important concerns there, specifically on Georgia.

So if I could just ask you to comment on the urgency and timing of Iran, possible scenarios there, and just maybe your perception of human rights, as well as a comment on Georgia?

Secretary CLINTON. Thank you so much, Senator.

On Iran sanctions, we are intensely engaged with countries around the world. In the last month, I attended the London conferences on Afghanistan and Yemen and held numerous bilateral meetings with countries to lay out evidence about Iran to urge that they join with us on the pressure sanctions track.

I just came back from Saudi Arabia and Qatar and have also met last week with the Prime Minister of Turkey. I will be going next week to Latin America, including Brazil.

So we are—and it is not just I. It is the top levels of the State Department are engaged very, very directly in working the need for sanctions. We are beginning the process in the Security Council in New York, where language is being hammered out based on the work that has been done by the Treasury Department and the State Department in coordination.

We are targeting a lot of these proposed sanctions against the Revolutionary Guard, which we believe is playing an increasingly important role in the politics and the economy of Iran. So we are working it as hard as we can.

I have to say that we have been heartened by the positive response from Russia. They, I think, in their response prove the wisdom of the President's policy of engagement. We have made it clear from President Obama's inauguration that we will reach out our hand if the other side unclenches its fist. And our very clear commitment to engagement has created space for a lot of these countries to now consider supporting sanctions that they might not have otherwise because we have demonstrated the strategic patience to exhaust the international efforts of convincing Iran to do the right thing without sanctions.

So I think, Senator, we are very focused on this. We hope that the next 30 to 60 days will see a sanctions resolution emerge in New York, and we also have made clear with others of our allies and partners that whatever comes out of New York, we may pursue bilateral or multilateral sanctions on top of whatever can be the result of the Security Council deliberations. So this is the highest priority for the Obama administration.

On human rights, I share your concern. It is a kind of good news/bad news story. I mean, we see breakthroughs and positive actions, and then, unfortunately, we do get evidence of backsliding, discrimination, oppression, violence that is religiously based.

We are working with a number of Muslim majority countries to devise an alternative to their proposal of defamation of religion, which we reject because we think that in a robust society, free

expression should be protected. But we also recognize the sensitivity of criticizing or undermining the religious feelings and attitudes of people.

So we are looking to see if there is a way to come up with a resolution that will suit our constitutional concerns, and we are working hard with a number of countries to do that. But we speak out vigorously against human rights abuses and, in particular, religious freedom and discrimination complaints and will continue to do so.

And finally, with respect to Georgia, Georgia remains a high priority to this administration. We have had a number of high-profile visits to Georgia—Vice President Biden, Deputy Secretary Steinberg, Special Representative Holbrooke. We have had a very clear message that we are supporting the Government of Georgia.

For the FY11 budget, we are requesting \$90.1 million in aid, which is an overall increase of 8 percent from the FY10 level of \$73.77 million. The bulk of that will be trying to help the Georgians sustain their work in democracy, to enhance public confidence within their own country and in the region in their direction. We also are continuing to provide funding for nonproliferation, antiterrorism, demining, and related programs, and we are heavily supporting their military deployment to Afghanistan with new equipment, new training.

So I think that what we are doing is a very positive story, and we stand up for Georgia in many international settings against the very strong attitudes expressed by their Russian neighbors.

Senator DEMINT. Thank you much. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator DeMint.

Senator Boxer.

Senator BOXER. Thank you, Mr. Chairman.

And Secretary Clinton, I just want to say that I think all of America is very proud of the job you are doing.

Secretary CLINTON. Thank you.

Senator BOXER. And I think you are just being so effective, and I was really glad to hear that expressed in a bipartisan way today.

I want to talk to you about women in Afghanistan. And just yesterday, Senator Casey, Senator Wicker, and I held a hearing, which our chairman sanctioned, to examine the status of females in Afghanistan. And what we discussed with your wonderful Ambassador Verveer and with Dr. Sima Samar, who I know you are aware of, it was not good. It was alarming.

Today, the life expectancy of an Afghan woman is 44 years. Can you imagine—44? Afghanistan has the second-highest maternal mortality rate in the world. One out of every five children born in Afghanistan dies before the age of 5, and over half of all marriages in Afghanistan are forced or involve girls under the age of 16.

Yesterday, we talked about a forced marriage of an 11-year-old girl to a man 20 years her senior. And this child set herself afire to get out of the situation, and it is just—it just touches your heart. She is now back with her own family.

But here is what I wanted to discuss with you. We all know how hard our military is working right now. Oh, Lord, we all pray this

is a success. And we all know that reconciliation is what we are trying to achieve to get these Taliban to give up their ways.

And what worries some of us is that women could be used as a bargaining chip in the reconciliation process, unless they are at the table at every single stage. Because we can't forget these are the same Taliban who required the windows of Afghan homes to be painted over to conceal the fact that there was a woman inside and who take pride today in throwing acid in the faces of Afghan girls.

Now we know you are a tireless champion for women around the world, and we also know you have worked hard to raise this issue of women being at the table in this reconciliation process. But I thought I would use today as an opportunity to get you to commit to us and to the Afghan women that you work to ensure that these women are given a clear, transparent, and meaningful role at every level of the reconciliation process—to protect their right to education, to health care.

Because you know that they are not allowed to see a male doctor, and that is why so many of them die in childbirth because it is considered—they are shunned if they see a male doctor. And there are no female doctors anymore. There are some, but there are not as many as there once were. So, so many of them are dying in childbirth. And they need to have freedom of movement, and they need to be free of violence.

So will you make that commitment to fight to get them into a key decisionmaking role in the reconciliation process? And will you personally reach out to President Karzai, because I know you have a close relationship with him, to make sure that this happens?

Secretary CLINTON. The answer is yes to both, Senator Boxer. It is a very deep, longstanding concern of mine, which I share with you.

In our regional stabilization strategy for Afghanistan and Pakistan, we lay out how we wish to advance the rights of Afghan women and girls with key initiatives that we are pursuing. And I would hope that this could become part of the record, Mr. Chairman, the entire report.

The CHAIRMAN. Without objection.

[EDITOR'S NOTE.—The report "Afghanistan and Pakistan Regional Stabilization Strategy" was too voluminous to include in this printed hearing. It will be retained in the permanent record of the committee.]

Secretary CLINTON. But on the specifics with respect to women, I am not going to sugarcoat how hard this is. This is a very difficult challenge that we are making common cause with the women and girls of Afghanistan. I am very proud of the work that Ambassador Verveer is doing.

I have personally spoken several times about this to President Karzai, and I will continue to advocate, as I did at the London conference, to make sure that women are included in the political process. Any kind of reconciliation or reintegration effort has to take into account the rights of women, and we are going to do everything we can to try to protect and advance that.

Senator BOXER. Thank you. Thank you so much.

My second question kind of dovetails on Senator DeMint's on Iran. Just recently, the IAEA released a report stating that it

found extensive evidence of activities by Iran's military "related to the development of a nuclear payload for a missile."

And this is chilling to all of us. Iran's behavior not only poses a grave security threat to Israel and the greater Middle East, but also to efforts to stop the proliferation of nuclear materials and weapons around the globe. And I am very pleased that the administration is focused like a laser beam on this.

And I know you recently traveled to the region to discuss the threat from Iran and that national security adviser James Jones traveled there, Mike Mullen, Vice President Biden. And in addition, the U.S. Government announced a new set of sanctions on Iran's Islamic Revolutionary Guard.

Now I understand you are seeking a set of new sanctions through the U.N. Security Council, which will require the support of all five permanent members, including China. So I want to ask you about China.

You were recently in Saudi Arabia, which is now exporting more oil to China than ever. Reports have suggested that Saudi Arabia may be able to provide China the stable supply of oil it needs, thus reducing China's reliance on Iranian oil. And this, in turn, could make China more willing to support sanctions against Iran.

Do you feel better about the situation with China? Do you feel that this diplomacy of yours at the U.N. could yield the right outcome?

Secretary CLINTON. Well, Senator, we are working at it every single day. And the IAEA report gave us one more piece of evidence to present to doubting countries about conclusions regarding Iran's nuclear ambitions.

We also are making the argument in public that China's dependence on oil from the gulf should cause it to make a strategic calculation to support sanctions because, in the absence of pressure that changes the Iranian efforts to obtain a nuclear weapon, there will be an arms race in the gulf, and that will further destabilize the gulf. It could lead even to conflict, which could dramatically undermine the delivery of oil from the gulf. So our argument, joined by other countries, including some in the gulf, to China is that if you are concerned about your market access to the Arabian Gulf for oil, then you should join the rest of the world in sanctions.

And we were very successful when nobody thought that we could get China on board for the North Korean sanctions, 1874 out of the Security Council. And even today, the South Africans stopped a ship carrying North Korean weapons bound for the Congo to cause more terrible violence and kill even more people there.

Because we got the international community behind us and that is what we are seeking and we are making that argument vigorously, and lots of people are joining us to try to convince China to join with the rest of the world.

Senator BOXER. Thank you so much.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Boxer.

Senator Menendez.

Senator MENENDEZ. Thank you, Mr. Chairman.

Madam Secretary, thank you for your service to our country.

Yesterday, Orlando Zapata Tamayo, a Cuban prodemocracy human rights activist and political prisoner who was first incarcerated during the 2003 crackdown on dissidents in Cuba, died following a hunger strike protesting the Castro regime's brutal abuses. Amnesty International recognized him as a prisoner of conscience, and it is in his memory and the sacrifice that he made and hundreds of others of political prisoners who languish in Castro's jails that I want to ask you about some concerns I have with reference to how we are pursuing our Cuba democracy programs.

I sent a letter in January to Administrator Shah, who I have not heard an answer from yet, asking what is the intent of an e-mail that they sent to the grantees and contractors for programs in Cuba? Basically, that e-mail suggested, as the Department has suggested, that groups not travel to Cuba to conduct our democracy programs there, and that is a real concern.

Now there are some people have suggested that the United States only provide support to the Cuban people, when every single activity under these programs is specifically sanctioned by the Castro regime. It is naive to think that independent groups would be allowed permission from the Castro regime to carry out those activities when even members of this committee who have sought visas to visit human rights activists and political dissidents inside of Cuba as part of an agenda have been denied those visas by the regime in a clear attempt to stop anyone who wants to visit those entities, those individuals inside of Cuba.

So I would not expect the regime to welcome anyone to help engage with human rights activists, political dissidents, independent journalists in trying to promote civil society inside of Cuba.

So we have a long history in the United States of supporting groups around the world in groups who have lived under the iron fist or behind what was the Iron Curtain. We have done that in Eastern Europe. We did that with Lech Walesa. We did it with Vaclav Havel. We did it with Alexander Solzhenitsyn. We did it with so many others, and we did not seek permission from those countries in the world.

For some reason, it seems to me that when it comes to Cuba, the recent actions by the regime to arrest an American citizen have totally frozen our actions. And I have even noticed that in the 2011 budget request stating what our democracy programs would do, a critical statement that existed in the 2010 request was eliminated.

So my question is, Are we going to have a permanent freeze on having entities that are trying to create peaceful change for civil society inside of Cuba? Is that the policy of the State Department?

Secretary CLINTON. No, Senator. Let me first express the U.S. Government's sympathies to the family, friends, and supporters of Orlando Zapata Tamayo.

We were concerned about his welfare. We raised this with the Cuban delegation during the migration talks. We urged that he be given medical attention and care, and we are deeply distressed by his death during a hunger strike on behalf of his rights and to send a signal of the political prisoner situation and oppression in Cuba, where we think there are in excess of 200 other prisoners of conscience.

We are very supportive of the work that we believe should be done to support those people of conscience inside Cuba. As I said earlier, we are trying to figure out the best ways to be effective in doing that. We are currently reviewing the risks in the wake of the baseless arrest of Mr. Gross in Cuba so that people who are traveling in furtherance of the mission of advocating for freedom, providing services, providing supplies and material to Cubans will take the necessary precautions when traveling.

This is an issue of great importance to us. We do want to do everything we can to try to assist Cubans who are struggling against a continuing, longstanding regime of oppression. So we are not in any way taking a position against travel or against the kind of actions that we think will produce positive results. But we are engaged in a very intense review so that what we do we think will have greater chances of being successful.

Senator MENENDEZ. Well, I appreciate your answer. However, let me just say that the e-mail that came out of AID and the statements that have come out subsequently have basically chilled any activity in the promotion of the democracy programs that the President in his own budget put again, which we are pleased to see.

But at the end of the day, if a regime, whether that be in China, whether that be in any other country in the world, can ultimately deter the United States from its engagement of human rights activists and political dissidents, then that pillar of our diplomacy crumbles.

Secretary CLINTON. I know. But that is not what we are doing.

Senator MENENDEZ. Well, I would like to see—I would like to see what we are doing because right now we are not doing very much. So I will follow up with that. I hope we get a response from the administrator.

I would like to ask you two other questions. One is Senator Kerry, Lugar, Corker, and myself have written legislation with reference to reforming our foreign assistance institutions. You mention the Quadrennial Defense and Diplomacy Review. I would like to know where we are at? When can we expect to see some tangible changes? What might these changes look like?

And my second question is, as you know, there are more than 40,000 Turkish troops occupying Cyprus. No one in the world accepts the proposition that they are there to protect Turkish Cypriots from Greek Cypriots, and even the European Parliament on February 10 passed a resolution calling for the immediate withdrawal of Turkish troops from Cyprus.

Yet, Madam Secretary, America's Ambassador to Turkey, Ambassador Jeffrey, very recently said in a newspaper interview that Turkey has "security concerns on Cyprus." Certainly, he can't be supporting this rationale for keeping Turkish troops on Cyprus. Did he misspeak?

Secretary CLINTON. Well, first, with respect to foreign assistance, the QDDR will be finished this summer. We look to it to help us coordinate with this committee and with the Congress on the foreign assistance reforms that we believe should be undertaken. Our goal is to enhance the capacity and effectiveness of American foreign assistance, to better coordinate among the various aspects of the American Government that provide assistance.

We have everything from USDA to Treasury with its funding of the international financial institutions to, of course, State, to USAID and other entities as well. We want to more clearly state the mission, more clearly resource that mission.

The White House is currently simultaneously conducting its own review of development, bringing in all the other stakeholders because, of course, we are only looking at State and USAID. But I think that many of our findings will be very much in line with the direction and the aspiration that this committee has set forth in the legislation.

With respect to Cyprus, we strongly support the continuing negotiations under U.N. auspices for a bizonal, bicomunal resolution on Cyprus. We have been heartened by some of the intense consultations going on between the Cypriot and Turkish Cypriot leadership, but there is a long way to go.

And I think that—I can't speak for our Ambassador, but I assume he was stating the opinion of the Turkish Government. That is something that we do not ascribe to because we want to see the entire Cyprus situation resolved. But we certainly understand that is the stated position of the Turkish Government, not the American Government.

The CHAIRMAN. Thank you, Senator Menendez.

Let me just say so the record reflects it, Senator Menendez, that the committee has taken note formally—I spoke on the floor in December about our efforts to try to review the democracy promotion programs. And we all agree that the goals are laudable, and we want to help the Cuban people, but we also want to make sure that we are doing the most effective things and that the programs are working.

So we are looking at that. We are going to work with the administration. I think it is important to try to just look at it and evaluate it. And we are going to continue our review, and we will work with you and with the Secretary to try to measure this.

Senator MENENDEZ. Mr. Chairman, if I may, I appreciate that. But what I am concerned about is turning a page that we have never permitted in our history, which is having an oppressive regime anywhere in the world tell us how we are going to ultimately engage in our democracy programs. And that is the core.

We all want to see the most effective democracy programs, but for anyone to expect that we will get a stamp of approval from a regime to pursue it—

The CHAIRMAN. Nobody expects that, Senator. And I think that you are, in a sense, postulating a subjective criteria that doesn't exist here. There is no stamp of approval necessary. We will do what we think is in our best interests, and I am confident the administration will do that and want us to do that.

It is simply a question of measuring the effectiveness of what we are doing against all outcomes, and I think we need to do that. So we will work with you. We will have a good dialogue about it.

Senator MENENDEZ. And I am happy, as long as we do that worldwide, Mr. Chairman.

The CHAIRMAN. We probably should. And I think that is important.

Senator Casey.

Senator CASEY. Thank you, Mr. Chairman.

Madam Secretary, thank you for your testimony today and your work.

I was thinking, as we were preparing for this hearing, that one area of our discussion that often doesn't get enough of attention is the budget itself and the management of a huge enterprise that the State Department is. And I have always believed whatever level of government we are talking about that the strength of any government, especially the U.S. Government, can only be maintained by the strength or integrity of its agencies and the management of those agencies.

And I know it is difficult enough to deal with the issues that you are confronted with, but you also have to run a big agency, and we are grateful for the way you have managed that and the team you have put in place to help you do that.

I was also struck by something that you said in your testimony on the section on development, where you highlighted the areas of development that the State Department is focused on, whether it is health or food security or climate change and clean technology jobs. But the last section of that, I thought we cannot say this enough. And I am quoting here. "These initiatives are designed to enhance American security, to help people in need, and, third, to give the American people a strong return on their investment." Often, when—and you know this from traveling our country. You know this from your work in the Senate that when people are confronted with the question, "How do we save money?"—an important question these days—they often point to cutting foreign aid as a bonanza, as a place where we can save all kinds of money that the reality we know is otherwise.

I was noting that the international affairs budget is about 1.4 percent of the total budget of the United States, despite all of the—I guess the perceptions or misperceptions that somehow there is a lot of areas to eliminate. And I think you are demonstrating that every day that we can't at this time in our history, especially in light of our security concerns, do that.

Let me ask you about two or three areas. One involves our domestic economy and the horrific recession that so many families have lived through. Pennsylvania has a lower unemployment rate, but 560,000 people out of work. And you mentioned that in the opening, you mentioned the challenge of our domestic economy in the opening comments you made.

Sometimes that connection between the international affairs budget and the investments we make around the world may not seem to translate into the domestic economy. But I note here that since 2005, the U.S. Export-Import Bank, which is funded through the international affairs budget, has financed \$3.06 billion in exports from Pennsylvania, supporting 223 companies, 112 communities. There are other examples as well.

But I would like to have you talk about that because it is not something that we talk about enough, and I think there is a story to tell here that the American people don't often hear.

Secretary CLINTON. Well, Senator Casey, I can't thank you enough for asking that question because I think you are 100 percent right.

I obviously believe that what we are doing is part of our security, and I think that case is certainly more understandable for people today since 9/11 than it might have been beforehand. But I also think it is essential to our economy.

You illustrate one example of that, the Export-Import Bank. We really believe that we can do even more through the Ex-Im Bank, and I am going to try to encourage that approach. Somebody asked me what I would like to do. I said I would like to put Ex-Im Bank on steroids because I think it does so much good work for American companies, and I want American businesses to know that.

We are also working on a much more extensive export-driven strategy that the President has announced and has spoken about with business leaders. I have asked Under Secretary Bob Hormats to lead our efforts inside the State Department because we think there is more we can do. We can do more on our own. We can do more in partnership with the Commerce Department, and we intend to do that. And to reach out particularly to small and medium-size businesses about how they can export, more lessons that perhaps can be conveyed to them, work with more chambers of commerce in partnership on this issue.

We want to do more to highlight American business. We are in an economic competition, as we are in every other aspect of the world today, and American business needs to have a partner in the U.S. Government. Other businesses from other countries have a strong partnership with their government, whether it is state-owned enterprises from China or private companies from Europe. They often have much more support from their governments than we have in recent years given to our businesses.

So I think in many ways we can do more to impress upon the American public the importance of what happens at the State Department in opening doors and in working with other Government agencies here in the United States to promote jobs in America.

Senator CASEY. Thank you very much.

And maybe one more area before—I have got about a minute left. But it is on nonproliferation. I was giving a speech yesterday about the topic generally, and I especially appreciate the approach that you have taken and your team, the President, the Vice President, from a position of strength that our No. 1 objective and No. 1 obligation is the security of the American people. And one of the fundamental goals of the nonproliferation strategy is to have a safe, secure, and effective nuclear arsenal.

I wanted to have you talk about that in the context of not just the—I guess not just the funding and the investments we have to make in this budget to make sure that we have a safe and secure and effective arsenal, but also in the context of our broader security agenda.

Secretary CLINTON. Well, I appreciate your recognition that this budget and, of course, President Obama are committed to our safe and secure nuclear arsenal, but at the same time, the President's vision of a world without nuclear weapons. And some have asked me how can those two coexist? And I said, well, they can only coexist.

I mean, realistically, we know that the goal of a nuclear weapons free world is off in the distance. So what are the steps we need to take in order to move toward that? And in his Prague speech outlining his vision, as well as in the State of the Union, the President made clear that as long as nuclear weapons exist, the United States will maintain a safe, secure, and effective nuclear deterrent.

Infrastructure repair is critically important in order to sustain our nuclear security enterprise. And therefore, the budget request supports programs that are important to implementing all of the President's nuclear security agenda. What can we do to fund the stockpile support activities that enhance our deterrent, that make deeper reductions through negotiations like what we are involved in with Russia on START? How do we make the case to the Senate surrounding the Comprehensive Test Ban Treaty? How do we fund the Defense Nuclear Nonproliferation Program?

There is just—every piece of this fits together. So it is an issue that, of course, Senator Lugar has been a champion of for a very long time, but I think you are so right to be raising this issue in audiences that you speak to. Because it is one of the most important issues confronting humanity, and we are trying to walk the line of being committed to a goal of zero, but being smart about how we protect and maintain our deterrent now.

So that is the tension, but we think it is the realistic way forward.

Senator CASEY. Thank you very much.

The CHAIRMAN. Senator Cardin.

Senator CARDIN. Thank you, Mr. Chairman.

Secretary Clinton, thank you very much. We very much appreciate your leadership. I particularly want to underscore how important your statements about American foreign policy priorities including human rights have been received internationally.

Senator Wicker and I were recently in an international meeting of the OSCE, and your statements particularly about the importance of human rights, but also that we are going to evaluate our own performance was very well received, and it has helped us. And I encourage you to continue with your strong commitment in that area.

I want to talk about the direction of our foreign aid program. I strongly support what you are trying to do, including providing more resources and more aggressive use of our involvement internationally. But I am concerned about our Government partners when there is a significant leakage of funds because of corruption.

Corruption is a problem in so many places in the world. And when we try to provide a partner with money and that money gets used for other than its intended purpose, we are not only denying the taxpayers of our own country the accountability that is demanded, but we are denying the purpose for which the foreign assistance was being made available.

I also mention in this context the Extractive Industries Transparency Initiative, which Senator Lugar and I are encouraging a much stronger participation by the United States in the EITI. As you know, oil wealth and mineral wealth for many countries is a curse because it fuels corruption rather than development within a country. And I would just encourage you, as we go through for-

eign assistance reform, to make sure that we have strong accountability built into the programs and an expectation that there must be progress in dealing with the corruption issues among our partner countries.

Secretary CLINTON. I could not agree more, Senator. First, thank you for your continuing work with the OSCE. We view that as an important forum. We are trying to become more engaged and involved. We have a new Ambassador teed up to go. So we are very much focused on what we need to do to support the broad initiative, broad agenda of the OSCE.

On the question of corruption, this is the cancer that eats away at societies, and it is particularly apparent in these resource-rich societies where it is the oil curse. You know, when you go to a country like Nigeria, whose social indicators are falling despite the increase in oil wealth, and the corruption is so endemic that people are just discouraged and turned off by their own country's efforts, it is so distressing because think of what could be done properly managed.

So we are doing several things. We are working very hard in support of anticorruption initiatives internationally. The U.N. has some efforts underway. We want this to be a topic in other multilateral fora, including the OSCE, where I think it could be quite important.

We are also pushing the Extractive Transparency Initiative because we agree with you that this mineral wealth should be protected as much as possible so that the revenues flowing from it are used for the benefit of the people. And we look forward to working with you and others on how we enhance the tools that we have on the Extractive Industries Transparency Initiative.

I think we have to think outside the box, so to speak. How do we get more accountability? And I think we have to have more conditions-based aid. I know that a lot of people see aid as something that America should do, and in certain instances, like in the aftermath of Haiti, I agree with that. But it is always a choice.

There are many priorities in the world that we could spend the hard-earned taxpayer dollars on. And so, when we are looking at aid, I think we have to have more of an approach that says what are you going to do in return for that aid? And how do we prevent the diversion? What are the techniques that we use?

Some of the diversion is straight-out corruption. It goes into people's pockets. It goes into Swiss bank accounts. But some of it is diversion so that if we are putting money into a health program, then the government takes their money out of the health program. So we are not getting additive. And you wonder why we are never getting ahead because we keep putting money in. Other partners keep putting money in. We have to enhance the contributions from the local communities.

A simple example is when we used to give away malaria nets, they weren't as effective as when we made people pay just a little, tiny something for it. So there is a lot of best practices and good lessons learned that we are trying to apply in our aid programs going forward, and the more we can enhance transparency of all kinds—and I will just end with this because I could go on about it.

But we are trying to use technology as an anticorruption tool. So when we help to fund cell phones going into the hands of people, they then can do mobile banking. So, for example, in a country like the Democratic Republic of Congo, where there is no banking system, where there are very few roads in the entire country, in order to pay the military, a bag of money starts off in Kinshasa, and by the time it gets to the troops in Goma, there is nothing left.

But if we can set up a mobile banking system, we cut out the middle people. And one of the biggest differences we could make with our aid investments is helping to build transparent, anti-corrupt e-government systems. And some countries are very open to that, and we are working with them. And we are also sending this sort of little SWAT team we have of high-tech young people around the world, working to enhance these programs. But we are taking this anticorruption campaign very seriously.

Senator CARDIN. Well, I appreciate that response. There is nothing wrong with conditioning aid because Americans expect there is accountability in the use of our taxpayer dollars.

Secretary CLINTON. That is right.

Senator CARDIN. So we have a right to expect that the countries are fighting corruption. I would also add to that list the gender issues, that they are integrating women into the programs. You have been a leader on that and gives us a chance to advance that issue.

Let me, in the minute I have left, I want to just continue to raise the concern of the refugees from Iraq that are in Syria and Jordan. There was a student at Goucher University in Baltimore who was an Iraqi refugee living in Syria that was fortunate enough to be able to make it to the United States, his story about so many people in his family that didn't make because of the refugee status.

We have a responsibility in regards to the people who are still refugees from the Iraq conflict, and I would just urge you to continue our attention to get Iraq, the region, and the international community, along with the United States, focused on how we can help the lives of those people.

Secretary CLINTON. We completely agree with that, and we have a concerted effort that is looking at how we can do more to help Iraqi refugees and try to resettle them back in Iraq, if that is their choice.

Senator CARDIN. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Cardin. As chairman, I want to thank you for your terrific diligence in pursuing the Helsinki Commission efforts. You have been a real leader at that, and we appreciate it enormously.

Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman.

And welcome, Secretary Clinton. We are delighted to have you here and very much thank you and appreciate the leadership that you are providing to the Department of State and to our diplomatic efforts all around the world. Thank you.

Last week, I had the opportunity to travel to the Balkans with Senator Voinovich, who, as I am sure you know, is quite a hero in

the Balkans, just as former President Clinton is. And it was remarkable to see the progress that has been made there.

But as you know, that region still is the missing piece as we seek to see a Europe that is whole and free and at peace. And Bosnia, in particular, I think remains a concern. I was pleased to see your recent speech about the future of NATO and the commitment to leave the door open for prospective NATO members who meet the alliance's criteria.

I hope and I appreciate the leadership that you are providing to say to those countries in the Balkans that if they can achieve the alliance's criteria, they will be welcomed as members of NATO, and I wonder if you could speak to that?

Secretary CLINTON. Well, first, Senator, as I expressed to Senator Voinovich earlier in the Foreign Operations Appropriations Subcommittee, thank you for going to southern Europe and the Balkans. There is a lot of unfinished business there. We can be proud of the role that the United States played, but we can't rest on any laurels because there are still some volatile situations that have to be addressed.

With respect to NATO membership, I believe strongly in leaving the door open. I also believe it needs to be left open for the European Union, although we have no direct role in that. And I think it is particularly important for Bosnia.

Now we have been trying to persuade Bosnia-Herzegovina to do the necessary constitutional reform that will enhance the prospects for unity and not division within that country. And some people have argued, well, that should be the carrot that is held out to them so that if they do the constitutional reform, then they can get into the MAP process for NATO. Others have said, no, let them in and then don't let them become members until they do it.

However you look at it, I think that we want Bosnia to be looking toward Europe. We want Bosnia to stay united. We want Bosnia to be integrated into the Euro-Atlantic Alliance. So we are constantly trying to figure out what is the best way to achieve that. And the door remains open. When they begin to walk through it, that is something we are still trying to work out.

Senator SHAHEEN. Well, we heard some real concern on the part not just of Bosnia, but some of the other countries in the region about enlargement fatigue, particularly when it comes to the EU. But also I think with respect to NATO concern that perhaps there were other reasons why their MAP process was not viewed favorably at this point.

So I hope that the administration will continue to remain engaged with the EU to keep an open process and an open effort to encourage the countries of the Balkans to consider future membership. And maybe you could talk about what we are doing to try and encourage that to continue?

Secretary CLINTON. Senator, we are encouraging the European Union to do more to demonstrate the benefits to Bosnia of European integration and to work with the Government of Bosnia to try to understand what it must do to be eligible for EU membership. There are other countries that are also seeking that kind of path. Serbia, which I think is very important, to be focused on Europe and the West.

So it has been one of my highest priorities in terms of our European policy. I am not satisfied with where we are because I think that there has been changes going on in Europe with post-Lisbon. There was a desire on the part of the Europeans to kind of take care of their own business first, but we are keeping them focused on the Balkans.

We have a lot of work to do, and we don't want to see any moves to break up Bosnia. And we worry about that a lot. So this is a long list of concerns. But the NATO piece of it I am watching very closely because I share your concerns that we want Bosnia-Herzegovina to feel like they are welcome. And they may not be there yet, but with a little bit more effort they could be.

Senator SHAHEEN. Thank you. I appreciate that.

And let me just be clear when I was referring to concern over enlargement fatigue in the EU, it wasn't just in Bosnia-Herzegovina that we heard that. It was in Serbia and the other parts of the Balkans. So I think that is a very real concern and one that we should continue to pursue with our friends in the EU.

With respect to NATO, as I said, I very much appreciated the speech that you gave recently on NATO. As the strategic concept draft is being developed, what are your main priorities for that new concept?

Secretary CLINTON. Well, as I spoke about in my speech and as Secretary Gates reiterated the following day, we believe that NATO must continue to be a strong, effective alliance in the 21st century, just as it was in the 20th. And we have to take a hard look at how we are defining our roles and responsibilities within NATO. We have to reform NATO so that it is more streamlined, more manageable than many people believe it is now.

We have to look at what the sort of out-of-area challenges are—from piracy to cyber terrorism—and figure out what response we are going to have. We have to determine the way forward on missile defense, which we think is critical to NATO's future. There is just a long list of what are new responsibilities for NATO to assume.

But Madeleine Albright is chairing the strategic concept committee and doing an excellent job. So I think we will get a good result out of that work, and then it will be up to the member countries to hammer out the actual content of it.

Senator SHAHEEN. Thank you.

The CHAIRMAN. Thank you, Senator Shaheen.

Senator Kaufman, the perpetual winner of the patience award.

Senator KAUFMAN. Thank you, Mr. Chairman.

Thank you, Madam Secretary. I, frankly, don't know how you do this. [Laughter.]

Really, I watch sometimes the amount of travel and then trying to run the State Department at the same time, it is an incredible challenge. And I really appreciate your service in doing this.

These are really tough times for us economically. But I am very pleased to see that the administration has decided to have a sizable increase in Department of State funding. I mean, I have traveled to Afghanistan and Iraq several times, and our troops are magnificent. But when you are there, you have to kind of be not thinking to say, how do we stop this from happening before it happens?

And I think that anyone that thinks about that, for having a strong, smart, big Department of State can act as an incredible prevention so we don't have to send our magnificent troops out there and put them in harm's way and go through what we go through today. And I know that you have no better supporter in this, and it is really a great time, and that is Secretary of Defense Gates. I mean, he really is articulate about it.

So I noticed that in this bill, you mention in your statement that the complex crisis fund, the Pakistan Counterinsurgency Capability Fund is being transferred from DOD to State. Can you talk a little bit about why that makes sense in light of the roles of State and Defense?

Secretary CLINTON. Well, thank you so much, Senator Kaufman. Thank you for your service to this committee before you were a member of it.

Secretary Gates, before I ever was Secretary of State, understood from his many decades in Government service, and particularly over at the Defense Department now, that our national security was out of balance at the end of the first decade of the 21st century. We had come to rely so heavily on our military, and it wasn't just for their being warriors on behalf of our security, but they were doing development, reconstruction, humanitarian projects, just so much.

And they are so good at it, and they have more than, what, 12 times the resources that the State Department and USAID do. But it wasn't the kind of balanced national security policy that is in the long-term interest of the United States. So Secretary Gates started sounding this alarm 2 years ago, and I am very grateful for his support.

So what we are trying to do is to rebalance by moving back and maybe for the first time into the State Department and USAID what were known as "1206 funds," the kind of pre- and post-conflict work that should be led by civilians. There is a lot of room for partnership with the military, but we have got to train up a civilian capacity to be able to do this work.

And look at what is happening in Iraq. It is a perfect example. We have a deadline to withdraw our troops. It is a deadline negotiated with the Iraqi Government. So we are expected to leave.

But the Iraqi Government has certain requests that it has made of us. One of them is to do advanced-level police and law enforcement training. The military has been doing that. They have all the resources. They have the helicopters. They have the hardened facilities. We don't have any of that.

So if we are going to have a chance of getting in and doing what is expected of us, we have to have the resources to plan for and then execute and deliver on what that mission is. So I think that this is not easy to do, and we are asking for some additional resources to be able to do it.

But even with our just—our Civilian Response Corps is in the infancy, but we sent people to Haiti. We sent people to Afghanistan. We are beginning to have more expeditionary personnel and the resources to match.

There will always be a role for the military in humanitarian assistance, as we saw in Haiti. We could not have done what was

done absent our military being there in force. But we have got to be better positioned to do our part on the civilian side, and that is what we are attempting to achieve.

Senator KAUFMAN. That is great. Can you talk a little bit about public diplomacy and how you see the future of public diplomacy in your budget and what you are doing in terms of new ideas and things that we can do to encourage public diplomacy?

Secretary CLINTON. I would strongly encourage the committee members who are interested in public diplomacy to get a briefing from our new Under Secretary for Public Diplomacy. You know, this is not faulting anyone because when we merged USAID and all the other public diplomacy elements of our Government that had done so well during the cold war in the late 1990s into the State Department, they were still independent agencies. The mission was not clear.

To give the Bush administration their due, they tried to figure out how best to do this. It is really hard, and it is not a PR job. It is not a propaganda job. It is a management job. We have enormous resources spread around the world. We need a clear line of communication and a message that is repeated over and over again. And let me just give you two quick examples.

When we went into Haiti, it was a joint military-civilian operation, but obviously, the military had a much bigger footprint. There were some media outlets around the world who immediately put a negative picture out there of the United States. And the attitude previously was, well, what can you expect from these countries? They are anti-American or their outlets are anti-American.

We said, no, we are going to go right at them, and we did. We called them up, and we said that is wrong. That story is unfair. We will give you people who you can talk to. So we are actively engaging with even outlets and countries that are not always considered friendly to our interests. We can't leave these stories just out there to become conventional wisdom.

In Pakistan, there were a number of stories, and our Embassy personnel had historically been told not to respond. If there is a story, don't respond to it. Well, that is not the way modern communications work.

So we are—every single day, we monitor what is said on the public media. We need to know what is being said to people in countries where we are operating. And then if we think they are saying something that is not true about the United States, we try to get in there with an alternative point of view.

So our Under Secretary, Judith McHale, came from Discovery. So she was a media executive, not an advertising person or a PR person. So she knows how to look at this systematically. And that is what we are trying to do, to change the message, to change the urgency.

When I was in Qatar, I met with the board of Al Jazeera. We are putting people on there. We are responding. This is one of the most powerful media presences in the world that we are engaged with. So we are not saying, well, what can you expect? We are saying, no, you can do better. We will give people to talk. We will give you somebody to get on that television show and put out the American point of view.

Now we are not going to change their perspective overnight, but we are not going to let it go unanswered either.

Senator KAUFMAN. Well, March 10, Under Secretary McHale is coming. We are having a hearing on public diplomacy with former Under Secretary Lieberman, Hughes, and Glassman.

Secretary CLINTON. Great.

Senator KAUFMAN. So I think this is absolutely incredibly important as we look at the world. It is a much more complex world, and how we handle public diplomacy is key.

Thank you.

And thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Kaufman.

I think what the Secretary just said is terrific, and I am delighted to hear it, as I am sure we all are.

Just a few quick wrapups before we close off, unless Senator Lugar has additional questions. But can you just share with us very quickly the current status of the plans to assess and assist on the Haiti rebuild?

Secretary CLINTON. Yes. First, there will be a donors conference on March 31 that the United States is cohosting with the U.N. and other major donor countries at the U.N. in New York. We have been engaged with the EU, with lead countries like France and Brazil and others who have put forward—and Canada—significant contributions. But every country in our hemisphere has contributed something. And so, we are working to enhance those contributions.

There is an effort underway to coordinate the Haitian Government and the United Nations with the United States and other donors through a development authority that the Haitian Government would set up and run, but which would be given lines of accountability from the donor countries as well.

As you know, Mr. Chairman, we had a plan, a well-developed plan that we had worked on with our Haitian partners prior to the earthquake, and we are working to implement that, as part of the recovery, with certain changes. For example, focusing on agriculture is one of the big issues we are trying to further.

So we will give you in probably about 2 to 3 weeks a very thorough report. We will also include all the information we have about what other countries are doing because this—

The CHAIRMAN. Who is heading this up for the State Department?

Secretary CLINTON. Well, Raj Shah is the lead person named by the President and my chief of staff, Cheryl Mills, is our State Department contact.

The CHAIRMAN. Is there going to be one single person coordinating all of it?

Secretary CLINTON. Well, right now, Raj Shah is the designated director.

The CHAIRMAN. Right now, you say that.

Secretary CLINTON. Yes.

The CHAIRMAN. And the timing of a supplemental request, any sense of that?

Secretary CLINTON. We hope within the next few weeks.

The CHAIRMAN. OK. On the QDDR and the coordination with the Presidential study, are we going to have two different concepts here, or what is going to happen?

Secretary CLINTON. Well, that is certainly not our intention. We are working very hard to coordinate those and to have one voice coming from the administration. Now there will be other elements in the PSD because of the IFIs and Ex-Im and all the rest of it. But we want the general concepts to be adopted administration wide.

The CHAIRMAN. And finally, just on the PCCF, which is going to come to you guys directly this time. But last year, when it came to you, you funneled it directly over to the Defense Department again. And as we try to redo this, I guess that doesn't make sense. Is that going to happen this year, or are you up and ready to—

Secretary CLINTON. We are up and ready. We are going to be administering it this year.

The CHAIRMAN. Terrific. That is great to hear.

Do you mind? Senator Risch just quickly wanted to make a comment, I think.

Senator RISCH. Very briefly. Thank you, Mr. Chairman.

Secretary Clinton, as you know, the people who were held recently in Haiti as a result of their travel there to attempt to assist some children in Haiti, most of them were from Idaho. And as a result of that, they were held for some period of time. Their families in Idaho were very stressed over the situation that they were being held at.

And I just want to thank you on behalf of them. Your team, both the team that you assigned here in Washington, DC, and the team that was on the ground in Haiti, particularly Ted Coley from your operation and Catherine Farrell, who was on the ground there in Haiti, were very, very helpful to the people in Idaho and were very responsive when some of us from the congressional delegation jumped in and attempted to assist those people.

As you know, many Americans are unaware of the difficulties they face when they get ensnared in the criminal system in other countries, and it can be very befuddling. They don't understand why they don't have the same constitutional rights. They don't understand that the facilities in which they are being held aren't up to the same type of facilities here in the United States.

But your organization was very, very responsive. I want to thank you for that. When the media asked me, I told them Secretary Clinton runs a tight ship, particularly in these kinds of instances. So I wanted to pass that on to you.

We have also received communication from some of the families, thanking us and thanking your organization. So I wanted to pass that on to you. Thank you so much for what you did.

Without any reference to what the facts of the situation were there or what actually happened as far as the factual situation, just as far as what the State Department was able to do, you did. And we are appreciative of that. Thank you.

Secretary CLINTON. Thank you very much. And I will pass on those kind words, Senator.

The CHAIRMAN. Thank you, Senator Risch. I appreciate it. Senator Lugar.

Senator LUGAR. Secretary Clinton, I have just three quick items that I will mention, and I ask for your comment on any of them.

First of all, the policy statement that you gave in your speech at the Newseum on Internet security and cyber security was just tremendously important. I am curious as to whether there are any available budget figures or additional positions that that would buttress the position that you took.

Second, we have worked actively in this committee on the PEPFAR program, and I think there has been recognition by the former Global AIDS Coordinator, Mark Dybul, and the present one, Eric Goosby, and others that we cannot treat our way out of these problems. Prevention is terribly important.

I have concerns that prevention efforts might be in for reduction in the budget. I ask that you take a look at prevention strategies and explain the rationale for potentially reducing the program. I do know that the program does continue on a very broad scale and it treats patients in a very humane way.

And finally, I am just curious, given the outcome of the election in Ukraine, what new initiatives we might be pursuing there. Obviously, many of the things we have attempted to do there have been frustrated largely by problems within the administration of the government. That may still be the case, but hope springs eternal.

Clearly, the affairs in Crimea are very important. So just as a sidebar, I wanted to raise a thought about that.

Secretary CLINTON. Thank you, Senator.

We are very serious about implementing a robust comprehensive Internet security, cyber security policy. It has got many aspects to it. We are reorganizing within the State Department so that we can be more effective in the whole arena of cyber security and better interact with our intelligence community, Defense Department, and others who are similarly focused.

With respect to our efforts to open up the Internet and keep it open to protect the freedom of expression and the virtual freedom of assembly in countries like Iran, we are going after this with intense focus. We are providing funding to groups. We are working with private sector partners that often have the intellectual property and the access that is needed. It would be perhaps of some interest to you and other members of the committee to give you a classified briefing at some point in the future.

And on our prevention and treatment efforts, we are attempting to maintain and certainly fulfill our obligations on the treatment side, even increasing. But we are moving more aggressively on the prevention side and in building systems. So I will give you an answer in detail about that because Eric Goosby has given a lot of thought to how we can best do that, and partnering with some countries that were not our partners to any great extent before, like South Africa, where we are now very deeply engaged in helping them.

And finally, on Ukraine, Gen. Jim Jones will lead our delegation to the inauguration tomorrow, and we are going to begin exploring what we can do. We want to be responsive and supportive of this free, fair, and credible election process, which has led to a new President.

It is difficult. We have to wait to see how the government is formed and what their attitudes might be. But we want Ukraine to know the United States stands ready to be a positive partner with them for the future.

Senator LUGAR. Surely the idea that the new Ukrainian President is going to Europe first and to Russia second was a significant statement.

Secretary CLINTON. That is right.

Senator LUGAR. Maybe offers some promise.

Secretary CLINTON. I agree. I agree.

Senator LUGAR. Thank you.

The CHAIRMAN. Madam Secretary, as we wrap up, I wanted to give you just a chance to perhaps say a word, if you want to, about one issue before the Congress, before us and you right now, and that is the conference on the Iran sanctions bill.

Deputy Secretary Steinberg wrote us expressing concerns that the legislation would “weaken rather than strengthen international unity and support for our efforts.” I know you have submitted a number of proposed changes at this point. So do you want to just share what you might hope would come out of the Congress and why at this moment?

Secretary CLINTON. I appreciate this opportunity, Mr. Chairman. We very much support congressional action. We want a very broad global sanction regime that isolates Iran, encourages it to change its strategic calculus, and we think that there can be a very good partnership between the Congress and the Obama administration in order to achieve that.

Our goal is to support the purpose and principles of the congressional bills that have been passed that are now in conference, but to work closely with you with some suggestions about how they would better fit into our agenda in the Security Council, in the multilateral world, to give the President some flexibility so that we can come out of the legislative process with a really strong tool and not just a statement of concern that won’t really dovetail with what we are trying to achieve.

So we have a team led by Assistant Secretary Rich Verma ready and willing to work with the Congress, the conference committee, in order to explore how we can come out with the best result.

The CHAIRMAN. Good. Well, I appreciate your comments on it. We tried within the Senate before the passage to get some of that done. It wasn’t possible. But hopefully, in the conference, we can get there, and I appreciate what you are trying to do.

Thank you so much. I think you have covered an incredible amount of ground and done so with clarity. And we are enormously appreciative of how comprehensive the afternoon has been. So thank you very, very much.

Secretary CLINTON. Thank you so much, Senator.

The CHAIRMAN. We stand adjourned.

[Whereupon, at 4:45 p.m., the hearing was adjourned.]

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

PREPARED STATEMENT OF HON. CHRISTOPHER J. DODD,
U.S. SENATOR FROM CONNECTICUT

Mr. Chairman, thank you for holding this hearing, and, Madam Secretary, thank you for being here.

We meet at a time of great potential and great challenge on the world stage.

The nation of Haiti remains foremost in our thoughts, as the Haitian people struggle to recover and rebuild in the wake of a devastating earthquake.

Our European allies face new economic challenges, and with the rise of new powers around the world, we face a newly competitive global economic landscape.

In the Middle East, despite the good work of our witness and Senator Mitchell, the Israeli-Palestinian peace process remains tenuous, with serious and direct American involvement needed to enact and implement an agreement.

And even as our troops begin to come home from Iraq, our new strategy is beginning to take hold in Afghanistan, where our mission requires as much of our diplomatic resources as of our military resources.

Madam Secretary, we have much to discuss. And I look forward to hearing from you on all of these issues.

But I'd like to use a few moments here, if I could, to talk about Latin America.

I just returned from a trip to Panama, Costa Rica, El Salvador, Honduras, and Nicaragua. These are five different countries, but the challenges they face, and potential opportunities are tied together, and tied to America.

I've often said that Latin America isn't our backyard. Instead, we share a neighborhood, and as good neighbors know, our collective futures are tied to one another.

Central America is plagued, for example, by public insecurity related to increased drug trafficking—and America plays an unfortunately huge role in that problem due to the demand for narcotics in our country.

That public insecurity is endemic to the region—as are the related issues of economic inequality. And while our neighbors can't look to us to solve all of their problems, America must be part of the solution.

Our country rightly focuses on border security, to keep harmful elements out. But we need to extend the definition of border security to include keeping drug money and arms from flowing from the United States to the region.

More in line with the State Department's jurisdiction, we need to revitalize and refocus the Merida Initiative. Senator Leahy and I fought to include funding for training and prevention programs, along with other important civil society initiatives critical to a holistic attack on the drug problem. It is important that this funding remain strong, and that we get it to the countries that need it.

We also need to give USAID more flexibility—and more authority—to perform its critical development function under Merida, especially with regards to civilian capacity and rule of law programs.

And we need to encourage our partners in the region to think of the problem as one that affects the entire region. Our approach to Latin America has too often overlooked the importance of treating this region as a region, rather than as a collection of unrelated nations. And other countries, concerned with maintaining sovereignty, have made the same mistake.

That means we are missing opportunities to improve our neighborhood. But I have confidence in this administration, led so ably by Secretary Clinton, to make course corrections where necessary so that we can tackle not only the challenges in Latin America, but the wide range of challenges we face on the global stage.

And I look forward to discussing them with you today.

RESPONSES OF SECRETARY OF STATE HILLARY RODHAM CLINTON TO QUESTIONS
SUBMITTED BY SENATOR JOHN F. KERRY

Question. There has been a lot of discussion of the need to empower and transfer responsibility to local Afghans after the military has secured areas. Yet, too often, the critical legs of counterinsurgency—governance and development—are not in place to capitalize on security gains.

- Can you give us examples of where “clear, hold, build, and transfer” has worked, especially in the south? Particularly the last part—the transfer?
- The pool from which future Afghan civil servants can be drawn is far too shallow. For starters, decades of civil war have left a whole generation vastly undereducated. What can we do to overcome this lack of human infrastructure?

Answer. Our civilians and military personnel are working closely with Afghan partners to provide security, governance, and development in areas where there had been only Taliban control and brutality. Our training programs for both security forces and civilians are creating conditions that will enable full Afghanization, when we can be reasonably certain that the changes we are creating with our Afghan partners are sustainable by the Afghans. In other, more secure parts of the country, we have cooperated with Afghan Government officials and civil society to enable greater Afghan control of governance, security, and development. We will follow that same approach in the south, when there is a minimum baseline of security required to allow the cooperation with the Afghan civilian authorities to continue to move toward transfer.

Thirty years of war has taken a heavy toll on Afghan Government capacity. Since 2002, USAID and our Provincial Reconstruction Teams have invested hundreds of millions of dollars in education projects in Afghanistan to expand access to basic education by training teachers, constructing and rehabilitating schools, distributing supplies, and offering accelerated learning programs to out-of-school youth, particularly girls, who were denied an education under the Taliban. USAID is also supporting higher education and nonformal literacy and productive skills education for both youth and adults, as well as supporting capacity development for Afghanistan's Ministry of Education. School enrollment is now at the highest level in Afghanistan's history, with approximately 6 million students in school—an estimated 35 percent of them being girls.

While our education efforts will take time to bear fruit, we are also focusing on near term solutions to assist Afghan Government institutions directly. We are increasing significantly the number of civilian technical advisers in key central government ministries and in the provinces and district centers to help make Afghan Government institutions more visible, effective, and accountable. We are working to certify Afghan ministries and institutions so that they can receive direct U.S. assistance, thereby enhancing ministerial capacity, improving the effectiveness of our assistance, and decreasing reliance on contractors.

We also are expanding subnational capacity-building efforts, focused mainly in key population centers in the East and South, through new civ-mil initiatives such as the District Development Working Groups and District Support Teams. We at the same time, we are focused on programs that give Afghans a greater stake in their government, like the National Solidarity Program.

We are continuing our support for capacity-building in governance and development through our Provincial Reconstruction Teams and District Support Teams in the countryside. Our civilian and military personnel from these teams have been working hard over the last few years to develop and enhance the capabilities of local government officials including provincial governors, district subgovernors, provincial-level officials representing their ministries back in Kabul, Provincial Councils, and Provincial Development Councils. Through our investment in time and effort, we are developing a cadre of local government personnel who are increasingly capable of running government affairs at the provincial level.

This top-down, bottom-up, whole-of-government approach is designed to build human capacity at all levels of government in Afghanistan, and also ensure that the next generation of Afghan Government officials possess the capabilities they need to perform their duties and serve the Afghan people.

With respect to the first part of your question, we do not yet have an example of a successful “transfer” in the south. We are just now engaging in a major way in Afghanistan's south, as that region has heretofore been under the primary responsibility of our U.K. and Canadian allies, with support from other allies and partners, and us. The Marjah operation will be an excellent test case for our clear, hold, build, and transfer approach. We should not expect to see quick successes in this regard. As you rightly alluded to in your question, war has ravaged Afghanistan for the last three decades. Our efforts to help the Afghans to extend governance into the south and east will be somewhat groundbreaking in that government presence has been rather thin in those regions over the last 30 years, and even farther back in history. It will be critical that we remain flexible and properly resourced and manned, and that our Afghan counterparts work with us throughout this process. Sustained security will be critical to transfer.

Question. With Kai Eide stepping down from UNAMA this spring and with the United States and NATO stepping up its commitments this year, civilian leadership in Afghanistan is more important than ever. UNAMA's mandate has always been more moral, lacking the executive authority to really tackle donor coordination issues, for example. For 8 years now, there has been an uneven and uncoordinated civilian effort with multiple Afghanistan envoys, ambassadors, assistance coordina-

tors, and aid agency representatives running around in Kabul with no one clearly in charge to coordinate the massive international effort.

- How can we effectively tackle problems of civilian leadership among international partners of Afghanistan?
- Should we be more willing to place our own development efforts under greater international control?

Answer. Our allies and partners are sustaining and, in many cases, increasing their military and financial commitments in Afghanistan, often in the face of deep public opposition. There is broad international consensus to empower the Afghan Government by aligning international assistance with Afghan priorities and, where possible, channel assistance through the Afghan Government. UNAMA, working closely with key reformers in the Afghan Government, has developed a strategy to integrate donor activities on the ground in accordance with shared objectives and in coordination with the Afghan National Development Strategy (ANDS). Our international partners have greatly improved their coordination and information-sharing. We firmly believe that the new U.N. leadership and NATO civilian leadership recognize the need to enhance donor coordination efforts in Afghanistan and they have begun to do so.

With regard to U.S. development assistance, considerable progress has been made in the past year. We work closely with our international partners in every developmental sector. The appointment of Ambassador Anthony Wayne as the Coordinating Director for Development and Economic Affairs (CDDEA) in Kabul (June 2009) has greatly enhanced our ability to manage USG assistance. In addition, Ambassador Wayne has been working closely with his Afghan counterparts to certify different Afghan ministries, so that they may receive direct USG assistance. He also leads Embassy efforts to coordinate our assistance programs with the Afghan Government, UNAMA, and bilateral and multilateral donors.

Question. The Ministry of Rural Rehabilitation and Development (MRRD) runs the successful National Solidarity Program (NSP), a program in which the United States and others have invested hundreds of millions of dollars. The new MRRD Minister confirmed by Parliament is Jarullah Mansouri—a political pick who lacks competence and experience to run programs like NSP. Mansouri has made public comments suggesting he plans to scale back NSP drastically, which would jeopardize perhaps the greatest success story we have in Afghanistan and the lives of millions.

- How will the administration work with the new MRRD Minister to make sure programs like NSP are not jeopardized?

Answer. Minister Mansouri was confirmed in President Karzai's second round Cabinet submission on January 16, 2010, and has stated that he strongly supports the National Solidarity Program. Minister Mansouri has stressed he would be guided by two principles during his tenure: national inclusion-allowing participation of the Afghan people to develop a sense of ownership in Ministry-led programs; and a focus on sustainability and capacity-building. Both are key elements of the National Solidarity Program.

The USG is working closely with MRRD and other donors including the World Bank to ensure that programs like the NSP are not jeopardized. On Wednesday, March 3, Minister Mansouri led an NSP monthly donors meeting where he reaffirmed his support to the program.

Question. Pakistan Security Assistance.—The Department is also requesting funds in the \$140 million International Narcotics and Law Enforcement account line for Pakistan, to support “an expanded border security aviation fleet.”

- What exactly are we planning to buy, and how much is it going to cost?
- How has it been coordinated with the other security assistance we are providing?

Answer. The Bureau for International Narcotics and Law Enforcement (INL) plans to use \$42.5 million of the \$140 million FY 2011 request for the aviation program. However, INL does not plan to use FY 2011 funds to procure additional aircraft. Funds will provide maintenance, support, and operating expenses for the USG-established Ministry of Interior Air Wing (50th Squadron), including five additional Huey IIs that were added to the program in 2009 (through reprogramming of funds) and those INL anticipates purchasing with FY 2010 funds (four Huey II helicopters). In addition, funds will support the positioning of aircraft at a forward operating location (FOL) in the North West Frontier Province (NWFP) which INL plans to establish with FY 2010 funds. This will allow the Air Wing to more efficiently conduct operations in the FATA and NWFP a critical element of support to

law enforcement as it works to ensure continued security once military operations have concluded in these areas. In total, the FY 2011 request is needed to provide maintenance, support and operating expenses for the current fleet of 17 aircraft, including 14 Huey II helicopters and 3 Cessna Caravans, in addition to the 4 Huey II helicopters which will be procured with FY 2010 funds, for a total of 21 aircraft.

These aircraft remain a powerful tool for Pakistani law enforcement by performing critical surveillance functions; supporting operations against traffickers, criminals, and militants; and playing a role in the interdiction of illegal drug and weapons shipments. The operational tempo in 2009 was the highest in the history of the program and requests for aviation support to law enforcement agencies under the MOI is only expected to grow throughout FY10.

INL support is coordinated with DOD and other USG entities through the Narcotics Affairs Section (NAS) at Embassy Islamabad, an Embassy Border Coordinator, as well as other coordinating mechanisms in Washington and in Pakistan.

Question. In Secretary Clinton's Executive Budget Summary for FY2011, she writes that the State Department and USAID "have identified a limited number of joint high priority performance goals that reflect both agencies' high priorities and will be a particular focus for the two agencies from now through FY 2011." On Afghanistan and Pakistan, the goal is to "strengthen the host country capacity to effectively provide services to citizens and enhance the long-term sustainability of development efforts by increasing the number of local implementers that can achieve a clean audit to clear them to manage civilian assistance funds."

- Please describe what steps the administration will take in Afghanistan and Pakistan to achieve this commendable goal. What type of program monitoring and evaluation will be taken to measure success?

Answer. We recognize from our attempts to strengthen the host country capacity to provide services that some ministries fare better than others. We have a system for certifying ministries to receive U.S. funds directly which we will expand in both countries. We are using fewer big contractors, reducing the bureaucratic layers through which our assistance flows, ensuring that more assistance money actually reaches those in need. And we are dramatically increasing the numbers of USAID officers and inspectors to monitor our aid.

Additionally, President Karzai has announced several measures to reduce corruption and create a climate more conducive to achieving this goal, including: the simplification of administrative systems through the anticorruption commission, thus reducing the opportunity for corruption and improving basic services for the population, and the streamlining of international donor coordination through the Afghan Government. In terms of progress, Afghanistan has established its Major Crimes Task Force and is creating a commission against corruption.

Several U.S. agencies work with a range of Afghan counterparts on training and building such capacity. There is also a crucial role to be played by the Afghan people themselves—through civil society organizations, media debate, and Parliament and other institutions—to set out what they need from their government and what they will be able to give in return.

On Pakistan, as is consistent with best practices in international development, U.S. assistance will be directed increasingly through a broad range of Government of Pakistan institutions, as well as local nongovernmental organizations (including the private sector) with the capacity to implement programs effectively and accountably. This approach will help increase host country ownership, and U.S. commitment to building a long-term partnership with the Afghan Government and people.

Procedures are being developed in Pakistan at both the national and provincial levels for channeling resources through governmental agencies with the capacity to implement programs effectively. Implementation letters for the provincial governments have been drafted and are under review. The USAID mission in Pakistan has also begun conducting preaward surveys of governmental and nongovernmental institutions that will likely be recipients of U.S. assistance resources.

The U.S. Government will provide funds to the Pakistani Government and qualified Pakistani organizations through a variety of mechanisms: direct sector budget support; direct funding for federal government projects and programs; direct funding for provincial government projects and programs; direct funding to Pakistani NGOs; direct funding to Pakistani contractors; multidonor trust funds; and public-private partnerships. Where appropriate, such as for technical assistance to the Government of Pakistan and assistance in sectors where Pakistani entities do not have the proficiency or sufficient capacity, the U.S. Government will engage U.S. and international firms and NGOs.

This transition will take time. Current activities being implemented via U.S. firms and NGOs will not be terminated before systems are in place to provide serv-

ices via Pakistani organizations in an accountable manner. Moreover, a ramp-up of infrastructure programs will require a short-term increase in the need for architectural and engineering, monitoring and evaluation services, and other specialized U.S.-based experts.

Question. Pakistan Security Assistance.—The Department’s budget request for FY 2011 includes \$1.2 billion for the Pakistan Counterinsurgency Capability Fund (PCCF) and another \$296 million for Pakistan in Foreign Military Financing (FMF)—not counting the hundreds of millions of dollars in reimbursements for Pakistani counterterror operations that we will likely pay with Coalition Support Funds. This higher funding trend really started with last summer’s supplemental request; so that in the last two fiscal years Congress has already provided a combined \$1.1 billion for the Pakistan Counterinsurgency Fund, and more than \$500 million for Foreign Military Financing.

- (a) What measures have you used to evaluate the effort’s progress, how much ground have gained in the last year on those measures, and how much farther do we have to go?

Answer (a). Foreign Military Financing (FMF) and the Pakistan Counterinsurgency Fund/Pakistan Counterinsurgency Capabilities Fund (PCF/PCCF): FMF and PCCF help Pakistan improve its counterinsurgency capabilities and modernize equipment. Specifically, FMF builds our long-term security relationship with Pakistan, including its will to fight violent extremism, while PCCF provides Pakistan with focused capabilities to support immediate counterinsurgency operations along the Afghanistan-Pakistan border. FMF has provided Pakistani security forces with air mobility and enhanced communication capabilities, and increased border security capacity.

We are building our relationship with the Pakistanis in this area. Progress is evident in a number of areas. For example, over the past year, Pakistan’s counterinsurgency operations in the Khyber-Pakhtunkhwa (formerly North West Frontier Province) and tribal areas have increased in scope and improved in quality, in large part due to U.S. assistance. However, the challenge we and the Government of Pakistan faces in combating extremism cannot be understated. We will only achieve success through sustained effort and continued funding of security assistance programs is integral to ensure progress.

We measure progress through a number of ways, to include such metrics as: a significant reduction in insurgent safe havens and prevention of their return; acceptance by Pakistan’s security forces of U.S. training; and increased cooperation to share information in support of operations against terrorist groups. The Exchange on Defense Planning also provides the opportunity for the United States to engage with Pakistan’s military on strategic planning and procurement.

- (b) How well are you able to track exactly how Pakistani security forces are making use of the equipment we have been providing them?

Answer (b). The equipment has been procured through U.S. security assistance is critical to the fight. For example, the F-16 is used almost exclusively by the Pakistanis to target insurgents in the Khyber-Pakhtunkhwa and the Federally Administered Tribal Areas (FATA). According to the Pakistan Air Force, Pakistan flew 891 F-16s sorties between August 2008 and August 2009. Additionally, the Pakistan Navy has used its P-3 aircraft to conduct interdiction efforts to patrol its borders and to support Combined Task Force 150 (CTF-150), the multinational naval patrol force that engages in marine monitoring and interdiction activities in support of Operation Enduring Freedom and Operation Iraqi Freedom. Also, equipment like night vision goggles, has allowed Pakistan’s security forces to operate at night which is a significant advantage over insurgents.

- (c) How much longer do you plan this level of funding to train and equip Pakistan’s security forces?

Answer (c). PCCF is designed to respond to changing operational requirements on the ground, it is difficult to predict, the level of counterinsurgency assistance that may be required in future years. Reiterate the scope of the challenge we and they are facing, making clear that it is likely that we will have PCCF needs in outyears.

Question. The Obama administration has gone to some lengths to emphasize that the United States is not in the nation-building business in Afghanistan despite the investment of billions in economic assistance, including a \$3.8 billion request for FY 2011. On January 25, at a talk before the Center for American Progress, National Security Advisor Jim Jones emphasized again that we were not involved in “nation building” in Afghanistan, but rather “capacity building.”

- How does the Obama administration define “nation building”? Is the United States currently involved in nation-building anywhere, and if so, please provide specific examples?
- How does the Obama administration define “capacity building”? How does it apply in the Afghanistan context?
- How does “capacity building” differ from “nation building” in Afghanistan?
- Is the United States involved in “capacity building” in Pakistan? “Nation building”? Please explain how the framework of our Pakistan assistance strategy differs from our economic assistance strategy for Afghanistan, given the similar institutional weaknesses and other similarities in both countries.

Answer. As the administration has said publicly, we are accelerating the hunt for al-Qaeda and its extremist allies in Afghanistan through a surge in troops. Simultaneously, we are accelerating training for the Afghan National Security Forces and capacity-building assistance for the Government of Afghanistan. Both efforts will allow the Afghan Government to take the lead in Afghanistan. Neither effort is an open-ended commitment.

Nation-building normally connotes development for development’s sake or the type of wholesale recovery assistance the United States applied to Germany and Japan in the post-World War II era. We are doing neither in Afghanistan. The Afghan people and government are building Afghanistan, and the nature of the future Afghan state will be defined by the Afghans themselves. We are building their capacity to build their nation themselves. Building Afghanistan’s capacity to stand on its own and provide for its own security is in our national interest. It will ensure that Afghanistan is never again a safe haven for terrorists targeting the United States.

In terms of capacity-building in Afghanistan and its implementation, our strategy reflects the urgency President Obama has directed to reverse negative trends in the region. It consists of the following key elements, which are integrated and synchronized with military activities to achieve short-, medium-, and long-term objectives. The success of civilian programs depends on an improving security environment in Afghanistan.

Reconstruction and Development: Job creation is critical to undermine extremists’ appeal in the short term and for sustainable economic growth in the long term. Our top reconstruction priority is implementing a civilian-military (civ-mil) agriculture redevelopment strategy to restore Afghanistan’s once vibrant agriculture sector. This will help sap the insurgency of fighters and of income from poppy cultivation. Creating links to cross-border trade, while also increasing the Afghan Government’s capacity to secure its borders and increase customs revenue, will support sustainable long-term economic growth and job creation in the agriculture and other sectors. Simultaneously, we are sustaining efforts to build the Afghan Government’s capacity to provide improved health and education services.

Improving Governance: Our governance efforts are helping to develop more responsive, visible, and accountable institutions in Kabul, particularly at the provincial, district, and local level, where most Afghans encounter their government. We continue to increase the number of civilian technical advisers in key central government ministries, as well as provincial capitals and district centers, to partner with Afghans in this capacity building effort. We also are supporting the Afghan Government’s reinvigorated plans to fight corruption, with measures of progress toward greater accountability.

Rule of Law: Justice and rule of law programs focus on creating predictable and fair dispute resolution mechanisms to eliminate the vacuum that the Taliban have exploited. Our rule of law efforts complement ISAF’s expanded emphasis on training capable Afghan National Police and support Afghan-led anticorruption efforts.

Advancing the Rights of Afghan Women: Investing in women helps advance our civilian stabilization efforts and strengthen Afghan communities’ capacity to withstand the threat posed by extremism. Sustaining and expanding critical gains in women’s rights and empowering Afghan women is also critical to unleashing the full economic potential of the Afghan people. Integrated into our programming are key initiatives focused on: women’s security; women’s leadership in the public and private sector; women’s access to judicial institutions, education, and health services; and women’s ability to take advantage of economic opportunities, especially in the agricultural sector.

Focused Civilian Assistance: The President’s resource request for our strategy includes a sizable amount for civilian assistance to implement our programs. Aligned with our national security objectives, civilian assistance helps to build Afghan capacity in key areas and also reassure Afghans that our commitment is long term. We are decreasing reliance on large contractors and increasing our direct assistance to select Afghan ministries we have certified for transparency and accountability.

Recognizing that we cannot abandon Afghanistan as we did in 1989 following the Soviet withdrawal, our civilian effort must be sustained beyond our combat mission so Afghanistan does not become a safe haven for al-Qaeda.

Expanded Civilian Presence: Accompanying an increase in civilian assistance is an ongoing, significant increase in civilian experts—beyond the tripling of deployed U.S. civilians that occurred over the past year, from 320 civilians on the ground in Afghanistan in January 2009 to over 950 on the ground today. Civilian experts partner with Afghans to enhance the capacity of government institutions and help rehabilitate Afghanistan's key economic sectors.

In terms of capacity-building in Pakistan, we are partnering with a nation with much greater capacity and a more developed infrastructure than in Afghanistan. We are working with the international community in helping Pakistan overcome the political, economic, and security challenges that threaten its stability, and in turn undermine regional stability. And we seek to build a long-term partnership with Pakistan based on common interests, including a recognition that we cannot tolerate a safe haven for terrorists whose location is known and whose intentions are clear.

We are making a sizable, long-term commitment of economic assistance, consistent with the landmark Kerry-Lugar-Berman legislation that authorized \$7.5 billion in U.S. civilian assistance over 5 years, with the following objectives:

- Helping Pakistan address immediate energy, water, and related economic crises, thereby deepening our partnership with the Pakistani people and decreasing the appeal of extremists;
- Supporting broader economic and democratic reforms necessary to put Pakistan on a path toward sustainable job creation and economic growth, which is necessary for long-term Pakistani stability and progress; and helping Pakistan build on its success against militants and the elimination of extremist sanctuaries.

Additional U.S. assistance is helping Pakistan build a foundation for long-term development and strengthen ties between the American and Pakistani people. Both are demonstrating that the United States is committed to addressing problems that affect the everyday lives of Pakistanis. Where security and capacity allows, the United States Government will provide assistance through Pakistani implementers to enhance the long-term sustainability of our efforts. As in Afghanistan, the security environment, particularly in the North West Frontier Province and Federally Administered Tribal Areas, will impact the success of some assistance programs. A particular emphasis in those areas is strengthening Pakistani communities against extremism in part by assisting marginalized citizens, including women and youth.

Question. Last year Congress provided separate funding to begin reversing the deferral of our contributions to international organizations until the very end of the fiscal year. But this year's budget request does not explicitly request additional funding to continue that effort.

- Are you seeking funding to continue the process of reversing our deferral of payments to international organizations—particularly those carrying out key national security missions such as the International Atomic Energy Agency, the Organization for the Prohibition of Chemical Weapons, and the North Atlantic Treaty Organization?
- If you haven't requested such funds, why not?

Answer. The Department did not include a specific request for funds for reversing deferral in the FY 2011 budget. The administration had to make many difficult decisions during the FY 2011 budget process, balancing competing priorities within the constrained level of the Department's overall budget request for State Operations.

The Department anticipates completing the process of reversing deferral at the Organization for the Prohibition of Chemical Weapons (OPCW) and the North Atlantic Treaty Organization (NATO) with funds available for this purpose in FY 2010. If any FY 2010 funds still remain after reversing deferral at OPCW and NATO, the funds would go to beginning the process of reversing deferral at the International Atomic Energy Agency.

Question. The President's budget requests \$350 million to fund voluntary U.N. organizations and agencies, representing a 10 percent decrease from FY10. Among those organizations receiving decreases in funding is the U.N. Development Program.

Answer. The FY 2011 President's Budget includes \$350.55 million for voluntary contributions through the International Organizations and Programs account. Due to the constrained overall budget level, the FY 2011 request for this account is a slight decrease from the FY 2010 request level of \$356.66 million. The FY 2011 re-

quest for the U.N. Development Program, however, is the same level requested in FY 2010.

Question. What are your plans for nominating someone to fill the position of Representative of the United States to the United Nations for U.N. Management and Reform?

Answer. We share the committee's view of the importance of U.N. budget and reform issues, including increasing the efficiency and effectiveness of U.N. programs and ensuring budget discipline. The administration is currently considering candidates for the position of Representative of the United States to the United Nations for U.N. Management and Reform to help advance this agenda. The USUN Management and Reform Section is currently being led by Ambassador Joseph Melrose (retired).

Question.

- Please describe the transition between the U.N. procurement task force and its integration into the OIOS. How many investigators from the Procurement Task Force have been hired by OIOS? Is the investigations department of the OIOS [in] operation? How many investigations are currently ongoing? Why did the U.N. not renew funding for the Procurement Task Force?
- Robert Appleton, who headed the Procurement Task Force, applied to be OIOS's director of investigations more than a year ago. But after a hiring panel selected him and 3 other finalists from a pool of 73 candidates, another board recently decided to restart the process, because all 4 finalists were American males, according to U.N. officials in media reports. What is the process of hiring a director of investigations? What is the status of Robert Appleton's candidacy? What steps is USUN and IO taking to ensure this position is filled and that OIOS is operational and continues the investigative work started by the Procurement Task Force?
- The U.N.'s investigative and oversight chief Inga-Britt Ahlenius is being accused of systemic mismanagement and favoritism in a letter from her staff, copied to Secretary General Ban Ki-moon and all staff of her Office of Internal Oversight Services.
- Please comment on the overall effectiveness of the head of OIOS, Inga-Britt Ahlenius.

Answer. Following the General Assembly's decision to transfer the Procurement Task Force's (PTF) functions and caseload into the Office of Internal Oversight Services (OIOS) Investigations Division (ID) in December 2008, Undersecretary General Inga-Britt Ahlenius established, with our strong support, a distinct unit within the ID to handle financial, economic, and administrative misconduct cases and the remaining PTF cases. This new headquarters unit was to be staffed with at least eight permanent investigators headed by a Unit Chief at the P-5 level (senior investigator). Initially, three former PTF staff were hired full-time to this unit. An additional nine people (eight of whom were former PTF staff) were hired temporarily to help with the PTF transition. According to OIOS, six former PTF staff are currently employed with OIOS, four of them elsewhere in the ID. Currently, there are 50 investigators and 214 open active investigations (32 of which are former PTF cases) within the ID. The U.N. did not renew funding for the PTF as it was meant to be a temporary body to deal immediately with a vulnerable area of procurement and financial fraud within the Secretariat following the oil-for-food scandal.

The process of hiring the director of investigations begins with advertisement of a vacancy announcement on the U.N. Web site. Once the announcement closes, a short list of selected candidates is developed by the head of OIOS based on the recommendations of a panel of experts established to assist the head of OIOS. The final selection or selections by the head of OIOS are submitted to the Secretary General for his approval and appointment.

In the fall of 2008, OIOS Head Inga-Britt Ahlenius selected Robert Appleton as the best candidate following a unanimous recommendation by the panel and presented him as her choice to be the next director of investigations. The Secretary General rejected the appointment because of the failure of Ms. Ahlenius to follow the U.N. rules generally on recruitment and appointment of senior level officials which includes a requirement to submit three final candidates, one being a woman. The vacancy was then readvertised, and following another selection process, Mr. Appleton was again submitted by Ms. Ahlenius to the SYG as the most qualified candidate, but again she refused to submit three candidates, one being a woman. Unfortunately, the Secretary General and Ms. Ahlenius still have not reached agreement over this appointment. Ambassador Rice has raised this issue directly with the

Secretary General and Ms. Ahlenius, and continues to press for robust and vigorous work on investigations.

Ms. Ahlenius was appointed to head OIOS in July 2005 due to her extensive experience in the area of audits and strong reputation for promoting high ethical standards and transparency. She has been at the forefront of the U.N. in promoting these goals. However, despite her strong principles and background in audits, her management of the OIOS has not been effective in the area of investigations. Ms. Ahlenius relied heavily on Mr. Appleton and his expertise when he served as chairman of the PTF. When the PTF ended and Mr. Appleton departed, the management of investigations suffered.

Question. In January 2011, Southern Sudan is scheduled to hold a referendum on the question of unity or separation under the terms of the Comprehensive Peace Agreement. Over the next 10 months, Sudan—both North and South—must continue to work to complete critical arrangements over borders, citizenship, revenue, and other critical issues. At the same time, Southern Sudan must prepare for the challenges of potential independence while confronting growing violence within its own borders. Please summarize the contours of U.S. support for Southern Sudan.

- How much are we providing in assistance and what are our goals for FY 2010 and FY 2011? Given the urgency of the timeline on the ground there, how much of this assistance can be expected to be programmed prior to January 2011?

Answer. The promotion of a peaceful and stable Sudan, whether as a unified state or two separate entities coexisting peacefully, and full implementation of the Comprehensive Peace Agreement (CPA) continue to be top United States Government (USG) priorities within the Sudan Strategy. In FY 2010, the USG is focused on ensuring stability, as well as promoting security and the rule of law in Sudan. Whether the decision is independence or to remain a semiautonomous region of a unified Sudan, our assistance is designed to help the Government of Southern Sudan (GOSS) prepare to govern responsibly.

The USG spent approximately \$900 million in FY 2009 humanitarian assistance funding in Sudan and eastern Chad related to Darfuri refugees. The nonhumanitarian budget for FY 2009 assistance to Sudan is \$376.7 million. For FY 2010, the USG budget for nonhumanitarian assistance to Sudan is \$427.8 million. Because humanitarian assistance is allocated on a worldwide, as needed basis throughout the year we do not yet have the humanitarian budget totals for Sudan for FY 2010 or FY 2011. For FY 2011, the administration has requested \$439.9 million in non-humanitarian assistance for Sudan.

Though the operating environment is uncertain for the coming year, it is anticipated that the FY 2009 funding and a significant portion of the FY 2010 funding will be programmed in the lead up to the January 2011 referenda. Given the urgency of the January events, every effort will be made to program the resources as quickly as possible. Of the FY 2010 funding, approximately \$20 million is going to support the January 2011 referenda or referenda related programs. While FY 2011 funds will not likely be available prior to the referenda, the FY 2011 budget request for nonhumanitarian assistance of approximately \$439.9 million will be critical to support the above initiatives in Southern Sudan, the Three Areas of Abyei, Blue Nile, and Southern Kordofan, and possibly other vulnerable regions in Sudan following the referenda, regardless of outcome. In order to prepare Southern Sudan for the potential of independence or permanent semiautonomous unification with the North, USG assistance is focused on improving peace and security, increasing capacity for just and democratic governance by the (GOSS), investing in the needs of the people of Southern Sudan, and providing the necessary tools and training to foster economic growth. Additionally, the USG envisions that significant humanitarian assistance will continue to be needed over FY 2010 and FY 2011 to address ongoing humanitarian needs. The USG is continuing to provide assistance for reintegration of southern Sudanese returnees and refugees from the Democratic Republic of Congo currently in Southern Sudan. The USG partners with the U.N. High Commissioner for Refugees (UNHCR), which is involved in ongoing contingency planning in the leadup to the January 2011 referendum.

In FY 2011, the USG will also address the threat of new or renewed conflict by increasing attention and funding for conflict prevention and mitigation programs that focus on peace dividends, local solutions to community conflict, successful implementation of important political processes, and the peaceful mediation by state authorities of local conflict. Support will be provided for efforts to resolve post-2011 issues, including cross-border development, security and movement, interethnic relationships, and oil security.

A key USG objective for FY 2010 and FY 2011 is the professionalization and training of the GOSS military and the Southern Sudan Police Services (SSPS). In

particular, the USG recognizes the significance of assisting the SSPS with strategic planning, training, literacy, resources, and infrastructure development so that they can develop the capacity to mitigate security threats and enforce the rule of law. The transformation of the GOSS military and police forces are crucial to promoting the long-term stability and security of Southern Sudan. Another key goal of the FY 2010 and FY 2011 budgets is supporting just and democratic governance in Southern Sudan. More specifically, USG assistance will contribute to existing efforts to strengthen core government institutional development and build capacity at the various levels of government, facilitate consensus-building, strengthen the post-elections legislative assembly, and strengthen civic participation in the interim and post-CPA periods. Our funds will enable the government to expand the delivery of services and deepen the accountability, transparency, and responsiveness of key government institutions in the South, as well as the Three Areas. In FY 2011, we will build on existing programs to improve key public sector executive functions in the GOSS and strengthen anticorruption efforts, financial governance, civil service reforms, and GOSS efforts toward decentralization. USG assistance will also go toward promoting greater civil society involvement, civic education, and government responsiveness to the views of Southern Sudanese constituents.

The USG is committed to assisting the GOSS invest in its people by engaging local stakeholders in rebuilding health and education systems at central, state, and county levels. Our FY 2011 budget is focused on health care delivery in target areas, specifically through the strengthening of maternal and child health services and the expansion of access to high-quality voluntary family planning and reproductive health care services and information. USG assistance will support interventions that target priority health threats, improve potable water and sanitation resources, nutrition, and reduce the burden of infectious diseases, particularly HIV/AIDS, malaria, tuberculosis, polio, and neglected tropical diseases. In order to address these goals, the FY 2011 budget will support improvements in six health system components: health governance in administration, human resources, health management information systems, financial management, logistics, and service delivery.

In terms of education, the USG will continue to work on affecting systemic changes at the subnational, state, and county levels for more equitable gender-based policies and practices in education. Funds will be used for formal and nonformal education activities to improve the quality and access of basic educational services, particularly for girls and women. USG assistance will provide teacher training, curriculum reform and development, and government capacity-building to plan, budget, administer, and manage education delivery, all in an effort to help build long-term sustainability of Southern Sudan educational services.

Last, USG funds for FY 2010 and FY 2011 will be focused on improving economic capacity and business opportunities across Southern Sudan to rebuild a growing private sector economy, especially agriculture-based, which is critical to increasing jobs for the unemployed youth and increasing nonoil revenues for the GOSS. USG assistance will build and improve roads in order to facilitate local and regional trade and service delivery; we will also enhance modern energy services in the key towns of Southern Sudan. In order to meet our economic growth objective, USG assistance will seek to create an enabling and fiscally disciplined environment for business and new employment opportunities, as well as to improve the capacities of the GOSS in fiscal management, policy, regulatory matters, budget planning, and procurement. We will provide technical assistance and business training to Sudanese construction firms for rebuilding the country, and we will promote private sector development by supporting entrepreneurship through microfinance lending, assistance with land-reform policies, and establishing new agriculture activities. In terms of agricultural production, expansion, and reform, the underlying objective of U.S. assistance will be to improve overall food security.

Question. The Global Health Initiative (GHI) calls for substantially increased spending, programmatic development, and monitoring and evaluation. Will additional staffing, with funding, be provided for posts to carry out these expanded duties?

Answer. In addition to the efficiency gains we fully expect through improved GHI coordination and collaboration, we are currently reviewing the staffing patterns at USAID to ascertain what changes are necessary to support the GHI in both the field and Washington. In addition, the GHI Plus countries will have access to the GHI Reserve Fund and can request funds based on what is most needed on the ground, whether that be additional technical assistance, management, or other staffing needs. Finally, we will continue building the USAID workforce through the Development Leadership Initiative (DLI), employing new health officers through this pro-

gram to further strengthen the Agency's capacity to execute, monitor and evaluate health programming.

Question. I am concerned about a \$50 million cut in proposed support for the Global Fund to Fight AIDS, Tuberculosis, and Malaria from the enacted level for FY 2010. At the same time, the Consultation Document for the GHI offers little information on how implementers of this plan will work with the Global Fund. Please describe the planned interaction between the U.S. Global Health Initiative and the multilateral Global Fund.

- Could you explain the rationale for this cut from the enacted level for FY 2010?

Answer. Global AIDS Coordinator Eric Goosby, who serves as the U.S. Government Global Fund Board Member, has consulted with Global Fund Executive Director Michel Kazatchkine about the GHI. Deputy Global AIDS Coordinator Ann Gavaghan held consultations with other Board donor and implementing bloc delegation members about the GHI at the Global Fund Board meeting in November 2009 in Addis Ababa, Ethiopia. The GHI Consultation Document outlines the broad themes for interaction between the U.S. GHI and multilateral donors, including the Global Fund: "Strengthening and leveraging other efforts: The GHI is built on the recognition that improving global health outcomes is a *shared* responsibility. The needs are too vast and the challenges too great for any one country or organization to address alone. The U.S. Government will join multilateral efforts involving the United Nations and others to make progress toward achieving Millennium Development Goals 4, 5, and 6. Indeed, a key principle of the GHI is to strengthen and leverage key multilateral organizations, global health partnerships, and private sector efforts . . . the GHI will strengthen the U.S. Government's already close collaboration with the Global Fund . . . the GHI will emphasize accountability for achieving substantive outcomes and rigorously monitor impact without increasing the reporting and administrative burdens on partner countries. Indeed, harmonizing and reducing these reporting requirements is a key element of the GHI's approach to monitoring and evaluation."

Question. Multidrug resistant (MDR) TB represents a grave and growing health threat globally and potentially in the United States as well. Enhancing laboratory capacity is a critical component of addressing MDR-TB and a core feature of health systems strengthening as outlined in the GHI. The designated target in the GHI, of detecting and treating 57,200 multidrug resistant cases of TB, however, is significantly lower than the objective set out in the Lantos-Hyde legislation to support the diagnosis and treatment of 90,000 new MDR cases by 2013. Please explain the rationale for this lower target and the practical implications of this and other differences regarding targets for tuberculosis between the GHI and Lantos-Hyde.

Answer. We established conservative targets that took into account the impact of currently available diagnostics and drugs. The treatment of 57,200 cases of MDR TB in USAID priority countries represents a significant increase compared to the mere 6,000 cases of MDR TB that were treated according to international standards globally in 2008. However, these targets could be surpassed substantially with the introduction of new technologies and enhanced donor contributions to the Global Fund and other TB control programs. We are working with public-private partnerships on the development and introduction of new diagnostics and drugs, and once clinical trials and country level evaluations are completed, we anticipate that these new tools will help to accelerate TB case detection and shorten treatment duration. In addition, country level evaluations of more rapid tests for MDR TB are already underway in numerous countries, and the clinical trials on several new drugs to treat TB are promising. These developments could substantially increase our impact.

Question. Climate Change.—The United States recently associated itself with the Copenhagen Accord and pledged to reduce greenhouse gas emissions in the range of 17 percent by 2020. There are now over a hundred countries associated with the Copenhagen Accord, of which approximately 60 countries have voluntarily inscribed carbon pollution reduction pledges.

- (a) What are the next steps in implementing this Accord and what role do you see the administration playing in these efforts?
- (b) How does the administration plan to deliver on its contribution to the global climate finance goal of \$100 billion annually by 2020? Recognizing that this finance goal will be reached through a combination of support from both the public and private sectors, what mechanisms do you find most promising for mobilizing these sectors?

- (c) Do you believe that domestic legislation is necessary to fulfill our mitigation commitment? How would failure to pass legislation impact the implementation of the Copenhagen Accord and the ability of the global community to achieve necessary reductions?

Answer (a). To date, 120 countries have associated with the Copenhagen Accord, accounting for more than 80 percent of global greenhouse emissions. We will continue to encourage countries to associate with the Accord and inscribe their commitments to mitigate their greenhouse gas emissions. At the same time, we are now working with partners in a variety of fora to operationalize all elements of the Accord, including the provisions on mitigation, transparency, and financing.

Answer (b). In Copenhagen, in the context of meaningful mitigation actions and transparency on implementation, we committed to working with other developed countries to jointly mobilize USD\$100 billion a year by 2020. We anticipate continued scaling-up of public financing through bilateral and multilateral channels, particularly to support adaptation, capacity-building, and other developing country climate priorities, as well as work to reduce barriers to market-based approaches.

However, private sector finance driven by carbon markets is anticipated to account for the majority of funding flows to mitigate greenhouse gas emissions. While governments cannot direct private capital, creating the right incentive structure can help accelerate an already strong trend toward low-carbon investment. Domestic mitigation targets will be essential in directing investment flows toward low-carbon alternatives in each sector, and efficient and liquid carbon markets will be important in transmitting the carbon price signal throughout the economy.

Strong federal legislation with a cap-and-trade component could significantly assist our efforts to meet these climate finance objectives—in particular, through auctioning set-asides and international offset provisions.

Answer (c). The administration supports the passage of comprehensive clean energy and climate legislation to bolster the American economy, enhance our national security, set the United States on a path to reduce our greenhouse gas emissions and be a leader in clean energy technology. Failure to pass legislation would negatively impact the leadership position of the United States in the climate negotiations and the ability of the global community to achieve necessary greenhouse gas reductions.

Question. Last year, when asked about modernizing the U.S. foreign assistance apparatus, you responded that it was something you would pursue vigorously. Since that hearing, you authorized the Quadrennial Diplomacy and Development Review, meant to provide “short-, medium-, and long-term blueprint for our diplomatic and development efforts” and guidance on “how we develop policies; how we allocate our resources; how we deploy our staff; and how we exercise our authorities.” In a similar vein, the White House announced a Presidential Study Directive on Global Development Policy meant to be a whole-of-government review of U.S. development policy.

- What legislative outcomes do you expect to come from the QDDR? Will requested legislation be similar in scope to S. 1524—the Foreign Assistance Revitalization and Accountability Act, passed out of this committee last November?

Answer. The QDDR addresses many aspects of the Foreign Assistance Revitalization and Accountability Act and shares its overarching objective of strengthening the capacity of USAID and State to establish and implement effective global development policies and programs [note: the QDDR does not deal with other agencies]. During Phase 2 of the QDDR, task forces are being instructed to identify any legislative changes that would be necessary to implement their recommendations. Thus, while it is possible that some QDDR recommendations will require legislative action, it is premature to determine whether or not that is the case. The QDDR’s recommendations will also be reflected in the FY 2012 budget request. We look forward to engaging with you and hearing your views on the QDDR Phase 2 priority areas.

Question. Relationship Between the Department of Defense and the State Department.—In the FY11 budget request, the State Department asks Congress to fund three items (“to begin to rebalance roles between DOD and State”) that in past years have been entirely or largely funded through the DOD budget: Pakistan Counterinsurgency Capability Fund (\$1.2 billion), Iraq Police Training (\$295 million), and the USAID Complex Crises Fund for reconstruction, security and stabilization activities (\$100 million).

Pakistan Counterinsurgency Capability Fund (PCCF). The Department is requesting \$1.2 billion for the PCCF and another \$296 million for Pakistan in Foreign Military Financing (FMF). Could you cite some specific examples to explain why you need the PCCF because FMF would not work? Could you explain how the two ac-

counts will be managed and executed differently? Last year when Congress provided the State Department \$700 million for the PCCF, the Department transferred all of the money as soon as it got it, in one fell swoop, to the Defense Department for it to manage. Are you going to do the same thing this time? How will it be different?

Answer. The Pakistan Counterinsurgency Capability Fund (PCCF) is designed to complement Foreign Military Financing (FMF), not replace it. Both tools are designed to support our foreign policy objectives. PCCF is designed to focus funds on a specific country—Pakistan—with a specific need—enhancing counterinsurgency (COIN) capability. It authorizes assistance for the full range of Pakistani security forces relying upon selected Foreign Assistance Act authorities as well as the FMF authority under the Arms Export Control Act. FMF will enhance the ability of Pakistan’s military to mitigate against existing and emergent threats, participate in international stability operations, and meet its legitimate defense needs. Our use of FMF to support Pakistan’s COIN requirements will be targeted toward providing capabilities that bridge the immediate requirements met by PCCF to more enduring transformational solutions.

The Department is continuing to develop our oversight and management procedures for PCCF with the goal of preserving the flexibility and agility needed to support the requirements in the field while ensuring that this is truly a State Department-managed program. Both State and DOD are committed to the successful implementation of PCCF as a State Department-managed program in FY 2011 with the goal being a seamless transition of the program. A major difference in the management of PCCF will be increased State Department oversight and involvement throughout the execution process, which will ensure that this major assistance program aligns with our broader foreign policy objectives in Pakistan.

As is true with FMF and the Pakistan Counterinsurgency Fund (PCF), DOD will continue to be the primary program executor. We are currently engaged in discussions with our DOD counterparts over how best to manage PCCF so that it preserves the flexibility and agility needed to support requirements in the field.

Question. Complex Crises Fund.—The administration has requested \$100 million for the Complex Crises Fund which it will use in a similar manner to DOD’s \$100 million section 1207 authority—to respond to emerging or unforeseen crises through support for reconstruction, security, or stabilization. Who will administer this fund? What criteria will guide which projects will be funded? Will this replace section 1207 funds?

Answer. The goal of the Complex Crises Fund (CCF) is to advance peace and stability through the prevention of and/or timely response to emerging or unforeseen complex crises overseas, and to seize opportunities to advance peaceful transitions, democratic governance, and development progress. The CCF was created in the FY 2010 Department of State, Foreign Operations, and Related Programs Appropriations Act (SFOAA) (Div. F, P.L. 111–117), consolidating what had been separate budget requests for a Rapid Response Fund and a Stabilization Bridge fund. For FY 2010, the SFOAA directs USAID to administer the \$50 million fund, in consultation with the Secretary of State. FY 2010 is the last year for security, reconstruction, and stabilization-related funding under section 1207 of the National Defense Authorization Act (NDAA) for Fiscal Year 2006 (P.L. 109–163), as amended, which authorizes DOD to transfer up to \$100 million to the Secretary of State by September 30, 2010. These funds could be used by any agency undertaking appropriate foreign assistance activities at the direction of the Secretary of State. Section 1207 program decisions have been made under an interagency concurrence mechanism managed by State (the Office of the Coordinator for Reconstruction and Stabilization), which is independent of the CCF. In FY 2010, section 1207 funds total \$100 million; thus, together with CCF funds, \$150 million is available during FY 2010 between the two accounts. USAID has established a standing interagency working group to help administer CCF projects and guide their development and execution. The administration’s FY 2011 request of \$100 million for the CCF is lower than the combined total of section 1207 and CCF funds available in FY 2010. It is the first year, however, that all of the funds and authorities to prevent or respond to emerging or unforeseen complex crises overseas are sought to be granted to the Secretary of State.

Question. On December 15, 2009, Secretary Gates sent a memo to Secretary Clinton in which he proposed a “Shared Responsibility, Pooled Resources approach” for DOD and State to work together on security assistance with funding mechanisms for security capacity-building, stabilization, and conflict prevention overseas. What is your reaction to Secretary of Defense Gates’ proposal to have “shared responsi-

bility and pooled resources?" Who would be in charge of those funds and the personnel in the field?

Answer. My staff is carefully reviewing this proposal, which touches on topics that are currently being addressed in the QDDR and other ongoing administration reviews. The concept of pooled resources is an intriguing one that has been proposed in various forms over the past decade. It is one of many concepts that are being evaluated in our ongoing reviews which contemplate a variety of implementation mechanisms. The outcomes of these reviews will inform the FY 2012 budget and legislative cycle, which I expect will provide a more comprehensive direction on security capacity-building, stabilization, and conflict prevention activities overseas. It is critical that we find mechanisms which provide adequate funding, but also ensure that all assistance activities support our broader foreign policy goals.

Question. Police Training.—There have been significant criticisms over the way in which the State Department's Bureau of International Narcotics and Law Enforcement Affairs (INL) oversees and implements police training worldwide. For example, the Special Inspector General for Iraq (SIGIR) recently released a report asserting that the State Department cannot account for more than \$1 billion it paid out to contractor DynCorp to train police during the first years of the Iraq war. This raises questions about whether INL has sufficient capacity to appropriately oversee this important function. Yet, the FY10 war supplemental will shift responsibility for police training in Iraq from DOD to State, requesting \$517.4 million to fund this effort, INL is also responsible for an estimated 2.5 billion dollars' worth of funds spent on training police around the world.

There have been significant criticisms over the manner in which the State Department's Bureau of International Narcotics and Law Enforcement Affairs oversees police training. Does INL have the personnel and organizational capacity to properly oversee and implement police training?

Answer. The Department acknowledges that the rapidly expanding demand for trained police in both Iraq and Afghanistan at times strained our efforts to provide optimal oversight. The Department recognized the need to expand contract oversight for our police training programs and is taking all appropriate steps to add staffing and standardize procedures. The Department's Bureau of International Narcotics and Law Enforcement Affairs (INL) is in the process of adding significantly more contract officers on the ground and reviewing INL contract management business processes and management controls, and establishing detailed Standard Operating Procedures the contract officers. This will enable the successful implementation of existing quality assurance surveillance plans. We have learned from the continually evolving program demands in Iraq and Afghanistan that we must respond with greater oversight by adding specialized personnel with technical skills necessary to effectively oversee and manage INL police training programs.

INL does have the personnel and organizational capacity to properly oversee and implement police training programs. INL has operated numerous successful police missions throughout the world including those in Bosnia, Kosovo, Liberia, Georgia, and East Timor. In each of these missions, INL has demonstrated the ability to work with multinational partners and host governments in providing effective police training services and facilitating police reform. INL conducted the first civilian police (CIVPOL) mission in Haiti in 1994. Since then, over 7,000 U.S. law enforcement personnel have participated in police development missions in 16 nations. The missions in Iraq and Afghanistan, conducted in hostile environments, have been particularly challenging as police training needs must be flexible and responsive to fluctuating demands driven by military operations.

In Iraq, INL is designing the future Iraq police development program to include a much higher proportion of USG direct hire personnel—approximately one USG employee for every six contractors to ensure proper management and oversight. Overall INL will employ 350 senior law enforcement officials and subject matter experts—supported by additional program staff in Washington and Baghdad—to focus on institutional development and capacity building in the Iraqi police services ensuring sustainability of police reform in Iraq.

Question. What steps are being taken to strengthen INL's ability to oversee this function? Should we consider transferring responsibility of this function to another entity—such as USAID or the Coordinator for Stabilization and Reconstruction (S/CRS)? Does INL rely too heavily on contractors to implement police training—does the State Department need to build in-house capacity to handle this function?

Answer. As outlined in the response to Senator Kerry's question above, the Department of State Bureau of International Narcotics and Law Enforcement Affairs (INL) has significant experience with managing police training programs

throughout the world. Large-scale programs in Iraq and Afghanistan present unique challenges and INL is responding with greater oversight and the addition of personnel with technical skills necessary to effectively oversee and manage these police training programs.

INL is the only USG entity with the operational experience, technical expertise and the mandate to implement such foreign police training missions. The Office of the Coordinator for Reconstruction and Stabilization (S/CRS) was established to coordinate USG interagency resources and institutionalize USG civilian capacity to prevent or prepare for post-conflict situations. S/CRS has begun to build police and rule of law expertise within its Civilian Response Corps Active component. Though this is vital to U.S. efforts in reconstruction and stabilization around the world, S/CRS cannot replace regional and functional bureau expertise. S/CRS can provide assistance but lacks the operational background and subject matter expertise to conduct a sustained, advanced skill-based police development program such as that planned for Iraq. To require S/CRS to perform this function would detract from its core mission.

Likewise, the U.S. Agency for International Development (USAID) does not have police training as a core function, and lacks INL's depth of expertise to conduct broad-based international police development programs around the world. USAID has conducted limited training in community policing and INL will use lessons learned from its own programs and that of USAID's as it designs the curriculum for the Iraq police development program.

Although the Department of State and its interagency partners historically have relied on contracts to secure subject matter expertise for its police development efforts, INL is exploring different mechanisms that will allow it to tap other sources of police training expertise, such as a recent Memorandum of Understanding signed with the New York City Police Department to support the police training mission in Haiti. Specific to Iraq, INL is designing the future police development program to include a much higher proportion of USG direct hire personnel—approximately one USG employee for every six contractors. In addition, INL's program offices in both Baghdad and Washington, DC are expanding the number of USG subject matter experts to manage directly the police program in the field and in Washington. This in-house capacity will serve as the foundation of continuing police development efforts in Iraq.

Question. Turning Over Civilian Police Training to the Military in Afghanistan.—The President's new strategy depends heavily on training the Afghan army and police to defend their country. While you have been supportive of the President's determination to devote more resources to this critical task, you recently mentioned in an op-ed in Politico in December that meeting the objective will require more than additional trainers. A report sent to Congress at the end of October summarized the dismal state of the Afghan police. We have spent \$6.2 billion on police and the Ministry of Interior since 2002, but only about a third of recruits can read and write, and roughly 1 in 10 trained units is capable of operating independently. Using private contractors, the State Department has tried for years—and spent billions of dollars—to train a civilian police force with limited success. Now the task is being handed over to the Pentagon, which is scheduled to take over police training this March. This is a pivotal change, and many are concerned that we will end up training a paramilitary adjunct for the counterinsurgency fight versus a civilian police force.

- Given General McChrystal's expressed and understandable desire for the police to play a counterinsurgency role and the shift in training to the Pentagon, what does this mean for the prospects of a real civilian police force to promote the rule of law at the local level? This is something that I think we both agree is vital.

Answer. DOD has had the lead for development of Afghan security forces since 2005 and has transferred funding to State to implement a police training program on its behalf since 2007. The transfer of contract responsibility for police training is an effort to eliminate a larger management layer so that resourcing, funding and other management issues for this large-scale training mission are more efficient. The use of law enforcement experts is expected to remain a focal point of the program, and the Department of State will continue to play a role in Afghan law enforcement training through program policy, oversight, and overall direction for the police program through Ambassador Eikenberry. Instruction in human rights, women's issues, values, ethics, drug awareness and first responder duties all remain core elements of the police curriculum to provide recruits with essential civilian policing skills required for effective engagement with local populations.

Question. There are reports that the Pentagon is on the verge of awarding the police training contract to Xe Services, the firm formerly known as Blackwater. Even though the State Department doesn't have jurisdiction over the awarding of this contract, does a new contract for a company with Blackwater's track record and reputation make sense from a political and public relations point of view? What kind of message does it send to the Afghan people?

Answer. The State Department does not know which company will be awarded the police training contract by the Defense Department. The ability of the Afghan National Police—and the international personnel who support, train, and mentor them—to conduct their duties with professionalism and respect for others is essential to the development of a police force which can be trusted. We expect that the requirements of the police training program—which includes regular interaction with Afghan police and local populations—will be met by whichever company is awarded the contract.

Question. The FY11 budget request and FY10 war supplemental do not include additional funds to support Haiti rebuilding. Thus far, all of the funds being used to support Haiti relief efforts have come from existing accounts and emergency humanitarian funds. For example, apparently USAID's Office of Foreign Disaster Assistance has reduced programming funds in all other regions by 40 percent to cover Haiti relief. What is the status of plans to assess and assist with rebuilding Haiti? Who is leading this effort in the State Department—do you plan to assign a single coordinator to handle all aspects of the recovery?

Answer. The Department of State is reviewing USG policy and assistance efforts in Haiti in light of the January 12 earthquake. Our goal is to help Haiti build back better. This will require careful coordination with the Government of Haiti and international donors. Shortly after assuming office, Secretary Clinton designated her Chief of Staff, Counselor Cheryl Mills, to be the lead for our policy in Haiti. A decision has been made to name a single coordinator to oversee, under Counselor Mills' direction, all aspects of our policy and assistance vis-a-vis Haiti.

Question. Who is in charge of coordinating the Haiti 2020 team?

Answer. Counselor Mills' Policy Advisor, Meghann Curtis, is the Policy Planning Director of Haiti 2020. Ms. Curtis has been Policy Advisor to Counselor Mills since April 2009. Rueben Brigety is the Coordinator of the Haiti 2020 team. Mr. Brigety is a Deputy Assistant Secretary in the Bureau of Population, Refugees and Migration.

Question. What is the timing of the supplemental request for Haiti and what funding level is anticipated? What do you anticipate as the potential U.S. share of an international effort to support Haiti's recovery over the next 5 years?

Answer. We are working with OMB to determine both dates and dollar amounts of a special fiscal year 2010 Haiti supplemental. Once these are determined, we will be in a better position to urge generous contributions from the international community.

Question. According to the latest U.N. figures, over 1.3 million people are living in makeshift tent cities that have popped up in parks, public spaces, and even in a golf course by people made homeless by the earthquake. According to the U.N. Office for the Coordination of Humanitarian Affairs (OCHA), only 24 percent of people living in these so-called "spontaneous settlements" have received basic tents or tarpaulins that can shield them from the elements. These figures are especially troublesome since the rainy season comes in April—followed by the hurricane season in June. Will there be universal coverage by the time the rains start? Are there plans to put in place more permanent housing? What is the timeframe?

Answer. For emergency shelter, the immediate relief goal is for every household in need (est. 240,000–300,000 households) to receive some form of assistance (two plastic sheets or one family-size tent) by 1 May. To date, 160,000 plastic sheets and 24,500 family-size tents have been delivered to serve approximately 185,000 families. The 29 humanitarian agencies reporting to the Emergency Shelter Cluster (ESC) lead agency are on track to deliver emergency shelter assistance (2 plastic sheets or 1 family-size tent) to 258,000 families by May 1.

An estimated 600,000 of the 1.29 million displaced by the earthquake have left Port-au-Prince; 95 percent are living with family or friends in other towns and cities. For the intermediate term, shelter programs funded to date will assist an estimated 23,000 households with transitional shelter before hurricane season. The transitional shelter kits will be in-country and distributed by end of April; the package includes cement, timber, steel hurricane strap, roof nails, nails and piping. An estimated 33 percent of the total could be completed and occupied by beneficiaries

by June 1 with the remainder to be completed within 6–12 months. The Shelter Cluster has set a goal of providing transitional shelter to 120,000 households within 12 months of the disaster.

Question. An estimated 1.1 million people require access to emergency latrines. What steps are being taken to address this need? What is the timeframe? How is this being coordinated by donors—who is doing what? How many actual latrines need to be built in order to meet the need for 1.1 million?

Answer. In water and sanitation, 1.2 million people are now receiving treated water; 196 IDP sites have been assessed and 46 of these sites require immediate sanitation interventions. The goal is to construct 11,000 latrines. Approximately 2,750 latrines have been constructed, and an additional 800–1,000 latrines should be completed by mid-March. An estimated 7,400 trench latrines will be completed by April 15. The goal is to have one latrine for every 100 people in 3 months, one latrine for every 50 people in 6 months, and one latrine for every 20 people in a year. Thirty-six million dollars in OFDA funding has been committed to accomplish this goal. Key U.S. NGO partners working on hygiene issues and latrine construction include, Agricultural Cooperative Development International and Volunteers in Overseas Cooperative Assistance (ACDI/VOCA), CARE, Adventist Development and Relief Agency (ADRA), American Red Cross (ARC), Action Contra La Faim (ACF) and many others.

Question. Your administration has announced the launching of a Global Health Initiative, a 6-year, \$63 billion integrated plan that seeks to build on U.S. work in combating HIV/AIDS and malaria with a new emphasis on women and girls and a more holistic approach to fighting disease and helping countries build health systems. These are all welcome developments, and I look forward to continuing to work with you on this Initiative. The Global Health Initiative calls for substantially increased spending, programmatic development, and monitoring and evaluation. Will additional staffing, with funding, be provided for posts to carry out these expanded duties?

Answer. In addition to the efficiency gains we fully expect through improved GHI coordination and collaboration, we are currently reviewing the staffing patterns at USAID to ascertain what changes are necessary to support the GHI in both the field and Washington. In addition, the GHI Plus countries will have access to the GHI Reserve Fund and can request funds based on what is most needed on the ground, whether that be additional technical assistance, management, or other staffing needs. Finally, we will continue building the USAID workforce through the Development Leadership Initiative (DLI), employing new health officers through this program to further strengthen the Agency's capacity to execute, monitor and evaluate health programming.

Question. You have had an ambitious agenda for global women's issues since the beginning of your tenure. However, the Global Women's Issues office has had to scrape a budget together for staffing and travel, and their program funds come from the Human Rights Democracy Fund and Development Assistance funds.

- What budget are you requesting for that office? Is that level sufficient for the office to fulfill the ambitious mandate you have given it? Do you envision that the budget will grow in order to increase the office's capacity? Will that office have specified program funds?

Answer. We are working to increase S/GWI's capacity to meet the ambitious mandate that we have given it. Specifically, we are requesting \$3.483 million in FY 2011 operating funds to support S/GWI's continued growth in staffing and office capacity. S/GWI is using funding granted for FY 2010 to purchase 8 additional slots above the 11 that the office currently possesses. The acquisition of these eight slots will occur over the course of 2010 and 2011 and will be used to increase the number of staff with grants and programmatic expertise.

At present, S/GWI oversees the Iraqi Women's Democracy Initiative, which is funded through the Human Rights Democracy Fund, to expand training and capacity-building for Iraqi women political leaders. We fully expect S/GWI will continue to administer this Initiative in the future. Additionally, S/GWI will continue to work with its bureau counterparts inside the State Department and with USAID to maximize programming resources for women as well as develop a strategy to leverage private sector resources to support programs aimed at combating against women and promoting women's social, economic, and political empowerment.

Question. Global Engagement.—The President is requesting \$100 million to support "Global Engagement" that will forge "a new beginning with Muslim communities around the world." This request stems from the President's speech on human

rights and democracy in Cairo in 2009. Few details are provided as to what programs this fund will actually support.

- Can you please provide greater clarity as to how this fund will be used to support the broad goal of “global engagement?” How will these programs complement those already undertaken by ECA? Can you provide a list of the target countries and how much money is budgeted for each? Where do these funds fit into the State Department budget?

Answer. In June 2009, President Obama delivered a speech at Al Azhar University in Cairo that called for engagement based on mutual interest and mutual respect with Muslims around the world. We plan to use the President’s request for \$100 million of ESF funds for Global Engagement activities in the FY 2011 budget to establish and expand programs that address areas in which he pledged that we would invest and engage and that further the goals of deepening and broadening our relationships with Muslim communities. Funding requested for Global Engagement activities will be targeted at Muslim-majority countries and Muslim communities. This funding will help to fill gaps in these focus areas for FY 2011 and we will seek to transition to base funding in FY 2012.

Please note that President Obama’s speech was a vision statement for our relationship with Muslims around the world. Democracy and human rights were areas of emphasis in that speech, among many others. These programs, however, do not focus specifically on just democracy and human rights. They focus on building partnerships that will advance human development, science and technology, and economic opportunity.

To support economic opportunity, Global Engagement plans to invest \$35 million in FY 2011 in a Global Entrepreneurship Program (GEP). The GEP is focused on supporting and empowering entrepreneurs by marshalling partners around specific areas considered essential for creating a successful ecosystem for entrepreneurs. The GEP is the concrete, programmatic fulfillment of the Obama administration’s commitment to use America’s strength as an entrepreneurial culture to develop entrepreneurship around the world. Entrepreneurs are known to be a key ingredient in driving job growth, which underpins political stability and civil society. Initial partner countries include Egypt, Indonesia, and Turkey, with planned expansion to Pakistan next year. Specific program areas include Entrepreneurs in Residence, which will establish locally based entrepreneur/mentors to build a network of expertise in developing countries. Angel investing networks will be created in countries where no such support exists. The Entrepreneurship Bridge program will pair U.S. and foreign partners to structure appropriate incubators/accelerators/centers of commercialization to help take innovation from lab to main street, and E-Mentor Corps, a Web-based matching of mentors and entrepreneurs in developing countries, will be the focal point for knowledge exchange.

With \$25 million under the Human Development element, the Department will scale some of the most effective programs of the Bureau of Educational and Cultural Affairs so that they will have broader reach and by seeding and launching new programs in high priority countries that ECA does not presently have the resources to launch, helping to expand both the depth and range of our exchange efforts in high priority countries. This includes New Beginnings in Education for Economic Opportunity and New Beginnings in Science and Technology which will provide community college scholarships and faculty exchanges, targeting future scientists, activists, and innovators. A complementary New Beginnings in American English Initiative will provide English training, teaching and scholarships to expand access to media and journalist training, and to encourage civic action. Funds will also be used to support the Special Representative to Muslim Communities’ initiatives to promote empowerment through education and access to information.

Science and Technology (S&T) is the third focus area of Global Engagement, with \$40 million allocated to advance scientific collaboration among priority countries and the United States. The Department and USAID, in collaboration with partner agencies and partners in the region, are developing four scientific Centers of Excellence that will serve as loci of collaboration and support for scientists in the region who are seeking to address the challenges associated with climate change, water, renewable energy, and health. Work on these centers is already underway, but funding is needed to launch them. The location of the centers will be chosen based on the ability to leverage existing institutions as well as support from other government and private partners. S&T Funding will also support a Global Digital Science Platform to encourage collaboration and close knowledge gaps around key development challenges, and build local S&T capacity through an International Science Partnership. Finally, S&T funding will target science and technical training for

young women through University partnerships that encourage knowledge-sharing, teacher and administrator exchanges, and online collaboration.

Question. The FY10 joint spending plan for the Civilian Stabilization Initiative includes \$31.7 million for policy and plans, including “extensive interagency planning and coordination.” Can you please provide me in greater detail the specific activities associated with this figure and how much each activity and subactivity will be funded?

Answer. The \$31.7 million allocated to “Policy and Plans” in the FY10 joint spending plan funds the direct staff (72 fulltime FS and GS employees), working in the immediate Office of the Coordinator, and the offices of Planning, Strategic Communications, Conflict Prevention, Resource Management, and Knowledge Management-Information Technology. The \$31.7 million also funds an additional 72 contractor positions (19 for Knowledge Management-Information Technology and 53 distributed across the other above offices of S/CRS), and 5 of the 12 detailees (remaining 7 are nonreimbursable) from other USG agencies who are assigned to S/CRS. It also covers all operating expenses of S/CRS as noted below.

The personnel of S/CRS serve as core staff actively engaged in whole-of-government planning and conflict assessment, international outreach, public and congressional affairs, and providing administrative and IT support to S/CRS, which forms the backbone to the activities of the Civilian Response Corps. The majority of these personnel also regularly deploy for either specialized missions and/or as Standby members of the Civilian Response Corps.

The \$31.7 million does not include funding for the S/CRS Office of Civilian Operations, which is covered under the allocation entitled “CRC Operations Support” in the FY 2010 joint spending plan.

A more specific breakdown of the \$31.7 million is included in the following table:

Expense	FY 2010	Notes
Labor and Fringe Benefits	\$10,665,648	Covers labor and fringe for 72 FTE with 28% fringe.
IRM Desktop Support	1,000,000	Central IRM LAN support; 3 locations 200 seats.
KMIT Contractor Support	2,298,056	Funds 19 contractors to augmented staff to develop KMIT solution, provide internal user support in 3 locations, and enhance S/CRS web presence.
IRM MOU	216,000	Reimbursable senior level support.
Bandwidth for VTC	750,000	Usage of VTC to support dispersed locations.
Reserve/Detailees	1,000,000	For unbudgeted requirements and reimbursable detailees.
PC Applications	1,200,000	To develop user applications/databases.
IT Technical Refreshment	400,000	Establishes the base for periodic refreshment of existing equipment.
DS Security SA-18	484,240	A new cost associated with Springfield Annex.
Alterations/Space	100,000	To continue to tailor SA-18 for CRC use.
Shuttle Service	300,000	Provides scheduled transportation to connect SA-18 with other S/CRS locations.
Contractor Support	7,865,480	Funds 53 contractor support positions, including support to expanded S/CRS operations. Includes common-servicing to CRO, e.g. administration, travel, facilities.
Utilities/Building Services	274,049	Pays for billed water, after hours HVAC, electrical, trash, laborers and trucks and other miscellaneous costs when not included in rental.
Telephones	500,000	Basic and long distance landlines.
Portable devices/cell phones	300,000	Equipment and monthly charges for government-issued equipment (e.g. Blackberries).
Travel	1,015,288	Outreach and all non-deployment travel, including staff development-related travel.
Printing	75,000	Supports briefing materials and publications, including “Civilian Response.”
Rent	2,500,000	Includes partial rent due for SA-18; will increase in FY 2011 for full year.
Overtime/Awards	160,000	Funds Bureau-managed personnel costs not funded under Central Salaries, including performance awards.
Staff Development	250,000	Provides for non-CRC professional staff development training.
Total	\$31,653,761	

Question. Iraq.—The administration is requesting \$517m in FY 2010 supplemental funding for the International Narcotics and Law Enforcement account for

police training in Iraq. Please explain the transition of police training from the Department of Defense to the Department of State.

What steps is the State Department taking to take over responsibility from DOD for the training of Iraqi police forces? Why must there be significant increases in funding for this purpose in the FY 2010 supplemental and FY 2011 budget, if the State Department is not expecting to assume responsibility until the beginning of FY 2012?

Answer. The Department of State (State) is working closely with the Department of Defense (DOD) to ensure a smooth transition of responsibility for police development in Iraq. In March 2009, State led an interagency Joint Transition Planning Team (JTPT) assessment with a view to identify future program priorities through consultations with Government of Iraq (GOI) officials and USG personnel. This visit served as the basis for developing a new, State-led police development program which will be significantly smaller in size and scope than the current DOD program, which consists of thousands of military servicemembers. The State program will shift away from the previous counterinsurgency oriented mission toward a civilian police model focused on community policing. As requested by the GOI, we will no longer concentrate on force-generation, but will instead emphasize advanced professional, management, and leadership skills for senior officials that will further build the capability to effectively manage internal security operations and support the rule of law.

State and DOD are coordinating closely to ensure a smooth transition of responsibility for police development from DOD to State. DOD's drawdown plans are taking into consideration the future police program structure. As the transition date nears, the current DOD program will closely mirror the future State program. State and DOD also have been working together to identify equipment and resources that DOD may be able to provide or leave behind in an effort to minimize costs and leverage the assets of each agency. To ensure planning efforts remain closely linked, State has deployed senior personnel to work within United States Forces—Iraq's (USF-I) Iraq Training and Assistance Mission (ITAM). ITAM, in turn, has provided a military planner to State.

Although responsibility for the police training mission does not transfer to State until October 1, 2011, there are numerous startup requirements and myriad long lead-time tasks which require funding 12–18 months in advance. These include necessary base camp and aviation facility upgrades, significant security infrastructure costs to meet the necessary Diplomatic Security standards for Chief of Mission personnel that are different than those under which the military operates, and the procurement of aircraft for transportation between program hubs and field locations. The FY 2010 supplemental request will fund these one-time, startup expenses.

FY 2011 funds are needed to cover salary and operating expenses in August and September of 2011, in order to have the State, International Narcotics and Law Enforcement (INL) program up and running on October 1, 2011. The remainder of the funds will be spent to cover early FY 2012 operating expenses, and will carry the program through until INL receives FY 2012 funding.

Question. When will this transition be complete? What are the goals of the police training program, and what are the metrics that will be used to assess these goals?

Answer. The transition of Iraq police training from the Department of Defense (DOD) to the Department of State (State) will be complete on October 1, 2011.

The goal of the police training program is to support the Iraqi Ministry of Interior (MOI) in its progress toward becoming a self-sufficient organization and the primary provider of internal security, while protecting human rights and supporting the rule of law. As requested by the Government of Iraq (GOI), State will provide focused, high-level advising and consulting in core areas of police leadership, management, strategic planning, curriculum development, and other advanced skills.

State is currently developing a set of metrics to assess progress toward these goals. The metrics will allow State to determine which areas within the MOI need additional focus and which are adequately developed, so that advisors may make adjustments to the program as necessary. The metrics will be a useful tool in measuring the effectiveness of the program and will serve as a resource for evaluating the success of the program. Currently being drafted, some key indicators of success include an improved capacity to conduct complex investigations, increased reliance on physical evidence, a strong relationship with civil society, improved public trust in the Iraqi police to enforce the law, a robust MOI internal affairs program and effective leadership and management controls.

Question. What lessons have been learned from previous State Department efforts at police training, as well as the experience of the Civilian Police Assistance Training Team (CPATT)?

Answer. The State Department has extensive institutional knowledge in police training, gained from over 15 years of experience managing, leading, and participating in police training missions in 16 nations throughout the world. State's police development experts draw on that extensive knowledge as they form new programs. In Iraq, we have been involved in police training since 2003 and have worked with the Department of Defense (DOD) on Civilian Police Assistance Training Teams (CPATT) since 2004.

Each country, including Iraq, presents unique challenges and programs must be developed to address those circumstances. State performs assessments and conducts extensive consultations with police officials to develop effective training programs. We do not merely import existing police training models used in other countries as this would not adequately address host-nation civilian police training needs.

Another factor we consider is the level of development within the police structure as that helps to determine the type of training program needed in a given country. For example, focusing on force generation and increasing the number of police officers trained is an inadequate strategy in many countries if the program does not also develop the management and leadership infrastructure to supervise those forces. Building organizational and personnel capacity requires that reform begin at the highest levels. It is also critical that all facets of the criminal justice system, including, police, the judiciary, and corrections, develop simultaneously to guarantee that reform is consistent and sustainable.

Additionally, there are recurring criminal justice development issues throughout the world that State has experience and developed tools to address. Some illustrative examples include: the need to combat corruption within the police force; the importance of developing a plan to address local, informal justice systems; the need to delineate areas of responsibility among multiple entities with shared interests; developing the capacity for strategic planning; and the importance of increasing public trust in the police, just to name a few.

The CPATT mission began with force generation and an emphasis on counterinsurgency operations. Although these efforts were necessary and successful, effective management infrastructure within the Ministry of Interior (MOI) is also needed and, if not developed, could result in short-lived progress. This situation could leave the Iraqi police unable to transition from a paramilitary counterinsurgency force to a civilian policing institution.

The future State-led program in Iraq will build upon the success of CPATT efforts by instituting training that focuses on advising and consulting with senior MOI officials. This work will build capacity within the senior ranks to administer an enormous institution (with over 500,000 personnel) and allow the GOI to effectively sustain the progress made under the CPATT program.

Question. The administration is requesting nearly \$1.57 billion in the FY 2010 supplemental request and \$1.8 billion in FY 2011 for diplomatic operations in Iraq.

- How will the reduction of U.S. troop levels to 50,000 in FY 2010 and to zero by the end of 2011 impact diplomatic operations?

Answer. The Departments of State and Defense are working closely to ensure that the reduction of troops will minimally impact diplomatic operations in Iraq. The joint plan for reducing PRTs reflects careful planning between the two Departments to ensure a smooth transition during and after the U.S. troop drawdown and continuing to contribute to a sovereign, stable, and self-reliant Iraq.

There are currently 22 Provincial Reconstruction Teams (PRTs) in Iraq, with one PRT in each of the 15 provinces outside of the Kurdistan Regional Government (KRG) area, one team for the KRG located in Erbil, one embedded PRT (ePRT) in Anbar and five ePRTs in Baghdad. The ePRTs will consolidate into 16 PRTs by the end of August 2010, when the U.S. military will drawdown to 50,000 troops. As the military draws down from 50,000, the Departments of State and Defense have determined a suitable drawdown plan for 11 of the 16 PRTs, with the majority of PRTs closing down between spring and summer 2011, as the military resources become unavailable. By October 1, 2011, the Department of State will assume full responsibility for all roles, including security and logistics support, previously performed by military units at the five remaining provincial presence posts—Kirkuk, Ninewa, Basrah, Diyala, and Erbil.

PRTs slated to close will preserve and hand over key contacts so the five enduring provincial presences and the U.S. mission can maintain key engagements in these provinces. For example, the Basrah provincial presence post will be engaged with Muthanna, Dhi Qar, and Maysan provinces through a combination of visits by U.S.

officials to meet with provincial leaders, and Iraqi staff resident in each of the three provinces who would take direction from the post in Basrah. The other posts would have similar relationships with their neighboring provinces to ensure the United States continues to maintain relationships and influence with provincial leaders and communities and maintains situational awareness of threats to.

The vast majority of current military activities will transfer to the Iraqis with the USG only assuming responsibility where necessary. Ambassador Hill and General Odierno oversee this review process in Baghdad. In Washington, there is an inter-agency group, chaired by the Department of State, which meets to ensure appropriate coordination and support. The Vice President is actively engaged in overseeing the transition and holds regular meetings with senior staff, as well.

Question. The administration is requesting nearly \$1.57 billion in the FY 2010 supplemental request and \$1.8 billion in FY 2011 for diplomatic operations in Iraq.

How many diplomats do we currently have at Embassy Baghdad and roughly how many do we expect to have in January 2011 and January 2012.

Answer. As of March 12, 2010, there are 647 American State Department staff at Embassy Baghdad. This number includes Foreign Service officers and specialists, eligible family members (EFMs), Civil Service employees on limited, noncareer appointments (LNA), 3161 Civil Service employees, and personal services contractors (PSCs). It excludes locally engaged staff (LES), other agency staff, and security, life support, and maintenance contractors. The Chief of Mission has ultimate authority regarding staffing size and composition. Staffing numbers for 2011 and 2012 are estimates only.

At this time, utilizing the categories above, current estimates are 595 State Department staff in Embassy Baghdad in 2011 and 588 in 2012.

Question. According to the supplemental request, the Department plans to establish two consulates (in Basrah and “northern Iraq”), three Provincial Diplomatic Teams (Ninewah, Diyala, Kirkuk), as well as maintaining the PRTs in Najaf and Anbar open through 2011.

- (a) When are the consulates and PDTs expected to open? How will the three PDTs, two consulates and two remaining PRTs differ in function?

Answer (a). There are currently 22 Provincial Reconstruction Teams (PRTs) in Iraq, with one PRT in each of the 15 provinces outside of the Kurdistan Regional Government (KRG) area, one team for the KRG located in Erbil, one embedded PRT (ePRT) in Anbar and five ePRTs in Baghdad. The ePRTs will consolidate into 16 PRTs by the end of August 2010. All but five PRTs will close between spring and summer 2011, with the Najaf and Anbar PRTs closing last on September 30, 2011. PRTs in Basrah, Erbil, Ninewah, Diyala, and Kirkuk will remain past October 1, 2011. The Department of State has committed to assume full responsibility for all operations related to the five enduring provincial presences, including logistics and security support, by that date.

The five provincial presences will become increasingly strategic between now and October 1, 2011, and carry forward the most crucial lines of operation of their predecessor PRTs. The overall mission of the five enduring provincial presences will be to contribute to a sovereign, stable, and self-reliant Iraq by (1) mitigating and mediating Arab-Kurd, Sunni-Shia, and provincial-Baghdad tensions; (2) strengthening the capacity of provincial institutions in key flashpoint locations; (3) balancing foreign interference; (4) providing a platform for the United Nations (U.N.) and other organizations; (5) promoting the safe return and resettlement of displaced persons; (6) encouraging foreign investment and economic development; (7) reporting on strategic trends, events, and drivers of Iraqi instability; (8) presenting American policy and promoting American culture to the Iraqi people; and (9) providing limited services to American citizens.

The specific mission of each provincial presence will vary and individual teams will emphasize different parts of the overall mission statement depending on particular dynamics of the province, the mix of destabilizing forces and the strategic opportunities presented.

Two of the five provincial locations after October 1, 2011, will ultimately convert into U.S. consulates. We intend to have consulates in Basrah and a second location, pending discussions with and approval by the new Government of Iraq and U.S. congressional notification. The consulates will carry out the same missions as the other provincial presences, in addition to providing services for American citizens and possibly other traditional consular functions. Our goal is to have the two consulates inaugurated and providing limited services for Americans by December 31, 2011.

- (b) What portion of the Iraq operations budget is expected to be spent PDTs and PRTs in FY 2010 and FY 2011? What will the security costs be?

Answer (b). If the FY 2010 supplemental request is passed, the funding expected to be obligated in FY 2010 for the PDTs and PRTs is \$897.7 million. This includes funds carried forward from the FY 2009 supplemental, the FY 2010 enacted funding for Iraq Operations, and the FY 2010 supplemental request, if enacted. Of the estimated \$897.7 million, \$574.1 million is expected to be for security costs.

Based on current estimates, \$1.3 billion will be obligated in FY 2011 for PDT/PRT operations including \$885.1 million for security related costs, if the FY 2010 supplemental is enacted.

- (c) How will the State Department engage with the majority of provinces not home to consulates, PDTs or PRTs?

Answer (c). The United States is committed to maintaining nationwide reach in Iraq even as our military forces drawdown. By October 1, 2011, the Department of State will assume full responsibility for five provincial presences outside the Embassy, in Basrah, Erbil, Ninewah, Diyala, and Kirkuk. The Department of State will use these five regional diplomatic presences to monitor developments and maintain key relationships in their areas of responsibility. For example, the Basrah provincial presence will also be engaged with Muthanna, Dhi Qar, and Maysan provinces through a combination of visits by U.S. officials to meet with provincial leaders, and Iraqi staff resident in each of the three provinces who would take direction from the post in Basrah. The other posts would have similar relationships with their neighboring provinces to ensure the United States continues to maintain relationships and influence with provincial leaders and communities, and maintains situational awareness of threats to stability.

Question. The FY 2011 budget request includes \$400 million for the West Bank and Gaza. Please provide a breakdown of how this funding will be used. Also, please provide a breakdown on the assistance provided, as well as pledges, by other international donors.

Secretary Clinton pledged \$900 million at the “International Conference in Support of the Palestinian Economy for the Reconstruction of Gaza” at Sharm el-Sheikh in March 2009. Please provide the committee with a status update of this pledge.

Answer. The Department’s \$400.4 million request in FY 2011 for the West Bank and Gaza ESF program provides support for the Palestinian Authority (PA) to build transparent, accountable, and credible institutions of government; encourage economic development that can provide jobs for the Palestinian people; deliver higher quality government services; promote the rule of law in areas under the PA’s control; and continue humanitarian and recovery assistance to the people of Gaza. Our assistance matches the priorities in PA Prime Minister Salam Fayyad’s 2-year reform and institution-building program, which aims to establish the foundations of a future independent, viable Palestinian state that is a responsible neighbor to Israel and that can meet the needs of its citizens without reliance on external donor support.

The Department’s FY 2011 request for ESF will support the PA’s priorities in the following areas:

- \$200 million in direct budget support to the PA.
- \$72.5 million for the delivery of basic education, health, and water services.
- \$81.4 million in programs to help develop the environment for growth in the Palestinian private sector.
- \$15.5 million in food, medical, and other humanitarian assistance for Palestinians in the West Bank and Gaza.
- \$31 million to enhance democratic reform, respect for human rights and the rule of law, and increase civic engagement.

Donors largely have met their commitments from the 2007 Paris Donors’ Conference. According to conference organizers, donors have contributed \$5.5 billion in assistance to the PA over the past 2 years against total pledges of \$7.7 billion in support for the Palestinian Reform and Development Plan (2008–2010). We continue to pursue an aggressive outreach strategy to ensure timely delivery of assistance, and coordinate closely with other donors through the Ad Hoc Liaison Committee and local donor coordination mechanisms.

To date, the United States has provided a total of \$761 million against the more than \$900 million pledge that Secretary Clinton made at the Sharm al-Sheikh donors’ conference in March 2009. The pledge had three components:

Pledge Component: \$200 million in budget support to the PA

- The \$200 million in budgetary support was transferred to the Palestinian Authority in July 2009.

Pledge Component: Up to \$300 million for urgent humanitarian needs

- The United States has obligated \$208 million to date for assistance to the Palestinian people in the West Bank and Gaza through UNRWA, the World Food Programme, and other international and U.S. nongovernmental organizations.

Pledge Component: Up to \$400 million in support for the Palestinian Reform and Development Plan (PDRP)

- The United States has obligated \$353 million to date toward project assistance and security sector reform.

Question. Please provide to the committee, in a classified or unclassified format as appropriate, detailed information on the efforts the United States Government has undertaken to secure the release of four American citizens held in Iran: Shane Bauer, Joshua Fattal, Sarah Shourd, and Kian Tajbakhsh.

Answer. The Department of State is committed to ensuring fair and humane treatment for U.S. citizens detained overseas, and we stand ready to assist detained citizens and their families within the limits of our ability and authority in accordance with international law.

However, in countries, such as the Islamic Republic of Iran, where the United States does not have diplomatic or consular relations, the Department of State is limited in its ability to assist U.S. citizens who are detained or missing.

The Swiss Government, acting through its Embassy in Tehran, serves as protecting power for U.S. interests in Iran and provides consular services to U.S. citizens detained in Iran.

During consular visits with detained U.S. citizens, the Swiss often provide such items as reading material, letters from family members, food, changes of clothing, and toiletries.

U.S. citizens Shane Bauer, Joshua Fattal, and Sarah Shourd were detained in Iran during a hiking vacation in Iraqi Kurdistan, allegedly for crossing the unmarked border with Iran on July 31, 2009. Since then, the Swiss have been granted consular access to the three on two occasions; the most recent visit was on October 29. On March 9, the hikers were permitted to phone their families in the United States. This marks the first time in over 7 months that the families heard the voices of their loved ones.

Unfortunately, during the two consular visits with the hikers, Iranian officials did not permit the Swiss to present, either verbally or in written form, a Privacy Act Waiver, which would authorize the Department to share information about their cases. Without a Privacy Act Waiver, the Department of State is prohibited from providing further details on this case.

The Swiss have not been granted consular access to Kian Tajbakhsh or Reza Taghavi, who are dual Iranian-American citizens. The Iranian Government does not recognize dual citizenship and will not permit the Swiss to provide protective services for U.S. citizens who are dual Iranian nationals. We are in frequent contact with the families of both Dr. Tajbakhsh and Mr. Taghavi in the United States.

In the case of Robert Levinson, who disappeared during a business trip to Kish Island in March 2007, the United States continues to call on the Government of the Islamic Republic of Iran to provide any information on Mr. Levinson's whereabouts and follow through on its promise to share the results of its investigation with the Levinson family or the Swiss Embassy in Tehran.

In these and similar cases involving American citizens abroad, we use a variety of diplomatic tools to ensure that the host government understands the U.S. Government's concern for the welfare of its citizens abroad. One such tool is to issue official statements; the most recent such statement was issued on March 9, 2010, on the third anniversary of Mr. Levinson's disappearance. The text of the statement is noted below.

U.S. DEPARTMENT OF STATE
Office of the Spokesman

For Immediate Release
March 9, 2010
2010/279

STATEMENT BY PHILIP J. CROWLEY, ASSISTANT SECRETARY OF STATE
FOR PUBLIC AFFAIRS

Case of Missing U.S. Citizen Robert Levinson

Today marks the three-year anniversary of the disappearance of U.S. citizen Robert Levinson, who went missing in Iran during a business trip to Kish Island in 2007. Mr. Levinson will remain a priority for the United States until he is reunited with his family.

He is the father of seven children and grandfather of two—his second grandchild was born in his absence. The Levinson family misses him desperately and hopes he will be able to walk his daughter down the aisle later this year.

In December 2007, Mrs. Levinson first met with Iranian officials who expressed a willingness to share information about their investigation into her husband's disappearance with the family. We ask that Iran stand behind its commitment to provide full details about their authorities' investigation.

The United States also calls on Iran to resolve the cases of the five American citizens who are unjustly detained in Iran: Joshua Fattal, Shane Bauer, Sarah Shourd, Kian Tajbakhsh, and Reza Taghavi.

We ask anyone who may have information about Mr. Levinson to contact us or the Levinson family via their website: www.helpboblevinson.com

Question. While the State Department has proposed an overall increase in assistance to Yemen in its FY 2011 proposal, there has been a significant shift in the accounts that are used. For example, the Global Health and Child Survival and Economic Support Fund accounts increase from \$8m and \$5m, respectively, FY 2010 to a proposed \$21m and \$34m in FY 2011, while the budget proposal eliminated the Development Assistance account altogether in FY 2011 from \$35m in FY 2010.

- Why were such significant shifts in the Yemen accounts necessary?
- What impact do the shifts have on program continuity?

Answer. As part of our policy review of Yemen that began last year, USAID has developed a new 3-year country stabilization strategy for Yemen, which it will begin to implement in the coming months. The shift in accounts is simply to better reflect the nature of programs being funded. These funds will continue to go to the same programs articulated under the 3-year development stabilization strategy. The shift will have no effect on program continuity. For example, the increase in ESF is for USAID interventions designed to improve livelihoods and basic service delivery in communities in the country's most unstable areas. The increase in GHCS funding for Yemen will improve health care services for vulnerable populations. For further information, USAID's Yemen Country Strategy is available online at: http://www.usaid.gov/locations/middle_east/documents/yemen/USAIDYemen2010-2012Strategy.pdf.

Question. Please detail the limitations and constraints placed on USG personnel as a result of Yemen's challenging security context.

- To what extent are U.S. direct-hire staff able to access and oversee projects and programs, especially outside of Sana'a?

Answer. The challenging security environment does place limits on the movement of U.S. Government civilian personnel. However, the U.S. Government is working with Yemen and its international partners to help implement and oversee much-needed projects that address Yemen's challenging economic, social, and governance issues. USAID implements all programs through grantees and contractors with a presence in Sana'a as well as in governorates where programs are active. Their local staff members do not face the same security constraints as U.S. Government personnel, and thus have considerable geographic access and mobility.

Despite the deteriorating security situation, USAID continues to meet its development goals—especially in basic health and education—in areas where it continues operations, such as Shebwa and Amran governorates. In other areas, however, USAID has been compelled to reduce operations. USAID health and education activities in Sa'ada governorate were reduced in recent months because of the Houthi-Government of Yemen conflict. A similar situation exists in al-Jawf governorate because of ongoing tribal conflicts there.

Due to the urgent situation in Yemen and increased levels of development assistance, USAID recently devised a new 3-year strategy focusing on stabilization and addressing drivers of instability through integrated local development in targeted areas. Given security constraints and limited staffing, USAID will effectively implement the new strategy by investing in a robust monitoring and evaluation (M&E) project. This will enable continuous monitoring of individual project inputs and outcomes, as well as analysis of the overall impact of USAID programs on stability in Yemen. We look forward to briefing you further on our efforts as they develop.

Question. The United States is a party to the Vienna Convention on Consular Relations (VCCR), a multilateral treaty which grants individual foreign nationals a right of access to his or her consulate, and ensures that consular officials can visit their nationals and arrange for their legal representation. Additionally, the United States was a party to the VCCR Optional Protocol concerning the Compulsory Settlement of Disputes, which gave the International Court of Justice jurisdiction over disputes related to the VCCR. In *Avena and other Mexican Nationals*, the ICJ ruled that the United States must provide “review and reconsideration” for a group of Mexican nationals who were arrested and denied their consular rights and are now on U.S. death rows. In October 2009, I, along with Senators Leahy, Franken, Feingold, and Cardin sent a letter to Secretary Clinton and Attorney General Holder, requesting the administration’s input on how to ensure that the United States comply with its obligations under *Avena* and the VCCR. At the present time, we have not received a response. Please provide your views on what steps the administration and Congress can take to address this issue in a timely manner.

Answer. The Department shares your desire to ensure that the United States complies fully with its international obligations to provide consular notification to foreign nationals, and your goal of ensuring compliance with the ICJ’s *Avena* judgment. We look forward to working with Congress to address this issue.

Question. Burma.—All of us are deeply concerned by a Burmese court’s recent, politically motivated decision to sentence U.S. citizen Nyi Nyi Aung to 3 years of hard labor following several months of detention and mistreatment. The Department has made concerted efforts to secure Mr. Aung’s release, proceeding in a manner and at a level that it believes holds the best chance of producing a desirable outcome. These exertions have regrettably not produced the results we all seek.

What is your current assessment of Mr. Aung’s treatment and his overall physical condition? Is he being afforded regular access to his family and consular officials?

Answer. Consular officials have repeatedly made clear to Burmese officials the need to respect the rights of Kyaw Zaw Lwin (also known as Nyi Nyi Aung) and international conventions concerning the treatment of foreign prisoners.

During a March 12 consular visit, Mr. Lwin reported the current prison is more relaxed than Insein prison was, as he is able to communicate with other inmates during his twice daily exercise, and he is also able to purchase food and other goods from the outside the prison. Mr. Lwin reported no mistreatment. Mr. Lwin reported he is in good health except for recurring leg pain, for which prison officials have assured they will provide medical attention.

The Department of State has repeatedly requested immediate and more frequent consular access to Mr. Lwin. The Embassy will have consular access to Mr. Lwin again in 2 weeks, when his aunts will also be allowed to visit.

Question. Given that ongoing departmental efforts have not secured Mr. Aung’s release, is the Department considering pressing his case at a higher level to signal the priority the U.S. Government attaches to his freedom?

Answer. Throughout the detention of Kyaw Zaw Lwin (aka, Nyi Nyi Aung), the Department of State has engaged Burmese authorities at senior levels to press for his fair treatment, protest reported mistreatment, and urge more frequent consular access. We have repeatedly made clear to the Burmese Government that Mr. Lwin’s immediate release is a high priority for the United States Government, both within the administration and within the Congress. We will continue to work to secure his release in a manner that we believe has the best chance of achieving the outcome we all seek in this case.

Question. Climate/Environment.—The United States recently associated itself with the Copenhagen Accord and pledged to reduce greenhouse gas emissions in the range of 17 percent by 2020. There are now over a hundred countries associated with the Copenhagen Accord, of which approximately 60 countries have voluntarily inscribed carbon pollution reduction pledges.

(a) What are the next steps in implementing this Accord and what role do you see the administration playing in these efforts?

(b) How does the administration plan to deliver on its contribution to the global climate finance goal of \$100 billion annually by 2020? Recognizing that this finance goal will be reached through a combination of support from both the public and private sectors, what mechanisms do you find most promising for mobilizing these sectors?

(c) Do you believe that domestic legislation is necessary to fulfill our mitigation commitment? How would failure to pass legislation impact the implementa-

tion of the Copenhagen Accord and the ability of the global community to achieve necessary reductions?

Answer (a). To date, 104 countries have associated with the Copenhagen Accord, accounting for more than 80 percent of global greenhouse emissions. We will continue to encourage countries to associate with the Accord and inscribe their commitments to mitigate their greenhouse gas emissions. At the same time, we are now working with partners in a variety of fora to operationalize all elements of the Accord, including the provisions on mitigation, transparency, and financing.

Answer (b). In Copenhagen, in the context of meaningful mitigation actions and transparency on implementation, we committed to working with other developed countries to jointly mobilize USD\$100 billion a year by 2020. We anticipate continued scaling-up of public financing through bilateral and multilateral channels, particularly to support adaptation, capacity-building, and other developing country climate priorities, as well as work to reduce barriers to market-based approaches.

However, private sector finance driven by carbon markets is anticipated to account for the majority of funding flows to mitigate greenhouse gas emissions. While governments cannot direct private capital, creating the right incentive structure can help accelerate an already strong trend toward low-carbon investment. Domestic mitigation targets will be essential in directing investment flows toward low-carbon alternatives in each sector, and efficient and liquid carbon markets will be important in transmitting the carbon price signal throughout the economy.

Strong federal legislation with a cap-and-trade component could significantly assist our efforts to meet these climate finance objectives—in particular, through auctioning set-asides and international offset provisions.

Answer (c). The administration supports the passage of comprehensive clean energy and climate legislation to bolster the American economy, enhance our national security, set the United States on a path to reduce our greenhouse gas emissions and be a leader in clean energy technology. Failure to pass legislation would negatively impact the leadership position of the United States in the climate negotiations and the ability of the global community to achieve necessary greenhouse gas reductions.

Question. Black carbon soot is estimated to be a significant contributor to rising global temperatures, with recent studies estimating that it is responsible for 18 percent of the planet's warming, compared to 40 percent for carbon dioxide—placing it in the top three of the strongest climate-forcing agents. Last July, the G8 Leaders Statement committed to addressing these soot emissions. The administration took a step forward in December when it announced in Copenhagen that it would commit \$5 million to jump start international cooperation on a strategy to reduce black carbon emissions in the Arctic. What else are you doing to follow up on the G8 commitment to take rapid action to address black carbon and what more needs to be done in terms of international cooperation on black carbon?

Answer. There are at least two important fronts for international cooperation on black carbon. The first is mitigation. As you note in your question, recent scientific studies have indicated that black carbon is a potent warming agent. The \$5 million initiative that we announced in Copenhagen last December was an important step forward, but it was never intended to be sufficient by itself. We are working with our partners in the Arctic Council to build this into a broader initiative that will include active participation by all Arctic countries. We've started in the Arctic on account of its strong sensitivity to black carbon pollution, but we expect that United States and Arctic Council leadership on this issue will lead to even broader efforts in the very near future.

The second front for international cooperation is in research. While we know that black carbon is cause for concern, we still have much to learn about the nature of its sources, transport, and impacts. We're proud of the work that U.S. scientists have done to promote international cooperation on these research topics, through the Arctic Council's Arctic Monitoring and Assessment Program and its Taskforce on Short-Lived Climate Forcers, as well as in an emerging effort under the UNECE Convention on Long-Range Transboundary Air Pollution (LRTAP). An expert group under LRTAP has been convened to consider whether there are ways to specifically address black carbon as part of ongoing efforts under LRTAP to look at mitigation of particulate matter emissions. We also continue to promote bilateral research initiatives involving scientists from NOAA and EPA, among others. Such research efforts are critical to improve our understanding of black carbon as a pollutant and to inform effective mitigation efforts.

Question. In the FY 2011 budget, there is \$57 million allocated to State Department for climate adaptation efforts and \$187 million for USAID. Please describe the

types of efforts you expect State and USAID to engage in that provides the best benefits to people adapting to the impacts of climate change. More specifically, please describe the role you see for ecosystem based adaptation or the use of biodiversity and ecosystem services as part of an overall adaptation strategy within State and USAID.

Answer. Our funds will focus on helping countries adapt to and build resilience to the impacts of climate change. We will particularly target our resources to the least developed countries (LDCs), small island developing states (SIDS), and African countries, which will be the most severely affected by the impacts of climate change. FY 2011 adaptation assistance will build on the significant new funding for adaptation in the enacted FY 2010 budget.

Programming will support investments in science and analysis for decision making; promote governance systems that are inclusive, transparent, and responsive to the needs of their constituents; and implement climate solutions as integrated components of other development activities that are compromised by climate change.

In FY 2011, we also propose to launch a new USAID program to benefit the Pacific islands that focuses on climate change adaptation. USAID programs will extend the Famine Early Warning System and other climate forecasting technology systems such as SERVIR to help vulnerable counties adapt. The State Department will make contributions to the multilateral Least Developed Country Fund and Special Climate Change Fund, which both focus on adaptation assistance for the most vulnerable countries, and to the U.N. Framework Convention on Climate Change (UNFCCC) for its adaptation work.

Ecosystem-based adaptation will play an important role in USG adaptation assistance. For example, climate change is expected to alter rainfall patterns, which will exacerbate erosion and groundwater retention problems in degraded ecosystems. One way to achieve the adaptation goals of improving water supply and quality is by improving the state of the watershed ecosystem services.

A concrete example: USAID's East Caribbean Regional Mission is developing an adaptation program that will combat climate stresses on water and coastal resources through watershed restoration and the use of natural processes. This natural approach has the multiple benefits of providing shade, reducing erosion on hillsides, promoting groundwater recharge, and reducing pollutant discharges to reefs and fisheries, which provide for food and attract tourists.

Question. Last year, the administration proposed a joint initiative with Mexico and Canada to use the Montreal Protocol to phase down hydrofluorocarbons, or HFCs, a significant greenhouse gas used in refrigeration, mobile air conditioning, and foam-blowing. What proactive steps will the administration take to promote the phase-down of HFCs this year?

Answer. The administration recognizes the considerable climate benefits which could arise from a phase down in the consumption and production of HFCs. We continue to support an amendment to the Montreal Protocol to address HFCs, and are working with Canada and Mexico on a proposal for consideration in 2010. We will also work with other key developing countries, such as China and India, to better understand their concerns and find ways to make progress on this important issue.

Question. As part of the \$10 billion per year fast-start funding for 2010–12, specifically what types of initiatives and climate finance efforts do you see funded and do you envision the noncarbon dioxide fast-action strategies as part of this effort?

Answer. The U.S. contribution to collectively provide, with other developed countries, funding approaching \$30 billion for the period 2010–12 will be composed of a mix of direct assistance programming through USAID and the State Department and programming (through both Treasury and State Department mechanisms) to multilateral funds such as the Climate Investment Funds, Forest Carbon Partnership Facility, Least Developed Countries Fund, and Special Climate Change Fund.

The USG's approach combines bilateral assistance with multilateral initiatives to help ensure our developing country partners have the capacity to take advantage of new multilateral funds and private-sector financing.

Within the U.S. climate change assistance "pillars" of Clean Energy and Sustainable Landscapes, we will place particular emphasis on partnering with developing countries that support the Copenhagen Accord and are willing to create and implement Low Carbon Development Strategies. USAID will also continue to partner with EPA, the UNFCCC, and other donors to help countries meet their new obligations under the Accord to complete national greenhouse gas inventories every 2 years. Our bilateral assistance will begin laying the groundwork that will enable developing countries to take part in emerging international carbon markets and develop new low carbon sectors of their economies.

The Department of Treasury is the primary vehicle by which the U.S. Government provides contributions through multilateral delivery channels, including the Climate Investment Funds and the Global Environment Facility. Multilateral assistance promotes institutional structures governed jointly by developed and developing countries, which are needed for a coordinated, global response to climate change. Multilateral institutions complement bilateral assistance by leveraging contributions from other donors, making capital investments in infrastructure, providing a range of tailored financial products, and working across a number of countries.

We believe that addressing noncarbon dioxide, short-lived climate forcers such as black carbon, methane, and tropospheric ozone is also an important part of the overall strategy to combat climate change. These types of activities are a feature of several of the programs and initiatives mentioned below.

In Copenhagen, the United States announced several new initiatives. The United States and five other developed countries collectively pledged \$3.5 billion over the 2010–12 periods for REDD+ (Reducing Emissions from Deforestation and Degradation) activities. We also joined four other countries in the 5-year, \$350 million Renewables and Efficiency Deployment Initiative (Climate REDI), which will promote improved appliance and efficiency standards, expansion of markets for solar lanterns and solar home devices, the new multilateral Scaling Up Renewable Energy Program (SREP, one of the Climate Investment Funds), and a clean energy information platform. We have committed \$85 million over 5 years to this initiative. In addition, the United States committed \$5 million “toward international cooperation to reduce black carbon emissions in and around the Arctic.” We anticipate other countries will also contribute to this effort.

In addition to the initiatives announced in Copenhagen, we intend to support initiatives developed under the Major Economies Forum on Energy and Climate (MEF) process. We also intend to continue funding the multilateral Methane to Markets Initiative, which focuses on innovative ways to capture, store, and use methane from such sources as landfills, mining shafts, leaking gas pipelines, agriculture, and flared gas.

Question. In your talk last year to the Antarctica Consultative Group, you mentioned other noncarbon dioxide gases, the so called short-term forcers, which include black carbon, hydrofluorocarbons, methane, and ground-level ozone. What role do you see the United States playing to help develop fast-action mitigation and carbon-negative strategies? Have you considered the benefits of a governmentwide task force on fast-action mitigation strategies targeting increased use of biochar or promoting enhanced urban albedo, the white roofs Secretary Chu is calling for to reflect solar radiation back into our atmosphere? What other strategies could help advance this promising effort?

Answer. On short-lived forcers, the United States has taken a clear leadership role internationally. From our Arctic black carbon initiative to our trilateral North American proposed amendment to the Montreal Protocol to the continuing strong work of the Methane to Markets partnership, we have worked to bring nations together to act on a broad range of short-lived forcers. This same range of strategies, including catalytic initiatives, international conventions, and public/private partnerships, can be leveraged to promote additional mitigation strategies as they are identified.

Question. Multilateral climate negotiations remain high on the international agenda. It is widely believed that increased help to the developing countries, to reduce their carbon emissions from forest destruction (REDD), will be a key to success. To what extent is the administration’s \$347 million request for sustainable landscapes focused on capacity-building activities for REDD as distinct from traditional conservation activities? Can you provide a quantitative breakdown of the funds for these two purposes?

Answer. Our \$347 million request for sustainable landscapes in FY 2011 is distinct from our traditional conservation activities (AKA biodiversity program), although there may be a small overlap in places. Biodiversity and Sustainable Landscapes funds will be programmed toward their respective objectives, the former being conserving priority species and ecosystems, the latter being transitioning countries toward long-term emissions reductions and increased sequestration related to forests (REDD-plus).

Prior to FY 10, much of our biodiversity funding was also intended to contribute to our climate change objectives. Beginning with FY10 and continuing with FY11, the President has requested funding specific to climate change, including Sustainable Landscapes. These requests are aligned with the intent of the FY 2010 Appropriations bill’s Statement of Managers, which directed that Sustainable Landscapes

funding should be used to support activities to maximize climate change mitigation and should not duplicate efforts implemented through biodiversity programs.

The administration's formal FY 2010 guidance on implementing Sustainable Landscapes Programs says that such programs must not be attributed to other foreign assistance objectives. In addition, those programs should address one or more of the following policy priorities:

1. Creation or implementation of national or subnational REDD-plus strategies;
2. Greenhouse gas inventories and accounting;
3. Forest carbon market readiness;
4. Targeted field demonstrations and investments.

We anticipate that FY 2011 guidance will be similar.

In addition to the \$175 million for USAID Sustainable Landscapes program in the FY 2011 request, the \$347 million total includes: \$20 million for the Tropical Forest Conservation Act; \$95 million and \$15 million for the World Bank's Forest Investment Program and Forest Carbon Partnership Facility (both with a specific climate change focus), respectively; \$32 million to the Global Environment Facility for projects to reduce greenhouse gas emissions from forests and landscapes; and an additional \$10 million to international agencies, including the U.N. Framework Convention on Climate Change, IUCN, and the International Tropical Timber Organization.

There is the potential that Sustainable Landscapes and biodiversity funds may be used in projects that meet the objectives of both programs, in which case they will be accounted for separately. The administration's FY 11 Congressional Budget Justification (CBJ) narrative (which will be posted online shortly at <http://www.state.gov/documents/organization/137936.pdf>), will have break-outs for both these initiatives.

RESPONSES OF SECRETARY OF STATE HILLARY CLINTON TO QUESTIONS SUBMITTED BY
SENATOR RICHARD G. LUGAR

Question. The administration's FY 2011 request calls for \$100 million in new Economic Support Funds (ESF) to help fund some of the initiatives to reach out to the world's Muslim communities that President Obama articulated in his June 4, 2009 Cairo speech.

We understand from staff briefings that the baseline funding for these kinds of programs in FY 2010 is about \$700 million. Given the importance of the Cairo speech and the emphasis that the President has placed on forging new partnerships with the Muslim world, is an increase of \$100 million (about 14 percent) sufficient for the transformative kind of engagement envisioned by the President?

Answer. The vision that the President called for in his Cairo speech is to reframe our relations with Muslims around the world based on partnership; to seek a "New Beginning" based on working together and building alongside each other in areas of mutual interest and the areas that people care most about in their everyday lives. This is a long-term vision.

It is also important to note that this new funding is meant to build upon and complement our broader engagement efforts, including our existing foreign assistance and development work, public diplomacy and our day-to-day diplomatic efforts in USAID missions and embassies around the world. Fully integrated with our broader efforts, new programming will have a much greater impact than if it were treated as a separate, standalone effort.

Still, we do not expect to transform people's lives completely in the first year of this effort. But, we do expect to make it clear that we are in fact delivering on the President's words and vision with deeds and with tangible programs and partnerships that address peoples' needs and their aspirations.

In the near-term we want to lay the foundation for our efforts and deliver tangible programs and partnerships that substantiate the President's and Secretary's vision. The \$100 million of new funds requested will support programs we are developing in key areas of focus: Economic Opportunity, Science & Technology, and Human Development with an emphasis on youth and women and girls. Programs will build on local capacity and have a wide reach—both in terms of the people impacted and the symbolic resonance of the effort undertaken. We want these programs to be developed in partnership with local stakeholders and to have a demonstrable impact on people and communities in the areas where they are established.

We expect to leverage that funding in several ways, so that it will have a multiplier effect. In some cases, small investments of funding could provide local stakeholders the tools and platforms—and attract other funders—to support those local

efforts. In other cases, funding will help develop the enabling environment needed to attract other donor support or investment. In addition, we are bringing a “whole-of-government” approach to this effort so that we can capitalize on resources available in other U.S. Government agencies, ranging from Overseas Private Investment Corporation to the National Science Foundation.

By working on programs with a wide base of partners and stakeholders and by leveraging the expertise and capabilities of the private sector, we expect that these programs and partnerships will achieve a wider reach and produce deeper developmental results.

Question. What kind of plans are in place to ensure the sustainability of any new programs that are launched?

Answer. Sustainability will be vital to the “New Beginning” and one of our key measurements for success. There are three primary keys to sustainability. The first is our focus on local ownership. We will identify the most proven and effective local groups. These are the groups that are in communities: that are vested and will be there for the long-haul. Our aim will be to provide the most effective USG tools and private sector tools to support, advance, and scale their efforts. By supporting what is already there and has already demonstrated success, we will help to ensure the durability and sustainability of those efforts.

For example, as part of our goal to support entrepreneurship, USAID recently organized an outreach “listening session” in Cairo with representatives of the local and regional private sector exploring issues associated with entrepreneurs’ access to finance. We have involved USG participation across U.S. Government agencies in these listening sessions, and are feeding the resulting information into our program planning. These listening sessions are a vehicle not only to benefit from the perspective of local stakeholders, but to identify the most effective and impactful groups, who are already delivering for their communities. These are the groups we aim to partner with and support—thereby unleashing unfulfilled potential at the local level for long-term durability and success.

Second, we will build on our existing approach to public-private partnerships. Our focus will be interest-based collaboration. We are spending time with key private sector partners to better understand their objectives and interests and attempting to forge partnerships based on shared interests—which will help those partnerships to endure and be sustainable.

Finally, USAID, as the operating home for this effort, will work closely with the Department of State to ensure that the programs funded through Global Engagement are integrated and leveraged with existing programming, that these efforts are sustainable, and that they are best suited to enhancing our Muslim engagement policies. For example, we hope to implement a new holistic approach to youth programming with the aim to promote a responsible and successful transition to adulthood. Current programs typically address challenges from a single-sector such as Economic Growth or Health. This funding would be used instead to support programs that cut across sectors. For example, we will advance basic education linked to opportunities for higher education, vocational training, or employment; reduce barriers and increase opportunities for decent work through policy reform, skills training, mentoring and public-private partnerships; and support access to quality health and social services.

For all the programs and activities in this area, we are working with our missions abroad to develop these programs to be both developmentally sound and responsive to local expression of priorities and need. We are using USAID’s strategic resource management tools to ensure that programs are results-driven and have a strong monitoring and evaluation component built in from the beginning.

Question. Is the administration seeking to develop new public-private partnerships in this realm?

Answer. Yes. Public-private partnerships (PPPs) are the framework for the vast majority of the programming in this area. The President’s Cairo speech generated great enthusiasm from private sector actors for working with the USG to further the President’s vision and goals. Funding requested will help to establish a range of programs which will help us to leverage and harness private sector enthusiasm both at home and overseas. In addition, one of the primary objectives of this effort is building people-to-people ties and working together—this is best achieved through building programs with a wide base of partners around a shared effort.

We have already begun private sector outreach leveraging USAID’s Global Development Alliance, State’s Global Partnership Initiative and the broader interagency team’s existing network of partners; in addition we are reaching out to and cultivating new partners, who have been interested in working with the USG in re-

sponse to the President's speech. We have asked our embassies in key countries to engage with their host country's private sector to explore public-private partnerships to advance the New Beginning. As the Special Representative to Muslim Communities visits with civil society leaders in Muslim communities around the world, she is consistently seeking out the best civil society organizations with whom embassies can partner at the local level. At home, we are exploring collaboration with leading Silicon Valley companies, NGOs and foundations. There is very high interest and a wide range of exciting opportunities. Funds requested will help to seed and catalyze many of these partnerships.

Question. We understand that the Director of Policy Planning (S/P) has the lead in coordinating ideas for implementation of vision articulated in the Cairo speech. Without operational capacity of its own, S/P will have to hand off day-to-day management of these initiatives, however. How do you envision this process playing out?

Answer. S/P has the lead in coordinating the specific "deliverables" of the Cairo speech, while S/SRMC has the overall policy lead on Muslim engagement at the Department of State. S/P, S/SRMC and USAID work closely together, and will work jointly to ensure that programs meet our policy objectives. USAID has the global reach, technical expertise, and procurement capability to be the operational home for this effort. We view this as an opportunity to model State-USAID collaboration across both agencies.

Another key to making this a success is the effort already underway to develop a results-based framework. This framework will set clear performance objectives for all three baskets of activities and will include strict criteria against which proposed activities will be reviewed before funding decisions are made. A rigorous monitoring and evaluation component will also be applied in order to ensure our programs are having the desired measurable impact.

Question. The administration's FY 2011 foreign assistance budget request highlights support for Yemen as a key foreign policy objective. Please elaborate on plans for increased assistance for Yemen. At the late January meeting in London of the "Friends of Yemen," participants are reported to have agreed to a five-point plan to help address the multitude of challenges Yemen faces, including the need for improved coordination among international donors. How has the United States altered its approach to providing assistance to Yemen in the aftermath of this meeting?

Answer. President Obama has recognized the need to intensify our efforts in Yemen, as is reflected in our increasing foreign assistance to Yemen. Foreign assistance has been steadily increasing, from \$17.2 million in FY 2008 to \$40.3 million in FY 2009. The latter figure does not include approximately \$67 million in FY 2009 1206 funds or other humanitarian funds. We estimate FY 2010 assistance will be \$67.2 million, and the President's FY 2011 budget requests \$106.6 million for Yemen, representing a 59-percent increase over FY 2010.

Yemen is a key foreign policy priority for this Administration. Our basic strategy is two-pronged. We are simultaneously working with the Government of Yemen to improve its capacity to combat terrorism in the short term while seeking longer term improvements in the government's capacity to govern the country and meet the population's essential services needs. The United States will provide assistance and support, but Yemen is a sovereign nation responsible for its own development and security.

We are seeking to stabilize the country through a variety of training and development programs to improve governance, defense and counterterrorist forces' capabilities, and maritime and border security. As part of a U.S. policy review of Yemen that began last year, USAID has developed a new country strategy for Yemen, which it will begin to implement in the coming months. USAID intends to spend \$121 million over the next 3 years, subject to the availability of funds, on stabilization initiatives in Yemen to increase youth employment and other economic opportunities (including agriculture); improve government service delivery in education and health care; support transparent, decentralized governance; and empower youth, women, and other marginalized groups to participate in the political process. Middle East Partnership Initiative (MEPI) projects address key administration priorities including offering positive futures for Yemeni youth, empowering Yemeni women, promoting job creation and education, and encouraging political reform and peaceful civic participation for all Yemeni citizens. A Bureau of Democracy, Human Rights and Labor (DRL) program in Yemen is increasing public awareness and understanding of religious freedom and tolerance with a particular focus on youth. New programs will support independent media and access to information to promote government transparency and accountability. Through these efforts, we intend to change the base conditions that make Yemen a fertile breeding ground for al-Qaeda.

We are also increasing our multilateral efforts to help Yemen confront its immediate economic, social, political, and security challenges while paving the way for necessary long-term reforms. At January's London Meeting on Yemen, the international community reaffirmed its shared goal of a peaceful, prosperous, and united Yemen. This meeting was not a donor's conference, but sought to consolidate international support for Yemen's political and economic reform efforts. It launched the Friends of Yemen process, which will provide sustained international engagement with Yemen to address the broad range of challenges facing the country. The Friends of Yemen will seek to identify priority immediate and long-term actions for the Yemeni Government to take, through two working groups focusing specifically on (1) economy and governance and (2) justice and the rule of law. The Government of Yemen and the group of Friends will discuss ways and means of implementing Yemen's National Reform Agenda, including through better donor coordination on the ground.

Neither the London meeting, nor the subsequent Friends of Yemen process, has altered the U.S. approach to providing assistance to Yemen. Increased U.S. engagement with and assistance to Yemen are the result of a policy review that the administration conducted in 2009; USAID's new stabilization strategy for Yemen, which will guide its programs there, predated the London meeting, as did MEPI's comprehensive programmatic interventions. USAID is currently reviewing proposals for its new program, which should be implemented in the coming months. While foreign assistance to Yemen is increasing, it is important to note that the U.S. Government will not program these funds directly through the Yemeni Government. The U.S. Government did not make any new funding commitments at the London meeting.

Question. Three American citizens—Sarah Shourd, Shane Bauer, and Josh Fattal—have been imprisoned in Iran since July 2009 for illegally entering the country while they were trekking in the mountains along Iran's border with Iraq. They have since been charged with espionage. Separately, the Iranian regime has jailed other U.S. or dual nationals, including Reza Taghavi, who has been detained without charges since May, 2008; and Dr. Kian Tajbakhsh, who was jailed in July 2009, in a crackdown against protesters following the June 12 elections. Meanwhile, the Iranian Government has provided little information on the whereabouts or well-being of Robert Levinson, a U.S. citizen who went missing in Iran in 2007. What is the status of the administration's efforts to resolving these and other such cases, and what is the strategy for overcoming the obstacles that have thus far prevented their resolution.

Answer. The Department of State is committed to ensuring fair and humane treatment for U.S. citizens detained overseas, and we stand ready to assist detained citizens and their families within the limits of our ability and authority in accordance with international law.

However, in countries, such as the Islamic Republic of Iran, where the United States does not have diplomatic or consular relations, the Department of State is limited in its ability to assist U.S. citizens who are detained or missing.

The Swiss Government, acting through its Embassy in Tehran, serves as protecting power for U.S. interests in Iran and provides consular services to U.S. citizens detained in Iran.

During consular visits with detained U.S. citizens, the Swiss often provide such items as reading material, letters from family members, food, changes of clothing, and toiletries.

U.S. citizens Shane Bauer, Joshua Fattal, and Sarah Shourd were detained in Iran during a hiking vacation in Iraqi Kurdistan, allegedly for crossing the unmarked border with Iran on July 31, 2009. Since then, the Swiss have been granted consular access to the three on two occasions; the most recent visit was on October 29. On March 9, the hikers were permitted to phone their families in the United States. This marks the first time in over 7 months that the families heard the voices of their loved ones.

Unfortunately, during the two consular visits with the hikers, Iranian officials did not permit the Swiss to present, either verbally or in written form, a Privacy Act Waiver, which would authorize the Department to share information about their cases. Without a Privacy Act Waiver, the Department of State is prohibited from providing further details on this case.

The Swiss have not been granted consular access to Kian Tajbakhsh or Reza Taghavi, who are dual Iranian-American citizens. The Iranian Government does not recognize dual citizenship and will not permit the Swiss to provide protective services for U.S. citizens who are dual Iranian nationals. We are in frequent contact with the families of both Dr. Tajbakhsh and Mr. Taghavi in the United States.

In the case of Robert Levinson, who disappeared during a business trip to Kish Island in March 2007, the United States continues to call on the Government of the Islamic Republic of Iran to provide any information on Mr. Levinson's whereabouts and follow through on its promise to share the results of its investigation with the Levinson family or the Swiss Embassy in Tehran.

In these and similar cases involving American citizens abroad, we use a variety of diplomatic tools to ensure that the host government understands the U.S. Government's concern for the welfare of its citizens abroad. One such tool is to issue official statements; the most recent such statement was issued on March 9, 2010, on the third anniversary of Mr. Levinson's disappearance. The text of the statement is noted below:

U.S. DEPARTMENT OF STATE
Office of the Spokesman

For Immediate Release
March 9, 2010
2010/279

STATEMENT BY PHILIP J. CROWLEY, ASSISTANT SECRETARY OF STATE
FOR PUBLIC AFFAIRS
Case of Missing U.S. Citizen Robert Levinson

Today marks the three-year anniversary of the disappearance of U.S. citizen Robert Levinson, who went missing in Iran during a business trip to Kish Island in 2007. Mr. Levinson will remain a priority for the United States until he is reunited with his family.

He is the father of seven children and grandfather of two—his second grandchild was born in his absence. The Levinson family misses him desperately and hopes he will be able to walk his daughter down the aisle later this year.

In December 2007, Mrs. Levinson first met with Iranian officials who expressed a willingness to share information about their investigation into her husband's disappearance with the family. We ask that Iran stand behind its commitment to provide full details about their authorities' investigation. The United States also calls on Iran to resolve the cases of the five American citizens who are unjustly detained in Iran: Joshua Fattal, Shane Bauer, Sarah Shourd, Kian Tajbakhsh, and Reza Taghavi.

We ask anyone who may have information about Mr. Levinson to contact us or the Levinson family via their website: www.helpboblevinson.com.

PAKISTAN

The FY 2010 budget for Pakistan reflects a Foreign Assistance amount very close to the Kerry-Lugar Pakistan bill authorization level of \$1.5 billion. An additional \$344 million is requested in the administration's 2010 supplemental budget request.

Question. a. Have all FY 2009 Foreign Assistance resources for Pakistan been expended? What if any remain in what sectors?

Answer. No, the majority of the FY 2009 supplemental funds have not yet been expended. However, they will all be obligated prior to the end of September 2010. Please see attached chart.

Question. b. What have been the primary challenges in spending the amounts appropriated?

Answer. Challenges to the effective implementation of U.S. and other donor assistance programs include: the poor security situation and presence of extremist elements in many parts of the country; Pakistan's limited capacity to absorb and effectively use external resources; public sector corruption; suspicion of U.S. intentions and long-term commitment; and the possibility that the Government of Pakistan may take time to implement key policy reforms that will help sustain U.S. and other donor assistance. These challenges underscore the importance of designing programs that help build implementation capacity and rigorous performance monitoring, and of intensifying diplomatic efforts to persuade Pakistan to implement much-needed policy reforms.

Question. c. Would you provide the committee the amount of FY 2010 appropriations expended to date by purpose and type of implementation mechanism, in percent of total and dollars? The implementation mechanism is intended to inform Congress of the manner in which the resources are channeled to implement the program—e.g., through direct programming through a U.S. contractor/local contractor, through a trust fund mechanism, through quasi-governmental Pakistani entity/

NGO, through Pakistan Government entity Federal/Provincial/local, or other channel.

Answer. We anticipate submitting the FY 2010 Spend Plan to Congress shortly.

Question. d. Would you provide a similar breakdown as described above (b) of remaining resources expected to be expended in FY 2010 for Pakistan?

Answer. Challenges faced in FY 2009 will likely remain in FY 2010. Security concerns will continue to prevent U.S. personnel from direct monitoring and evaluation in conflict-affected areas. We will rely on alternative mechanisms, such as monitoring and evaluation by locally employed staff (LES) and independent Pakistani CPA firms, as well as the use of a geographic information system.

Most of our new implementation partners will have management capacity issues that will require USAID to provide institutional strengthening and collaborative oversight. As Pakistan's government structures and civil service, especially in the FATA, KPk, and Balochistan, continue down a lengthy path of reform and capacity-building, we should expect their absorption capacity to be limited at first, and grow with time. Potential areas of institutional vulnerability include budget and procurement systems, internal control, accounting, and institutional policies. By investing in these areas, we are accepting the risk of loss of funds through inefficiency, theft, or general lack of capacity to handle large amounts of funding.

It will also take time for the GOP to implement key policy reforms needed to accelerate transformation of the economy, and the GOP will require ongoing support and pressure from the international community to maintain its commitments. Benchmarks the GOP will need to meet by the next IMF review in August include: implementing the Value-Added Tax; meeting deficit targets and setting a sound macroeconomic framework for the next fiscal year; and adjusting energy prices and performance to eliminate subsidies.

Question. e. Would you provide a prospective purposes, timetable, and implementation mechanism for the planned expenditure of the \$344 million additional resources requested in the FY 2010 supplemental budget request?

Answer. Please see attached FY 2010 supplemental budget request which describes the purposes of the funding. Resources are needed to implement our civilian assistance strategy and help the Government of Pakistan address urgent demands for improved power supply, water sanitation, income support to families affected by conflict, and policing. The specific timetable and implementation mechanisms will be set upon date and level of appropriation; however, it is our intention to fully obligate all of these resources within the near future.

USAID/Pakistan FY2010 Quarter 1 Unliquidated Obligations Report												
ESF, DA, GSH Funds in Millions												
Sector	Total Appropriations FY 2002 to FY 2009 (estimated)	FY 2010 Estimate	Total Appropriations FY 2002 to FY 2010	Total Funds Appropriated, but not Obligated (Column F - D)	Total Obligations since FY2002	Sub-Obligations since FY2002	Disbursements since FY2002 (I)	Unliquidated Obligations as of 12/31/09	FY10 Q1 Monthly Burn Rate	Months in Unliquidated Obligations at Q1 Monthly Burn Rate		
Education	\$436.57	\$270.16	\$706.73	\$270.16	\$436.57	\$386.44	\$315.11	\$121.47	\$8.1	15		
Governance	\$139.41	\$137.57	\$276.99	\$137.57	\$139.41	\$84.71	\$76.63	\$62.78	\$1.5	42		
Health	\$292.34	\$106.41	\$388.76	\$106.41	\$292.34	\$227.39	\$186.72	\$105.62	\$7.4	14		
Economic Growth	\$245.76	\$251.80	\$497.56	\$251.80	\$245.76	\$118.24	\$62.51	\$183.25	\$4.6	40		
Social Assistance	\$0.00	\$20.00	\$20.00	\$20.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.0	0		
EQ Reconstruction	\$204.36	\$18.28	\$218.63	\$18.28	\$204.36	\$144.43	\$105.14	\$99.21	\$2.9	34		
FATA	\$220.19	\$0.00	\$220.19	\$0.00	\$220.19	\$132.89	\$82.13	\$138.06	\$6.1	23		
Emergency Supplemental	\$247.00	\$0.00	\$247.00	\$0.00	\$247.00	\$20.96	\$0.00	\$247.00	\$2.5	100		
Cash Transfer	\$1,782.00	\$195.00	\$1,987.00	\$195.00	\$1,762.00	\$1,632.00	\$1,632.00	\$130.00	\$14.7	0		
USAID TOTAL	\$3,547.63	\$996.22	\$4,543.86	\$996.22	\$3,547.63	\$2,787.07	\$2,460.24	\$1,087.39	\$47.7	23		
INCLE, FMF, PCCF, IMET, NADR												
	Total Appropriations FY 2002 to FY 2009 (estimated)	FY 2010 Estimate	Total Appropriations FY 2002 to FY 2010	Total Funds Appropriated, but not Obligated (Column F - D)	Total Obligations since FY2002	Sub-Obligations since FY2002	Disbursements since FY2002 (I)	Unliquidated Obligations as of 12/31/09	FY10 Q1 Monthly Burn Rate	Months in Unliquidated Obligations at Q1 Monthly Burn Rate		
INCLE*	\$445.99	\$130.00	\$576.16	\$130.00	\$445.99	\$377.45	\$301.30	\$144.69	\$4.40	33		
FMF	\$1,864.43	\$238.00	\$2,102.43	\$238.00	\$1,864.43	\$0.00	\$1,832.19	\$232.25	\$21.89	11		
PCCF**	\$700.00	\$0.00	\$700.00	\$0.00	\$700.00	\$7.25	\$100.80	\$62.70	\$33.60	3		
IMET	\$9.11	\$6.00	\$14.11	\$6.31	\$8.80	\$0.00	\$7.08	\$1.74	\$0.20	9		
NADR - ATA	\$66.03	\$20.60	\$86.53	\$35.98	\$50.57	\$0.00	\$43.03	\$7.54	\$0.50	25		
NADR - CTF	\$1.54	\$0.17	\$1.70	\$0.32	\$1.39	\$0.00	\$0.26	\$1.13	\$0.01	156		
NADR - EXBS	\$4.67	\$0.63	\$5.50	\$1.63	\$3.86	\$0.00	\$2.80	\$1.06	\$0.08	14		
NADR - TIP	\$3.17	\$0.68	\$3.83	\$0.66	\$3.17	\$0.00	\$3.17	\$0.00	\$0.09	0		
GPOI	\$1.56	\$0.00	\$1.56	\$0.00	\$1.55	\$0.00	\$0.00	\$1.55	\$0.00	0		
SECURITY TOTAL	\$3,096.49	\$395.15	\$3,481.81	\$395.15	\$2,672.28	\$384.70	\$2,090.60	\$462.65	\$80.56	0		

* INCLE figures through 3/26/2010. Appropriations FY02 to FY09 includes \$61M in ESF transfers to INCL. FY02 ESF \$14M, FY07 Supp ESF \$17M + \$10M, FY08 bridge ESF \$15M + \$5M. Includes PDAS. This figure includes \$18.7M reprogrammed to aviv
 ** PCCF figures reflect FY2010 Q2 data

PAKISTAN

RESOURCE SUMMARY
(\$ in thousands)

Appropriation	FY 2009	FY 2010	FY 2010	FY 2010
	Actual	Estimate	Supp	Total
TOTAL	2,305,866	1,457,872	344,000	1,801,872
Global Health and Child Survival	33,468	29,722	-	29,722
Economic Support Fund	1,114,000	1,033,000	244,000	1,277,000
International Narcotics Control and Law Enforcement	87,500	130,000	40,000	170,000
Nonproliferation, Antiterrorism, Demining & Related Progs.	13,250	22,150	-	22,150
International Military Education and Training	2,261	5,000	-	5,000
Foreign Military Financing	300,000	238,000	60,000	298,000
Pakistan Counterinsurgency Capability Fund	700,000	-	-	-
Public Law 480 (Food Aid)	55,387	-	-	-

OVERVIEW

The United States is committed to an enduring partnership with Pakistan based on mutual trust and common objectives. Consistent with the President's pledge of a long-term partnership with Pakistan, and as reflected in the Enhanced Partnership With Pakistan Act of 2009, we are making a sizable, long-term commitment of non-military assistance and directing it towards priorities identified by Pakistan's democratically elected government and people.

This request will support the President's strategy by directly helping Pakistan build on its success against militants to eliminate extremist sanctuaries that threaten Pakistan, Afghanistan, the wider region, the United States, and people around the world. The United States will sustain its counterinsurgency support and other assistance to Pakistan's military and police to help them fight insurgents, as well as make greater civilian investments to meet the needs of people in areas most affected by militancy.

The requested \$344 million will help address immediate energy, water, and related economic crises, thereby deepening our partnership with the Pakistani people and decreasing the appeal of extremists. To provide tangible benefits to the daily lives of the people of Pakistan and help Pakistan recover from its energy and water crises, U.S. assistance will include high impact infrastructure projects. To strengthen the ability of the Government of Pakistan (GOP) to provide for its population and reduce vulnerabilities to extremist ideologies and recruitment, assistance will also help sustain the delivery of services, strengthen accountability, support socio-economic and political growth, and support Pakistan's security forces.

ECONOMIC SUPPORT FUND: \$244 MILLIONInvesting in People (\$115 million)

Social and Economic Services and Protection for Women Affected by Conflict (\$50 million):
Cash payments, made through Government of Pakistan-administered mechanisms, will provide

vital support to displaced persons to rebuild homes, communities, and livelihoods. More than 2.8 million people were displaced as a result of recent military action against extremist in Federally Administered Tribal Areas and North-West Frontier Province with approximately 1.2 million displaced individuals still unable to return to their area of origin. The U.S. Government will provide funds to the Benazir Income Support Program, which provides safety net support to Pakistan's most vulnerable families, a high percentage of which are headed by women.

Health – Water and Sanitation (\$65 million): Water and sanitation-related diseases are responsible for an estimated 60 percent of the child mortality cases in Pakistan. Recent data on waterborne disease outbreaks suggest that distribution systems remain a source of contamination. The U.S. Government will support the rehabilitation of water distribution systems to ensure that safe drinking water from a centralized treatment plant or well supplies reaches consumers in targeted regions. This could include: improved water storage capacity; small and mini dams in western provinces; groundwater recharging and rainwater harvesting in priority districts; integrated water resource management; support for water utility operations, rehabilitation and commercialization; continued water quality monitoring efforts and addressing the most serious drinking water quality issues with point-of-use treatment; and multipurpose water usage and water safety education programs for the rural and landless.

Economic Growth (\$129 million)

Agriculture – Irrigation and Water Supply (\$65 million): The water crisis facing Pakistan is severe and poses a grave threat to its economic and social stability. Agriculture, the primary livelihood for Pakistan's rural poor, places substantive demands on the existing water supply. Incorporating and expanding modern irrigation methods and upgrading existing canal systems could save significant amounts of water and increase the productivity of large and smallholder farms. U.S. Government assistance will support the Government of Pakistan's efforts to retain and utilize water more efficiently. These efforts will include small dams and rain catchment systems in arid parts of the country currently facing drought conditions, particularly in Balochistan, the Federally Administered Tribal Areas and North West Frontier Province, and other regions close to the Afghanistan border. The program will also work through the Government of Pakistan to expand and upgrade high efficiency irrigation systems that increase farm output and reduce farm-level demands on water resources. Other efforts may include support for water and irrigation policy reform.

Infrastructure – Support for sustainable solutions to Pakistan's energy crisis (\$64 million): U.S. engagement in the energy sector will respond to the urgent need to put the power sector on a commercially sustainable financial footing in order to attract private investment and reduce chronic shortages. FY 2009 funds for energy are supporting regulatory reforms, provision of spare parts, and maintenance to improve efficiency of existing generation and distribution. An additional \$64 million in FY 2010 will provide support for the high-impact, high visibility U.S. energy program, which will focus on hydro/irrigation infrastructure and alternative energy. In the medium term, this focus should improve Pakistan's energy mix, lowering unit costs and emissions. Projects under consideration include dams and wind farms that could also leverage private sector funding. The Asian Development Bank launched a counter guarantee program to cover political risk for private sector investment.

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT: \$40 MILLIONPeace and Security (\$40 million)

This supplemental funding will build on the United States Government's nascent police program in Pakistan. In many areas of Pakistan, civilian police are struggling with the challenges presented by armed militant groups, increased extremism, and well-armed criminals and traffickers. In some areas, not only has the provision of basic police services broken down, but the writ of government itself has been challenged. Militants exploit public frustration by pushing harsh, alternative forms of "justice." The Pakistani police forces need training, commodities, and infrastructure support in order to prevent and respond to extremist incidents, improve general law and order and reinforce the writ of the democratically elected civilian government.

Expanded Police Training, Commodities, Infrastructure Support (\$32 million):

The request expands U.S. government assistance to priority areas in southern Punjab and northern Sindh, which are extremely vulnerable to militants and extremist activity. Increasing the capability of police, including female police officers, will allow the civilian government to exercise greater authority while also relieving the Pakistan military of the responsibility for maintaining civilian security.

- Punjab Police (\$15 million) – Funding will support the establishment of a civilian law enforcement training center, for which the GOP has requested our assistance. In addition, funding will also provide training, equipment, and infrastructure support, including renovation of deteriorating police facilities in priority areas to better allow police to confront the spread of extremism into the settled areas.
- Sindh Police (\$12 million) – Funding will be used for training, commodities, and minor infrastructure support for police in Sindh, including assistance to police facilities in priority areas that are vulnerable to extremist and militant activity and recruitment. Funding will enable police to better confront the spread of extremism into settled areas, including Karachi.
- Female Police Support (\$5 million) – Funding will provide support to female officers working within Pakistani police organizations, which often lack formal training and work at separate police stations and facilities that are in disrepair. Support will include commodities and infrastructure support for female police and training that addresses the requirements of female officers. Funds will also support the development of training modules that will help Pakistani police, both male and female, respond better to matters involving violence against women and family issues.

Corrections Administration and Training (\$4 million):

Funding will provide training and technical assistance to Pakistan's corrections administration. Training for corrections officers and senior prison management will promote reform of operational methodologies in the administration of Pakistan's prisons and the adoption of humane standards for a growing prisoner population, including a growing population of

extremist prisoners. Funds will also support an assessment to gain an accurate picture of Pakistan's current prison population.

Program Support (\$4 million): FY 2010 Supplemental funding will provide program development and support funding for program administration and oversight to augment staff, as well as establish a police advisor positions for Punjab and Sindh.

FOREIGN MILITARY FINANCING (FMF): \$60 MILLION

Peace and Security (\$60 million)

Supplemental FMF is critical to procure Bell-412 utility and troop transport helicopters for the Pakistan Army in support of the continued modernization of the Pakistan military and enhancing the Pakistan Army's participation in counterinsurgency operations. The Pakistan Army employs Bell-412 helicopters in counterinsurgency operations for observation and patrolling, escorting ground convoys, transporting ground forces, conducting close air support missions, and recovering battlefield casualties. The requested \$60 million will provide approximately five Bell-412s which, when combined with approximately \$69 million in previously appropriated FMF, will support the provision of a total of up to 10 Bell-412s, approximately the average size of a Pakistan Army helicopter squadron.

This Bell-412 procurement is part of the Pakistan's Army long-term, phased plan to reduce the number of different helicopter types in its inventory (now at 12-17 types) to a single type for each helicopter category: attack, utility, cargo, trainer, and scout. The Bell-412 procurement also encourages Pakistan to continue its shift away from non-U.S. helicopter types to U.S. produced aircraft. In this way, FMF will be used for long-term, high impact commodities.

This long-term support is distinguishable from, yet complementary to, programs planned under the Pakistan Counterinsurgency Capability Fund to upgrade existing helicopters for counterinsurgency operations, with items such as armament and observation systems. These upgrades will provide an immediate counterinsurgency impact on ongoing operations.

AFGHANISTAN

The FY 2010 Foreign Assistance budget for Afghanistan is currently estimated to be \$2.89 billion following upon \$2.76 billion in FY 2009. An additional \$1.77 billion is requested in the administration's 2010 supplemental budget request.

Question. a. Have all FY 2009 Foreign Assistance resources for Afghanistan been expended? What if any remain and in what sectors?

Answer. The majority of the FY 2009 supplemental funds have been obligated but not yet expended.

Question. b. What have been the primary challenges in spending the amounts appropriated?

Answer. Challenges to the effective implementation of U.S. and other donor assistance programs include: the poor security situation and presence of insurgents in the south and the east. We have also been challenged by Afghanistan's limited capacity to absorb and effectively use external resources, and our desire to attempt to ensure that our resources do not contribute to the level of corruption in Afghanistan.

These challenges underscore and highlight the importance of designing programs that help build sustainable implementation capacity and rigorous performance monitoring to ensure meaningful oversight.

Question. c. Would you provide the committee the amount of FY 2010 appropriations expended to date by purpose and type of implementation mechanism, in percent of total and dollars? The implementation mechanism is intended to inform Congress of the manner in which the resources are channeled to implement the program—e.g., through direct programming through a U.S. contractor/local contractor, through a trust fund mechanism, through quasi-governmental Afghan entity/NGO, through Afghan Government entity Federal/Provincial/local, or some other channel.

Answer. We anticipate submitting the FY 2010 Spend Plan to Congress shortly.

Question. d. Would you provide a similar breakdown as described above (b) of remaining resources expected to be expended in FY 2010 for Afghanistan?

Answer. Challenges faced in FY 2009 will likely remain in FY 2010. As our military clears additional areas of Afghanistan, as we transition to hold-build operations, and our capacity-building begins to take hold, we expect to encounter fewer challenges to dispersing funds. Security and other concerns will, however, continue to make it difficult or constrain U.S. personnel from direct monitoring and evaluation of some of our programs and projects in conflict-affected areas. We will rely on alternative mechanisms, such as monitoring and evaluation by locally employed staff (LES) as well as the use of a geographic information system. For more information, please refer to our FY 2010 Spend Plan that will provide more details.

Question. e. Would you provide the prospective purposes, a timetable, and the respective implementation mechanism for the requested \$1.77 billion in additional resources requested in the FY 2010 supplemental budget request?

Answer. Please see attached FY 2010 supplemental budget request, which describes the purposes of the funding. Resources are needed urgently. The specific timetable and implementation mechanisms will be set upon date and level of appropriation; however, it is our intention to fully obligate all of these resources within the very near future.

USAID Afghanistan - Funding Status Considering Mission Disbursements as of January 2010

Sector	*Total Obligations FY (06 - 09)	Sub-Obligations	**Total Disbursements	Total Pipeline	Historical Burnrate (past 6 months)	Pipeline in Months at Historical Burn Rate	Projected Burnrate	Pipeline in Months at Projected Burnrate
Agriculture	278,131,768	205,241,624	121,713,449	156,418,319	3,746,125	42	13,036,074	12
Alternative Development	688,338,144	595,734,600	507,787,857	180,550,287	23,417,958	8	15,047,269	12
Democracy and Governance	776,591,327	515,144,559	329,048,951	447,542,376	17,262,609	26	37,363,088	12
Rule of Law	73,365,934	52,063,910	23,813,196	49,552,738	204,558	242	4,136,912	12
Cross Cutting	118,298,127	41,891,341	30,871,938	87,426,189	12,532,005	7	2,896,523	30
ARTF including NSP	468,500,000	468,500,000	468,500,000		N/A	N/A	N/A	N/A
Water	38,586,656	13,691,039	4,844,966	33,741,670	470,933	72	2,841,180	12
Economic Growth	377,879,328	271,257,283	203,540,396	174,338,931	7,159,832	24	14,500,000	12
Power	616,235,588	432,559,806	309,247,853	308,987,745	14,178,210	22	26,017,974	12
Road	955,980,894	779,588,470	565,961,021	389,619,873	19,056,496	20	32,807,513	13
PRT	590,860,744	437,213,873	241,682,960	336,997,794	16,657,774	22	27,083,333	13
Education	305,977,832	248,575,244	143,457,948	162,519,684	6,936,060	23	13,051,293	12
Health	348,913,411	305,327,126	182,482,459	166,430,952	7,390,548	23	13,365,374	12
Program Support	101,887,751	55,182,763	35,708,052	66,179,699	1,388,468	48	2,000,000	33
Grand Total	5,731,147,514	4,421,981,635	3,168,841,056	2,562,306,458	129,401,573	20	204,146,523	13

USAID Afghanistan - Funding Status Considering Mission FY 2010 First QTR Expenditures as of January 2010

Sector	*Total Obligations FY (06 - 09)	Sub-Obligations	**Total Disbursements	Total Pipeline	FY 2010 First Quarter Expenditures (Disbursements + Accruals)			Pipeline in Months at FY 2010 First Quarter Expenditure Rate
					Disbursed funds	Accruals	Total Expenditure	
Agriculture	278,131,768	205,241,624	121,713,449	156,418,319	10,413,265	6,276,824	16,690,089	28
Alternative Development	688,338,144	595,734,600	507,787,857	180,550,287	57,390,032	26,620,209	84,010,241	6
Democracy and Governance	776,591,327	515,144,559	329,048,951	447,542,376	67,919,366	36,646,031	104,565,397	13
Rule of Law	73,365,934	52,063,910	23,813,196	49,552,738	7,883	877,941	885,824	168
Cross Cutting	118,298,127	41,891,341	30,871,938	87,426,189	73,984,037	89,647,915	163,631,952	2
ARTF including NSP	468,500,000	468,500,000	468,500,000					
Water	38,586,656	13,691,039	4,844,966	35,741,670	1,130,376	998,310	2,038,686	50
Economic Growth	377,879,328	271,257,283	203,540,396	174,338,931	22,881,225	24,343,401	47,224,626	11
Power	616,235,588	432,559,806	309,247,853	308,987,745	34,464,934	25,523,535	59,988,468	15
Road	955,980,894	779,588,470	565,961,021	389,619,873	77,372,937	84,081,621	161,454,557	7
PRT	590,860,744	437,213,873	241,682,960	336,997,794	51,503,657	25,005,836	76,509,493	13
Education	305,977,832	248,575,244	143,457,948	162,519,684	14,635,590	16,899,233	31,534,823	15
Health	348,913,411	305,327,126	182,482,459	166,430,952	28,388,781	18,005,104	47,393,885	11
Program Support	101,887,751	55,182,763	35,708,052	66,179,699	199,760	2,181,742	2,381,502	83
Grand Total	5,731,147,514	4,421,981,635	3,168,841,056	2,562,306,458	441,291,842	357,017,701	798,309,543	10

* This includes all FY 2009 funding except for \$18 million which is not yet obligated and does not include any FY 2010 funding.

** This does not include Accruals which is around \$357,017,701.

AFGHANISTAN

RESOURCE SUMMARY
 (\$ in thousands)

Appropriation	FY 2009	FY 2010	FY 2010	FY 2010
	Actual	Estimate	Supp	Total
TOTAL	2,713,193	2,624,082	1,776,000	4,400,082
Global Health and Child Survival	58,234	92,327	-	92,327
Economic Support Fund	2,048,000	2,037,000	1,576,000	3,613,000
International Narcotics Control and Law Enforcement	484,000	420,000	200,000	620,000
Nonproliferation, Antiterrorism, Demining & Related Progs.	48,550	57,755	-	57,755
International Military Education and Training	1,399	1,500	-	1,500
Public Law 480 (Food Aid)	73,010	15,500	-	15,500

OVERVIEW

The U.S. Government has undertaken an extensive transformation of foreign assistance activities in Afghanistan, including increased direct assistance, improved accountability, decentralization of decision-making, and support for Afghan leadership, Afghan sustainability, and Afghan capacity in assistance programs. The result is a more focused effort that we expect to be more effective. In the short-term, assistance programs will aim to deny support for the insurgency by focusing on licit job creation, especially in agriculture, and improving basic service delivery and the provision of justice at the national, provincial and local level. Over the longer-term, assistance programs will focus on reconstruction efforts aiming to provide a foundation for sustainable economic growth.

The FY 2010 supplemental request is necessary to provide critical resources that will support the military surge and the immediate civilian needs to implement the President's strategy for Afghanistan. These funds will help lay the groundwork and continue ongoing efforts that will be further augmented by the President's FY 2011 request for Afghanistan. FY 2010 Supplemental funding will help U.S. Government efforts to build the capacity of Afghan institutions to withstand and diminish the threat posed by extremists, and to deliver high-impact economic assistance to create jobs, reduce the funding that the Taliban receives from poppy cultivation, and draw insurgents off the battlefield. Supplemental assistance will provide support to national level Afghan ministries that can have the most direct impact on service delivery, particularly in the geographic heart of the insurgency in the South and East. The U.S. Government also will broaden assistance support and engagement at the provincial and district levels to enhance the visibility, effectiveness and accountability of the institutions that impact Afghan lives the most.

The top U.S. Government reconstruction and development priority is implementing a civilian-military agriculture redevelopment strategy to restore Afghanistan's once vibrant agriculture sector. This strategy will help to debilitate the insurgency by drawing away fighters and decreasing income from poppy cultivation. Supplemental assistance also will support stabilization programs and continue the United States' support for counter-narcotics efforts, especially disrupting and dismantling drug trafficking networks through interdiction efforts. The

United States terminated support to the Government of Afghanistan's central government-led forced eradication program in 2009 because it was ineffective and drove poor farmers to support the Taliban. Simultaneously, assistance will sustain successful efforts to build the Afghan government's capacity to provide improved health services and education to the Afghan people. Governance programs will help develop more responsive, visible and accountable institutions in Kabul, as well as at the provincial, district, and local levels, where most Afghans encounter their government. These funds will also be used to strengthen the fight against corruption and improve public financial management. Supplemental funds will also support a substantial contribution to the World Bank-managed Afghan Reconstruction Trust Fund to provide assistance through the successful National Solidarity Program and other programs. Justice and Rule of Law programs will focus on creating predictable and fair dispute resolution mechanisms to eliminate the vacuum that the Taliban have exploited with their own brutal form of justice. Finally, assistance will strengthen the United States' support for women's justice programs, while continuing support for the involvement of Afghan women in all our programs. Women's empowerment and full and equal civic participation is critical to economic stability, security, good governance and development. This philosophy is incorporated into United States policy and programming.

ECONOMIC SUPPORT FUND: \$1,576 MILLION

Peace and Security (\$351 million)

Counternarcotics - Alternative Development (\$135 million): Alternative livelihood programs will focus on licit income generation and job creation through improving commercial agriculture production and sales and establishing market linkages in poppy production-prone areas. Working to grow a viable agribusiness industry in these regions, the program will facilitate and support direct connections between producers, traders, and buyers through activities such as agricultural fairs, marketing assistance, and sales promotion. Programs will seek to identify factors that constrain the growth of licit local product sales, while investing in solutions such as irrigation and farm-to-market road repair. Programs also will develop key agribusiness value chains at the production level in horticulture, livestock and fresh and dried fruits and nuts addressing such issues as cold storage and cross border trade. While the bulk of resources will target the priority geographic areas of the East and South, activities will continue in the declining, but still poppy-prone areas of the North and West.

Assistance will continue to support rapid response efforts, largely in the South, through grants-in-kind, cash-for work, and agricultural input vouchers. These programs will help farmers make a permanent shift away from poppy production and focus on high value permanent tree and trellis crops, vegetables, fodder, and livestock. An Afghan-led process, with representatives from the Afghan Ministry of Agriculture, Irrigation and Livestock (MAIL), the District Governor's Office, Provincial Reconstruction Teams, Community Development Teams, and tribal leaders, will decide which farmers and districts are qualified to receive assistance.

Conflict Mitigation and Reconciliation (\$216 million): Through a consultative process among Afghan community leaders, sub-national governments, Afghan ministry representatives, and

provincial reconstruction team technical specialists, the Community Based Stabilization Program will provide grants for community development projects in areas ranging from health and sanitation to small infrastructure. The program builds community trust in the Afghan government; supports the Ministry of Rural Rehabilitation and Development (MRRD), complements and coordinates with the World Bank's National Solidarity Program and the National Area Based Development Program; and builds the skills and confidence of community groups and sub-national government to collaborate and take responsibility for their own development. The program is designed to prevent backsliding in the North and the West and consolidate the stabilization gains made to date in the South and East.

- **Afghan Stabilization Initiative (ASI) (\$50 million):** ASI promotes stability through quick impact projects in Afghanistan's most instable areas in the East and South. With additional funds, ASI will: Expand staffing and programmatic coverage to additional districts throughout East and South Afghanistan; support data collection, analysis and database/reporting development in conjunction with the Department of Defense's Counterinsurgency (COIN) Academy in Kabul; and, create and strengthen a unit for post conflict rural stabilization within the Ministry of Rural Rehabilitation and Development (MRRD).
- **Stability in Key Areas (SIKA) (\$166 million):** The SIKA program will support Afghanistan's capacity to identify and address the issues that are driving instability and support for the insurgency in outlying districts throughout the country. SIKA aims to raise the visibility and effectiveness of the GIRoA in delivering services in comparison to the insurgents. This is a one-year follow on program for the Local Governance and Community Development Program. SIKAs ultimate goal is to create a stable environment for longer-term political, economic, and social development through community small grants, cash-for-work and small scale infrastructure projects. These projects typically follow immediately after insurgents have been cleared from an area and serve as the bridge to longer term projects that help "hold" the area from return of the insurgents. Expected outcomes of SIKA include:
 - Greater community participation in the selection and implementation of small-scale development activities;
 - Improved provincial and district governance capacities to deliver services that address citizens' needs;
 - Immediate employment generation through cash for work;
 - Significant and lasting improvements in rural infrastructure (small roads, pedestrian bridges, irrigation systems, and small-scale power sources);
 - Expanded economic opportunities and access to public services; and
 - Stronger citizen support for GIRoA in insecure areas, resulting in greater stability.

Governing Justly and Democratically (\$810 million)

Rule of Law (\$50 million): Additional funding will help Afghanistan's government and its courts take more aggressive public action against corruption, while promoting good governance and human rights. These programs will build Afghan public confidence in their government's ability to resolve disputes, enforce the law, and promote stability to undermine the perceived

comparative advantages of “Taliban justice.” The program consists of three components: 1) rapid stabilization of rule of law and community justice efforts in recently secured areas; 2) capacity building of the Judiciary, especially the Supreme Court; and 3) capacity building for law and Shari’ah law faculties at higher education institutions. Funding also will assist the Supreme Court to implement a case management system to improve transparency, introduce a judicial ethics and discipline system, introduce specialized training for judges assigned to the anticorruption tribunal, and others as appropriate. Women will be key beneficiaries in all three component areas.

Good Governance (\$760 million): The Afghan government must improve its delivery of security and basic services to earn the trust of the Afghan people. Towards this end, funds will strengthen key government agencies, including the Independent Directorate of Local Governance and the Independent Administrative Reform and Civil Service Commission, build provincial and local government management and service delivery capacity, and support citizen advocacy systems to increase accountability and responsiveness. Additional resources will support implementation of the GIRoA-led *District Delivery Program*. The initiative will place competent government officials from critical service delivery ministries in districts to implement integrated packages of basic government services, including health, education, agriculture extension and justice, as well as basic infrastructure, and support the Afghan government through this process to ensure success and sustainability. The project will be piloted in six recently secured districts and expanded to up eighty priority districts. Assistance will be used to train provincial and local officials, establish management systems within the Afghan government to increase accountability, and implement performance-monitoring measures to ensure quality service delivery. U.S. Government support will increase the capacity of institutions such as the Civil Service Training Institute and municipalities to support sub-national skills building. Special emphasis will be placed on recruiting and training more female civil servants. Funds also will support provincial operations, social outreach, improved service delivery, and civil registration reform.

Corruption is widespread in Afghanistan and significantly impacts all U.S. goals in the country. Ultimately, the success of anticorruption efforts depends on Afghan Government commitment to prosecute corrupt officials, implement transparency and meaningful reforms, and facilitate active public engagement in governance and oversight of resources. To support these needs, the United States will support a range of activities, including strengthening the Afghan High Office of Oversight; reforming civil service personnel practices; helping the Ministry of Finance to improve public financial management and procurement policies at all levels of government; and building the capacity of civil society and the independent media to monitor government, advocate for transparency and action against corruption, and educate the public on anticorruption rights and responsibilities.

The Supplemental includes \$450 million for the *Afghanistan Reconstruction Trust Fund* (ARTF). These additional resources will assist the United States in meeting its goal to provide \$650 million to the ARTF annually, administered by the World Bank to provide multilateral assistance to the Afghan government for reconstruction projects through the *National Solidarity Program* (10 percent of whose funds directly benefit women) and other proven programs. ARTF is a valuable incentive for securing Afghan government reforms, as the program rewards

performance against a set of agreed-upon policy benchmarks in the areas of revenue generation, governance, and private sector development.

Direct Budget Support of \$115 million will be provided to the Ministry of Finance to help build Afghan capacity and provide strong incentives for reform by helping the Afghan government meet the recurrent costs of its national budget and provide a discretionary development budget that is conditional on meeting reform benchmarks. The U.S. Government has previously certified the Ministry of Public Health, the Ministry of Communication and Information Technology, and assessed the Ministry of Finance to receive direct U.S. assistance. The U.S. Government is assessing the Ministry of Education (MoE); Ministry of Agriculture, Irrigation, and Livestock (MAIL); and Ministry of Rural Rehabilitation and Development (MRRD). Two assessments (financial and procurement) will be done at each Ministry. If the assessments determine that the procurement, financial, and expenditure systems are adequate, the U.S. Government will certify them to receive direct assistance. The U.S. Government will provide technical assistance and advisors as required ensuring deficiencies are corrected and that the funds are being managed responsibly.

Investing in People (\$100 million)

In addition to security, health and education are the highest priorities of the Afghan people. Afghans recognize that there must be substantial capacity development for the government and civilians alike if they are to assume full responsibility for their future.

Health (\$50 million): The Afghan people consider health care services as one of their highest priorities, and they expect their government to deliver. With additional funds, the U.S. Government will expand Afghan government-provided essential health services and increase the Afghan government's capacity to deliver quality services. Support will be provided both through direct funding to the Ministry of Public Health and through parallel technical support to ensure successful delivery and monitoring of health services at the point of delivery, strengthening the public's perception of the Afghan government's capacity to improve their lives. Supplemental funding is requested to:

- *Increase work in insecure and border areas that are key recruiting grounds for the Taliban:* Efforts in these areas will focus on engaging religious and traditional leaders; providing incentives for families to use government health services or services contracted with private providers in underserved areas. These efforts will improve the availability and quality of health services, as well as increase the legitimacy of the government among the population.
- *Technical support:* To ensure that quality is increased and services adequately delivered, the United States will increase technical and monitoring support in delivery of Afghanistan's Basic Package of Health Services (BPHS) and Essential Package of Hospital Services. The United States will help update the BPHS standards, train and employ additional health care providers, especially women, and improve and implement referral systems. The United States also will explore incentives for healthcare workers, especially females, willing to work in remote and insecure areas, and introduce standardized residency training for physicians and nurses.

Education (\$50 million): Afghanistan's success depends upon its ability to build—and retain—its own human capital with the help of effective support strategies from the international community. Increased funding will expand secondary education and dramatically expand skills and vocational training in sectors where the U.S. Government is already contributing. Supplemental resources are requested to:

- *Increase support to secondary education:* The large increase in primary school enrollments in recent years presents a particular challenge to the secondary system. Expanding community-based secondary education will be in the FY 2010 base funding, but additional funding will focus on the following: continued investments in teacher education to upgrade teacher quality, with a special emphasis on female teachers; curriculum enhancement for the new Afghan secondary curriculum to improve its focus on school-to-work transition; and basic material assistance.
- *Engage Madrassas with secular material and curriculum assistance:* Additional funding will expand programs to serve larger numbers of madrassas with secular education and to increase geographic focus to key conflict districts nationwide.
- *Increase capacity of Ministry of Education (MOE) and Ministry of Higher Education (MOHE) at the national and local levels:* With additional funding, the U.S. Government will intensify efforts to strengthen the institutional capacity of the MOE and MOHE. Additional capacity development activities will focus on early childhood education, regulation systems for private primary and secondary schools and community schools, and strengthened procurement and financial functions.
- *Improving access to quality university programs:* Higher education activities will build on successes of existing higher education projects and add new components, focusing on greater administrative reform at the MOHE and in select public and private universities. To support the MOHE's new strategic plan, the United States will expand existing support to university-level teacher education, and crucial fields such as English language education, as well as support to libraries and laboratories and development-related fields, such as engineering, law, business, public administration, health sciences and agriculture.

Economic Growth (\$315 million)

Macroeconomic Foundation for Growth (\$7 million): Supplemental funds will enhance work with the Ministry of Finance to improve revenue collection, thereby supporting Afghanistan's fiscal sustainability. Specifically, assistance will help extend tax administration reforms to the key provincial economic centers of Mazar, Herat, and Jalalabad, improve collection of non-tax revenue, and enhance reconciliation of revenue reporting data. The United States will provide technical assistance to increase tracking of the fiscal relationships of Afghanistan's remaining state-owned enterprises in compliance with International Monetary Fund benchmarks and requirements for institutional reform.

Trade and Investment (\$19.5 million): Additional funds will support implementation of trade agreements and facilitate improved regional cooperation. The United States will invest additional funds in trade-related infrastructure, including in industrial parks, transport, customs facilities, and key border crossing facilities shared with Pakistan at Torkham Gate and Weisch-Chaman. U.S. Government assistance will help increase Afghan exports by up to 20 percent per year from a baseline of \$480 million in 2008. This will help generate income for Afghanistan's farmers, as half of Afghanistan's exports are agricultural products.

The United States will continue efforts to modernize and increase the transparency of Afghanistan's Customs Department through capacity building, training, and policy advice. In coordination with other donors, the United States also will help establish a new Customs Academy, which will train more than 600 Afghan Customs officers. Through advisory assistance, the program will reduce the number of steps for documenting exports and improve Afghanistan's ranking in the World Bank's Doing Business report, where Afghanistan currently ranks 179 out of 181 countries for ease of trading across borders. Assistance also will support substantial public education efforts to increase understanding of and support for the benefits of international trade as well as rationalizing and simplifying customs tariffs, thereby reducing opportunities for corruption.

Financial Sector (\$4.5 million): Assistance will extend the reach of Afghanistan's financial supervisory authority by building capacity in the regional branches of the Central Bank (Da Afghanistan Bank). Assistance will support the production of quarterly statistical bulletins at the regional level. With additional funds, the United States will support increased public-private dialogue on financial sector issues in the key economic centers of Herat, Mazar, Jalalabad, and Kandahar.

Agriculture (\$215 million): This additional funding will complement U.S. agriculture assistance previously described under Alternative Development, which is focused on poppy-prone areas. Supplemental funding will support the implementation of the U.S. Government civilian-military agriculture strategy, which mobilizes support for the Afghan Government Ministry of Agriculture, Irrigation, and Livestock (MAIL) and the private sector to revitalize Afghanistan's agricultural economy and increase income and jobs. Supplemental funding will support the following:

- *MAIL Capacity Building:* U.S. support (via training, technical assistance, equipment for staff, and policy reform advice) will increasingly enable MAIL to more effectively deliver services to farmers at national and sub-national levels.
- *Watershed rehabilitation:* This effort will focus on labor-intensive methods to rehabilitate degraded watersheds that not only will improve irrigation systems downstream but also will help make these irrigation systems more sustainable through reduction of silting and other negative repercussions of degraded watersheds.
- *Signature Irrigation Initiative:* Funds will support infrastructure projects that will increase the area of arable land and farmers' access to water through linkages to large irrigation systems. The program will improve quality assurance for water engineering projects by

building a team of technical irrigation experts to monitor irrigation projects implemented by quick impact programs.

- *Agribusiness Development*: This effort will continue to invigorate the agribusiness sector by increasing linkages between farmers and markets through support through focusing on: agribusiness market promotion and trans-border facilitation, transportation and storage, food safety, pest risk management, opportunities for contract farming, packaging, post-harvest handling, and processing for sales.
- *Market development*: Programs will help shorten the value chain from input to output and increase access to domestic and international markets.
- *Agriculture credit*: Programs will expand access to credit for farmers whose credit needs are underserved, particularly those with medium sized operations who have finance needs that are not currently met by current microcredit lending products.
- *Research and extension services*: U.S. Government assistance will strengthen the capacity of key research stations nationwide and develop modern and effective extension services to farmers.

Private Sector Competitiveness (\$60.4 million): Additional resources will foster new partnerships with international and local Afghan private sector stakeholders through a new alliances program. This effort will work with Afghan institutions, such as the Ministry of Commerce and Afghanistan's Investment Support Agency, to promote investment in and growth of the private sector in order to expand opportunities in key areas of competitiveness, including handicrafts and gemstones. Programs will emphasize providing opportunities to Afghan women to help them develop and market their products. Funds will extend private-sector capacity building and investment opportunities with responsible Afghan regulatory oversight to more regions of the country. Assistance will expand the reach of the quick-impact economic response fund to more economic corridors of the country and key districts where GIRA services are not readily available. In the area of vocational training, funding will support job-related skills and training concentrating on women beneficiaries, strengthening private-sector training institutions, and linking the labor force to economic opportunities in local communities, such as construction, agriculture, handicrafts, mining, business management, and engineering. The United States Government also will broaden assistance in land use, land ownership conflict resolution, and infrastructure upgrading, including to specific informal settlements in major population centers around the country.

Economic Opportunity (\$8.6 million): Supplemental funding will expand the highly successful credit union program, extending Islamic-compliant financing and credit to religiously conservative rural areas, particularly in Afghanistan's southern regions. Cooperatives will expand service to all of Afghanistan's southern and eastern regions, while maintaining services in the northern and western regions. Additional funds will enable the United States to increase support for the development and implementation of financial products targeting middle-scale agricultural production financing and small and medium farm and non-farm related businesses.

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT: \$200 MILLIONPeace and Security, Counternarcotics (\$25 million)

Increase Support for Counternarcotics Police of Afghanistan (CNPA) and Interdiction Operations (\$22 million): The U.S. Government counternarcotics policy in Afghanistan has shifted to increase support to interdiction. While the mainstream CNPA continues to face serious institutional challenges, specialized units like the National Interdiction Unit (NIU), Technical Intercept Unit (TIU), and Sensitive Investigations Unit (SIU) continue to play an important and growing role in the fight against narcotics trafficking. With these funds, the United States will continue to provide operations and maintenance (O&M) support to CNPA facilities so that CNPA is able to continue to focus on strengthening its institutional capacity as well as the disruption, dismantling, and interdiction of drugs, traffickers, precursor chemicals and the dismantling of their organizations. This includes support to the main CNPA operating bases in Kabul for the NIU, the SIU, and the TIU. These funds also will provide O&M support to outlying forward operating bases to include Konduz, Herat, Kandahar, and Jalalabad, and to CNPA provincial offices, headquarters and drug labs. The United States also will provide support for the Counternarcotics Training Academy to accommodate increasing numbers of CNPA officers to develop a self-sustaining force.

Drug Treatment Facilities for Homeless Addicted Children and Training of Drug Treatment Counselors for Children (\$2 million): Orphaned children and adolescents living in the streets without suitable protective shelter and food, and especially without caring adults, are often introduced to substance use by other homeless children and adults as a way of coping with life. This project will relocate orphaned and drug-addicted urban street children to specialized children-only treatment facilities, thereby reducing criminality and their risk of recruitment by criminal or terrorist networks. The U.S. Department of Health and Human Services' National Institute on Drug Abuse will develop new treatment options for Afghan children, to include specialized counseling approaches.

Program Development & Support (\$1 million): The U.S. Government will use funds for general administrative and operating expenses for program planning, design, implementation, monitoring, and evaluation.

Governing Justly and Democratically, Rule of Law (\$175 million)

Expand Corrections Sector Support Program (CSSP) Initiatives into the Provinces (\$60 million): With the growing focus on provincial operations, the United States will expand the presence CSSP corrections advisors geographically, with a particular focus on the South and East. CSSP also will expand its work into district detention centers, ensuring unified training across the entire Afghan corrections system. These efforts will increase the number of embedded international and Afghan advisors at the Central Prison Directorate Headquarters and expand advanced training classes. Prisoner classification and segregation efforts will be expanded and accelerated. CSSP also will expand deradicalization, reintegration, and rehabilitation programming, which will be closely coordinated with the International Security Afghanistan

Force's (ISAF) Joint Task Force 435, and work to ensure prisons do not function as recruitment and training centers for insurgents. CSSP also will expand programs focused on prisoner reintegration, alternatives to incarceration, and prison industries. As part of stabilization efforts, CSSP will create a mobile team that can move into areas immediately after the military to assess the conditions at district detention centers and develop a comprehensive plan to improve their security and operations.

Expand Justice Sector Support Programs (JSSP) into the Provinces (\$50 million): Funds will increase the number of judges, prosecutors, and criminal investigators reached by JSSP training efforts; develop police/prosecutor capacity to investigate crimes in major cities and more remote provinces to support ISAF and Afghan National Directorate of Security battlefield arrestees; provide higher-level training modules and specialized courses using Afghan instructors. Training and advisory efforts will focus on expanding the Ministry of Justice and Attorney General's office capacity to conduct basic and in-service training for prosecutors, investigative police and Ministry of Justice personnel, as well as providing targeted assistance in geographic areas critical to the stability mission. This also will assist the Afghan Government in quickly re-establishing effective justice institutions in areas cleared by United States, ISAF, or the Afghan Military.

Anti-Corruption, Counternarcotics and Major Crimes Justice Assistance, Including Judicial Security (\$25 million): Funds will provide operation and maintenance support for the Counter-Narcotics Justice Center, and fund operational assistance, advisory support and training for the Criminal Justice Task Force, the Major Crimes Task Force, the Anti-Corruption Unit, and the Anti-Corruption Tribunal to support advisors working with specially vetted prosecutors and judges dedicated to cases involving corruption and organized crime; and focus on increasing judicial security to support these programs.

Defense Bar Legal Aid (\$5 million): Funds will support the Legal Aid Organization of Afghanistan, the Ministry of Justice Office of Legal Aid, and the creation of a defense bar as part of the Afghan Independent Bar Association. Assistance will support training efforts and advisory assistance, as well as partnerships with Afghan law faculties to link qualified graduates with legal defense training programs. Programs will draw on best practices developed by law faculties outside of Afghanistan and, where possible, with leading international universities.

Establish Model Prisons in Two Provinces (\$25 million): Efforts must be accelerated to increase the capabilities of the Afghan corrections system to handle the most sensitive and dangerous of inmates, including insurgents. This program will provide additional construction and facility improvements to several prisons. It will focus on establishing two prisons to serve as practical academies for new corrections officers. These two prisons will provide enhanced deradicalization and prison industries programs, as well as test budget self-sustainment concepts through agriculture and vocational services to surrounding communities.

Strengthen Women's Justice Programs (\$8 million):

- Gender Justice Initiatives (\$7 million): Funding will continue and expand efforts to build the capacity of Afghan defense lawyers, prosecutors, and law enforcement officers to prevent

and respond to crimes of violence against women and girls by providing specialized training to these officials. Programs also will provide Afghan law students with specialized training in handling cases of violence against women and other gender-based crimes. In addition, funds also will enable advisor support for mentoring programs across the country to build linkages between police, prosecutors, defense attorneys, and courts, to successfully prosecute cases involving violence against women and defend women wrongly accused of crimes. Funding will continue to expand preventative mediation, legal assistance and awareness, shelter, social work, and reintegration services for Afghans at-risk for or victimized by gender-based violence. Funds will support continued capacity building in the Ministry of Women's Affairs Legal Department, which is responsible for case management and referrals for female victims of violence nationwide.

- **Women and Children in Prisons Funding (\$1 million):** Funding will help implement a comprehensive support plan for women (and their children) in Afghan prisons, including training and support for female corrections officers and those officers dealing with women in Afghan prisons. Funds also will support non-governmental organizations, Afghan government agencies, and/or international organizations that provide humanitarian, education and rehabilitation programs for female inmates (and their children) and support women's reintegration once released from prison.

Program Development & Support (\$2 million): The U.S. Government will use funds for general administrative and operating expenses for program planning, design, implementation, monitoring, and evaluation.

AGRICULTURE IN AFGHANISTAN AND PAKISTAN

Question. In an attempt to accelerate development programming in the prime economic sector of agriculture, the administration has sought to employ multiple agencies, especially the U.S. Department of Agriculture, through additional deployment of personnel and resources generally associated with the U.S. Agency for International Development.

Please provide the committee with a description of the activities that will be carried out in Afghanistan and Pakistan as part of an agricultural strategy. Include data on the amount of funding anticipated for each activity and identify the agency that will be in the lead with regard to implementation.

Answer. In Afghanistan, the U.S. Government's (USG's) top reconstruction priority is to restore Afghanistan's once vibrant agriculture sector. To that end, the USG has developed an Agricultural Assistance Strategy for Afghanistan with two goals: (1) increase agricultural-sector jobs and incomes and (2) increase confidence of Afghans in their government. Achieving this requires a whole-of-government approach and drawing upon the assets and capabilities of multiple departments and agencies.

Activities that USAID will carry out in Afghanistan as part of the agricultural strategy will focus on the following objectives:

<i>Programmatic Focus</i>	<i>FY 2010 base (\$Millions)</i>
Agricultural development fund (ag credit)	\$50
Support for ag university, research, and extension	20
Regionally focused agricultural development programs (southeast and southwest at \$20 million each)	40
Value chain development	5
Watershed and irrigation management and technology transfer	4
Program Support Costs	6
Total	\$176

In FY 2010, USDA anticipates receiving funding from State/USAID at the following levels for each activity:

<i>Programmatic Focus (Strategy Objective)</i>	<i>FY 2010 base (\$Millions)</i>
Watershed management and irrigation (Obj. 1.3)	15

<i>Programmatic Focus (Strategy Objective)</i>	<i>FY 2010 base (\$Millions)</i>
Direct assistance to MAIL (Obj. 2)	48
MAIL capacity building (Obj. 2)	20
Agricultural Trilateral Activities	3
Total	\$86

In Pakistan, State/USAID is asking USDA to implement activities in accordance with the USDA investment strategy for Pakistan, developed in coordination with USAID in Islamabad and Washington, DC. The investment strategy calls for \$20 million of FY10 funding in activities as follows:

<i>Programs</i>	<i>FY 2010 base (\$Millions)</i>
Wheat Production Enhancement Initiative	\$1
Control of Animal Diseases	1
Water Management	1
U.S./Pakistan Secretariat for Strategic Initiatives on Agriculture (SSIA)	1
Cotton Productivity Enhancement Program	7
APHIS/NAPHIS Collaboration	3
Agricultural Economic Information Agency	3
Soil Salinity Reduction Program	1
Aquaculture Enhancement Program	1
USDA Exchange Program	1
Total Budget	\$20

Question. How will the agriculture strategy be complemented by related development activities? How are these activities being coordinated in the field?

Answer. USAID is the lead development agency in Afghanistan and Pakistan. USDA supports USAID activities in the field and Kabul by focusing on ministry-to-ministry support (in this case, building the capacity of the Ministry of Agriculture, Irrigation, and Livestock in Afghanistan and the Ministry of Food and Agriculture in Pakistan). In addition, USDA draws from land grant universities and its agencies to provide direct technical assistance.

USDA is a member of the Agricultural Policy Working Group (APWG) at the U.S. Embassies in Kabul and Islamabad. All agriculture projects and activities USDA undertakes in Afghanistan and Pakistan are vetted and approved by the APWG, which has members from USAID, State, and other U.S. Government entities working in the agricultural sector.

Question. Please describe for the committee how function 150 funds that are transferred to other USG agencies will be monitored and evaluated for effectiveness. What agency is in charge of this M&E function?

Answer. USDA will assume responsibility for monitoring and evaluating funds it receives from USAID via a 632(a) transfer agreement and place monitoring and evaluation staff in country. This staff will oversee projects' fiscal operations and ensure that projects are achieving their stated goals. USDA and USAID will provide the committee with regular joint reports on the use of these funds.

Question. What is the level of funding for FY 2010 and planned for FY 2011 that will consist of direct support to Afghanistan and Pakistan Government agencies? What will be the purpose of these transfers and what agencies, U.S. or otherwise, will be accountable for M&E?

Answer. In Afghanistan, USDA will provide in FY10 \$48 million in direct support to the Afghan Ministry of Agriculture, Irrigation, and Livestock (MAIL). The purpose of this funding will be to support capacity-building efforts within MAIL, including the creation of a grants management unit that will enable MAIL to implement and manage agriculture projects. USDA will be responsible for the monitoring and evaluation of these funds transferred to MAIL.

In Pakistan, none of the \$20 million in funding for projects USDA will implement will be directly transferred to the Government of Pakistan. Funds will be used to implement projects in partnership between USDA and Pakistani agencies, such as USDA's APHIS and Pakistan's NAPHIS.

Question. The budget justification indicates that funding for extractive industries transparency had been eliminated? What was the reasoning? Given that the State Department has launched an initiative on this front, how will that be funded and to what amount? Why is the administration not seeking funds for the EITI

multidonor trust fund? Are bilateral programs a better use of limited funds? If so, why?

Answer. The Obama administration remains a strong supporter of the Extractive Industries Transparency Initiative (EITI) and we will continue to support this important effort into the future. The administration sees EITI as a key part of our broader governance promotion and anti-corruption strategies. While the administration does not request specific funding for EITI, as an EITI supporting country, we provide “in-kind” political support, promote the initiative publically, and work with foreign governments through our Embassies to facilitate implementation. The State Department participates in the EITI Board and State and USAID participation in the World Bank’s Multi-Donor Trust Fund Facility.

All of the \$4.5 million FY 2010 funding for EITI provided by Congress will go into the EITI Multi-Donor Trust Fund facility (MDTF) that is administered by the World Bank and overseen by a Management Committee which includes State and USAID representation. In FY 2008 and FY 2009 Congress provided a total of \$6 million in funding for the MDTF. State and USAID recently attended the annual meetings for the EITI and helped approve the authority to disburse MDTF resources to civil society groups in EITI countries to help ensure that actors outside of government and the extractive industry are able to play an active role in the EITI process.

EITI is only one of the extractive sector governance efforts that the administration supports. As a complement to multilateral efforts like EITI, our embassies and USAID missions overseas regularly engage with host countries on broad governance and transparency promotion efforts including USG efforts to address rule of law and governance reforms, increase public sector capacity, and strengthen independent media and civil society checks and balances.

The Department’s new Energy Governance and Capacity Initiative (EGCI) seeks to leverage USG expertise to provide technical support to governments of developing countries that are on the verge of receiving sizable financial windfalls and that demonstrate the political will to build transparent and accountable energy sector governance. EGCI will complement EITI and other reform efforts and will be tailored to the specific needs of individual countries. By providing USG technical assistance to the next generation of energy producers, we help them maximize the value, efficiency, and development potential of energy production and revenue flows. We are providing \$1.4 million in FY 2010 to launch this initiative.

Question. Through the Global Health Initiative, representatives from the administration have stated that the budget should not focus on specific diseases, but on integrated programs and strengthening health care systems. Is the administration abandoning congressional intent of fully funding the HIV/AIDS, malaria, and tuberculosis programs that was enacted in 2008?

Answer. No. The Global Health Initiative (GHI) is an umbrella of management, integration, and coordination among existing U.S. Government health programs. PEPFAR is the cornerstone of the GHI, and PEPFAR and other disease-specific programs will be part of the GHI but remain distinct, consistent with their legislative authorizations. At the same time, the unified whole-of-government approach across health issues under the GHI will enable these disease-specific programs to better achieve their goals and improve the health of people living with HIV, tuberculosis, and malaria. The administration looks forward to continuing to engage and consult with Congress on the strategy and implementation of the GHI to ensure maximization of global health resources consistent with congressional intent.

Question. During the 2009 H1N1 influenza pandemic the Federal Government learned a lot of lessons about emergency preparedness in terms of everything from monitoring and evaluation to the distribution of vaccines. What role do you think the State Department should play in addressing the shortcomings found, and is adequate resources dedicated to ensure that we are better prepared for future pandemics?

Answer. The State Department plays two major roles in pandemic preparedness: coordinating the USG international efforts to combat animal and pandemic influenza and engaging political leadership in affected and donor nations through bilateral interactions and multilateral forums. Our engagement with international partners works to strengthen pandemic preparedness and response by promoting transparent efforts to share information and best practices. Our work also aims to maintain international commitment to this important topic as there is a potential for complacency resulting from the mild H1N1 pandemic. Many of these activities are undertaken under the U.S. initiated International Partnership on Avian and Pandemic Influenza which includes a yearly ministerial meeting (see below) and a “Core Group” chaired by the Department’s Special Representative for Avian and

Pandemic Influenza (Dr. Kerri-Ann Jones, Assistant Secretary of State for Oceans, Environment and Science). In response to the 2009–H1N1 outbreak, the Department initiated and continues to host a series of coordinating meetings with the 2009–H1N1 vaccine donor countries, the World Health Organization (WHO), United Nations Children’s Fund (UNICEF), and the Office of the U.N. System Influenza Coordinator (UNSIC).

In collaboration with USDA, USAID, and HHS/CDC, the Department is working closely with the WHO, UNSIC, the Government of Vietnam, and the European Commission in preparing for the International Ministerial Conference on Animal and Pandemic Influenza (IMCAPI), scheduled for April 19–21, 2010, in Hanoi, Vietnam. IMCAPI will seek to ensure continued action by governments, international and regional organizations, nongovernmental organizations, and the private sector to build long-term capacity to control the spread of animal influenza and prepare for the next influenza pandemic. This is an essential step for ongoing preparedness.

The Department of State is contributing to the HHS led interagency 2009–H1N1 After Action Review. We will also be playing a leading role in international efforts to assess the response to the H1N1 pandemic by WHO, other international bodies, and donor countries. The Department is committed to ensuring that governments and international and regional organizations continue to regard preventing and responding to outbreaks of H5N1 in poultry and other animals, as well as preparing for a potentially catastrophic human pandemic, as priorities of the highest order. These goals remain a key U.S. foreign policy objective in our efforts to strengthen international security.

To further the Department’s efforts to combat pandemic influenza, we have allocated \$450,000 to host a series of multilateral workshops aimed at working toward a better understanding of how planning for avian influenza affected the response to the 2009 H1N1 pandemic and how future pandemic planning can be improved. We recently regularized pandemic and influenza staffing by establishing four permanent direct hire positions with a focus on global pandemic preparedness. USAID mobilized assistance during the H1N1 pandemic through its Humanitarian Pandemic Preparedness (H2P) initiative, taking measures to identify populations most at risk, train staff and volunteers, and get out messages to reduce disease spread. USAID is also providing technical and operational support to the WHO’s efforts to provide vaccine to developing countries. USAID will continue providing support to ensure provision of timely data from countries across Africa, Latin America, the Middle East, and Asia to identify vulnerable populations; strengthen surveillance and laboratory capacities for rapid H1N1 diagnosis in 26 countries (16 in Africa and 10 in South America); support sample transport in 17 countries to regional laboratories; inform local pandemic planning; and help ensure post-marketing surveillance of vaccination efforts.

Question. Since the disaster in Haiti, substantial attention has been given the Haitian orphans. In addition to the situation in Haiti, it is estimated that 132 million children are orphaned worldwide due to HIV and other illnesses, conflict, natural disasters, severe poverty, and abandonment.

As part of your confirmation last year, I asked you about the administration’s commitment to the plight of orphans. You stated the orphans and vulnerable children will remain a high priority for the Obama administration and that six agencies were working in this area. You also said that an interagency task force was updating and refining the strategy toward orphans in light of the worldwide economic crisis that was making more children vulnerable. What conclusions did the interagency group come to in addressing the needs of this population? What resources has the administration committed?

Answer. As noted in the Third Annual Report to Congress on Public Law 109–95, the interagency group concluded that the strategic priorities for FY 2010 and beyond are to collaborate across U.S. Government agencies to: (a) increase support for child welfare and child protection system strengthening; (b) increase support for the economic strengthening of poor households to keep families intact; (c) improve assistance to children living outside of family care; and (d) improve the monitoring and evaluation of these, and other, common priorities. In FY 2008, the latest year for which final figures have been compiled, seven USG agencies provided over \$5 billion in assistance to highly vulnerable children and their families.

Question. Today’s papers were full of stories regarding the expense of the new Embassy in London. The Department has assured us in the past that the costs for the new building would be covered by the sale of the present buildings in Grosvenor Square.

Please provide a breakdown of the costs of the new Embassy in London including land acquisition, site preparation, and anticipated construction costs. Please dem-

onstrate how these costs will be offset based on sales of USG properties in London by listing the final amounts received for each property and who the buyer was. It is my understanding that a dispute still exists with the British Government regarding a 17 percent value added tax (VAT) charge that the United States is refusing to pay—what is the status of that negotiation. Last, how does the cost of this building compare with our Embassy in Baghdad?

Answer. In 2006, the Bureau of Overseas Buildings Operations (OBO) developed a Long-Range Facilities Plan (LRFP) that analyzed several multiyear plans to renovate the existing London Chancery and compared those options against constructing a new embassy compound, hereafter referred to as the New London Embassy (NLE).

OBO determined the cost of a complete renovation of the current chancery would be about \$600 million and would take about 7 years; however, even a renovated current chancery would still not meet all security standards, significantly due to a lack of required setback that cannot be remedied. In addition, OBO did not have funding for this option.

The OBO analysis concluded an NLE is the only feasible alternative to meet U.S. diplomatic requirements and provide a secure, safe, modern, and functional embassy in London. The LRFP recommended and the Department implemented a self-financing approach using revenue from the sale of Department properties in London to fund an NLE.

It is important to note that the cost of the property plays a large part in project costs as well as local construction costs. Independent sources routinely place London as the top second or third most expensive real estate market in the world. Office rents and housing prices, regardless of the state of economy, are high—which results in high residual land values. This, combined with a dearth of sites for development plus normally high demand for land, keeps prices at a premium.

The following provides a breakdown of the costs of the self-financed NLE project. Some of these costs are estimated and may vary depending on the exchange rate.

New London Embassy Expenditures

Real Estate Transaction and Chancery Lease Back Costs ^a	\$183,000,000
Acquire Nine Elms Site ^b	184,000,000
Construction Costs ^c	737,000,000
Value Added Tax (VAT) (Construction)	46,000,000
Total	\$1,150,000,000

^aincludes leaseback costs of \$165 million and brokerage fees.

^bincludes VAT.

^cincludes construction and construction related costs (planning, design, supervision, security management).

Sales Proceeds

<i>Property and Purchaser</i>	<i>Income</i>
Navy Annex (sold)—Grosvenor Square Limited, a private consortium led by entrepreneur Richard Caring	\$494,000,000
Chancery* (under contract)—Qatari Diar Real Estate Investment Company (owned by Qatar Investment Authority)	520,000,000
MSGQ* (to be sold)—The MSGQ will be sold at a later date	10,000,000
Chancery Leaseback Rent Refund*	144,000,000
Total	\$1,168,000,000

*Estimated; based on projected 2012 exchange rates.

As noted above, total expenditures for the NLE and site are estimated at \$1,150,000,000 and the total estimated income from sales proceeds is \$1,168,000,000, resulting in an estimated net gain for the USG of \$18,000,000.

The Department continues to engage the British Government concerning the relief of all taxes associated with the acquisition and construction of the NLE. In December 2008, the Department requested an exoneration (whether through an exemption or reimbursement) of VAT applicable to the purchase of the new embassy site, as well as on the locally acquired materials and services needed to construct the facility. In May 2009, the Foreign and Commonwealth Office (FCO) informed the Embassy that Her Majesty's Government (HMG) was unable to accommodate this request. We have, however, successfully obtained, for the first time in the U.K., an exemption from the imposition of the stamp tax associated with this project. Additionally, because the land acquisition closed prior to December 31, 2009, VAT was assessed at a 15 percent rate, rather than the standard 17.5 percent rate. On Janu-

ary 8, 2010, the VAT that was required for the land purchase was paid. The U.S. Government will continue to pursue reimbursement of the VAT on the site purchase as well as exoneration of VAT on construction materials and services, currently at a rate of 17.5 percent.

The Baghdad New Embassy Compound, awarded in FY 2005, cost \$620.2 million in OBO funds. In addition to OBO funds (\$620.2 million), the Department used approximately \$240 million of Diplomatic and Consular Program funds for follow-on projects.

Question. In your testimony to the committee, you stated that, “we have too often relied on contractors, sometimes with little oversight” and that one of the intentions of the FY 2011 budget is to hire full-time staff in order to reduce the need for such contractors.

In which fields are you intending to replace contractors with these new FTE and roughly how many contract positions are you seeking to eliminate?

Does the Department have an accurate count on the number of contractors that are working in substantive areas, both as contractors and as employees, and what functions they are doing? Can you share with the committee the number and examples of the nonpersonal security work that contractors perform at the Department?

Answer. We are now conducting the first Quadrennial Diplomacy and Development Review (QDDR) effort at State and USAID, one area of which focuses on developing a more balanced workforce. As part of this process, the Department is preparing guidance and criteria, based on guidance from the Office of Management and Budget, that will enable bureaus to examine their workforce and make determinations as to where in-sourcing may be appropriate. The guidance will direct bureaus to review functions on a regular basis consistent with the criteria to ensure inherently governmental and mission critical functions are performed by government employees. These reviews will also aim to ensure that other functions are performed with an appropriate balance of government and third party contract personnel as necessary to adequately manage contractor performance and retain a sufficient degree of core capabilities.

This balanced workforce initiative will transcend all domestic Department of State bureaus and offices; however it is too early in our process to identify the specific fields in which we would replace contractors with FTE or to estimate the overall number of positions to be in-sourced. To provide some perspective, the Department currently has 22,772 domestic employees, of which approximately 8,800 are contractors. Our information regarding the type of work these contractors perform is limited to broad job categories such as information technology support and language services. We are currently working to develop a system to better inventory the number of service contractors by job function, as mandated by Public Law 111-17, Division C, Section 743.

Question. Would a third term for President Alvaro Uribe of Colombia present obstacles for support of funding Plan Colombia and for the ratification of a free trade agreement with Colombia? In addition, how would President Uribe’s continuation in office affect Colombian-Venezuelan relations?

Answer. On February 26, Colombia’s Constitutional Court ruled 7-2 that the constitutional amendment process to allow President Alvaro Uribe to run for a third term could not legally go forward. As we have said consistently, this was an issue for the Colombian people and Colombian institutions to decide. This democratic process and President Uribe’s statesmanlike response that he would abide by the Court’s decision show why Colombia is a vibrant and mature democracy, and a valued partner for the United States.

Question. Despite strong support from the United States, sustained international participation in Haiti is vital for its recovery. It is especially important that the international community provide governance assistance to the Haitian people. The failures and corruption of past Haitian governments contributed greatly to the stress felt by the Haitian people before the earthquake, and the limitations of the current government constrain the prospects for recovery.

These harsh realities, compounded by the significant loss of life that has weakened the government and other institutions in Haiti, compel the international community to consider creative measures. Because of the devastation, Haiti’s condition approximates that of a failed state. If the U.N. plays an increased security and recovery role, I believe Haitians will more quickly gather their bearings and begin to rebuild their lives and their country.

Going forward the relationship between the United Nations and the Haitian Government should be a consensual, cooperative arrangement that preserves Haitian

participation in recovery decisions, while ensuring that the resources and expertise of the international community are brought to bear on the daily problems of Haiti.

In this regard, should we consider an enhanced role for the United Nations in the daily operations of the Haitian Government until the country is stable and less dislocated? This would include the provision of food and shelter, reconstruction activities, budgetary affairs, security, and other aspects of governance vital to the Haitian people. The United Nations has the credibility and capacity to perform this role.

Answer. The undertaking to assist Haiti in recovery and rebuilding is massive; it will require the Government of Haiti to lead a well-coordinated, well-funded effort assisted by the United States, the United Nations, other nations, international organizations, the Haitian diaspora, and nongovernmental organizations. Actors from across the U.N. system provided assistance to the government and people of Haiti long before the tragic January 12 earthquake, and we expect that they will continue their work, in close partnership with the Government of Haiti, for a long time to come. This includes not only efforts in the security sphere—where the MINUSTAH peacekeeping mission has bolstered and helped to train the Haitian National Police—but also the U.N.'s work on relief, recovery, and reconstruction.

The relationship between the U.N. and the Haitian Government has been and should be a consensual, cooperative arrangement, with the U.N. and other international actors recognizing the Haitian Government's central role and authority. The Haitian Government's primacy in the relief effort is critical to gaining the trust and support of the Haitian people and diaspora. It is important to underscore that there has been consistent agreement among major international donors for our efforts to be conducted "in cooperation with and support of" the Haitian Government.

Demonstrating its commitment, the U.N. will cohost and provide the venue for the "International Donors' Conference Towards a New Future for Haiti" on March 31. The donors' conference, cohosted by the U.N. with the United States, in cooperation with the Government of Haiti, and with the support of Brazil, Canada, the European Union, France, and Spain, will seek to mobilize international support for the development needs of Haiti to begin to lay the foundation for Haiti's long-term recovery. At the donors' conference, Haiti will present its vision for its future and how international support can assist. Donor countries, international organizations, and other partners will have an opportunity to pledge resources, to coordinate in support of Haiti's long-term recovery, and to commit to a sustained effort to support Haiti.

Question. a. How does the administration plan to engage with recently elected President Yanukovich and what has been your approach to Crimea, the status of which has been an ongoing source of tension within Ukraine?

b. What is the status of economic development and confidence building projects in Crimea, including exchange programs with the United States and the opening of a U.S. presence post, which was a component of the 2008 U.S.-Ukraine Charter on Strategic Partnership?

Answer a. The administration looks forward to deepening our strategic partnership with Ukraine in collaboration with President Yanukovich, who was elected in a vote that international and domestic observers assessed as essentially free and fair. President Yanukovich himself has spoken publicly about implementing this strategic partnership. The United States fully supports Ukraine's sovereignty, independence, and territorial integrity, and recognizes no spheres of influence in the region. A strong and independent Ukraine contributes to the security and prosperity of Europe.

The United States bases its friendship with Ukraine on the principles of the U.S.-Ukraine Charter on Strategic Partnership of December 2008. In addition to our support for Ukraine's independence, sovereignty, and territorial integrity, these principles include the belief that democracy is the guarantor of prosperity and freedom, and the importance of defense and security cooperation. To implement the charter, the United States and Ukraine established the U.S.-Ukraine Strategic Partnership Commission in July 2009. The commission's inaugural meeting took place last December in Washington; we look forward to a next session in Kyiv after the new government is in place.

We are conducting high-level engagement with the new leadership to pursue U.S. priorities, including critical economic and energy sector reform, as well as Ukrainian cooperation on nonproliferation issues in the leadup to the Nuclear Security summit in Washington in April. President Obama raised all these issues with then-President-elect Yanukovich during a February 11 telephone call. National Security Advisor General Jones discussed these priorities further with President Yanukovich at the February 25 inauguration in Kyiv. President Yanukovich has responded positively to our contacts, indicating that he intends to pursue a strong relationship with the West, and that he will attend the Nuclear Security summit.

In Crimea, we will continue our outreach efforts to strengthen the region's further integration with the rest of Ukraine, and to promote mutual understanding between the United States and Crimea. Ambassador Tefft will visit Crimea the week of March 8. The United States will continue its assistance efforts to support the region's development and contributing to stronger linkages between Crimea, other parts of Ukraine, and Europe.

Answer b. The U.S. mission in Kyiv is actively leading outreach efforts aimed at all inhabitants of Crimea, including youth and Tatar audiences. We have conducted exchanges, media outreach, and cultural diplomacy in an effort to promote mutual understanding of U.S. society and values, and strengthen academia, civil society, and local government capacity. In addition, Embassy Kyiv recently established centers in Simferopol and Sevastopol to advise Crimean youth about U.S. educational opportunities. We have also established low-cost Internet centers at the main public library in Simferopol and elsewhere in Crimea, as well as throughout Ukraine. One-time assistance funding of \$850,000 from a Georgia war-related supplemental has permitted this increased public diplomacy spending in Crimea during FY09 and FY10.

In recognition of the region's importance, the U.S. significantly expanded its aid for 2009 and 2010 to Crimea. We provided \$27.8 million in assistance to Crimea in FY 2008-09, \$19.5 million of which was part of an FY08 supplemental. USAID and other programs focus on promoting economic development, health, democracy in Crimea. The U.S. mission in Kyiv works with businesses, local governments, and civil society to provide tangible economic and social gains, including improvements in the delivery of key economic and public health services. Aid to improve the business and investment environment will help diversify the Crimean economy. Health programs will help control tuberculosis. Media assistance will strengthen the reach and effectiveness of the region's independent media, providing meaningful alternatives to existing sources. Governance initiatives will build leadership skills in key constituencies, including Crimean Tatar youth. Programs to improve Ukraine's energy security support modernization of the municipal heating network and assist municipalities with energy planning and energy efficiency strategies.

The Obama administration is reviewing plans on opening new diplomatic posts abroad, including one in the Crimean capital of Simferopol, one of the elements of the December 2008 U.S.-Ukraine Charter on Strategic Partnership. Further review by both the Department and Ukrainian authorities would be necessary before such a presence post can be established. Such a post would expand exchanges and promote mutual understanding between the United States and Crimea.

Question. The State Department is asking for authority to retain and spend all passport and consular fees, providing a new stream of funding for the Department outside of the regular appropriations process.

- For FY 2011, what is the estimate of the amount of fees that would be received? How much currently goes to the U.S. Treasury, and how much would go to the Department of State?
- If this permanent authority is provided by the Congress, under the Department's suggested language, what role does the Congress have in guiding the use of these fees? Does usage of the funds require an appropriation, or only a notification and a year-end report?

Answer. Currently, the Department of State has authority to retain certain consular fees, including the Machine Readable Visa and Border Crossing Card fees, the border security surcharge on passport and immigrant visa applications, the expedited passport fee, the Western Hemisphere Travel Initiative surcharge on passport applications, the diversity visa lottery fee, the fee for an affidavit of support, and the fee to process requests from participants in the Department's Exchange Visitor Program for a waiver of the 2-year home-residence requirement. Other consular fees must be deposited in the general fund of the Treasury and may not be retained by the Department of State. Consular fees are based on the cost of providing consular services to the public, and retaining the fees will allow us to offset the expenses associated with these services. These expenses include the purchase of supplies and equipment, and the salary of personnel.

Under the consular fee proposal in the President's FY 2011 budget request, the Department would be able to retain any revenues from passport and other consular fees that are currently deposited in the Treasury, including the passport application fee, the passport execution fee, immigrant visa application fees, and fees for other consular services including American Citizen Services that are provided primarily overseas.

Currently, the Department expends significant appropriated resources to support these activities because the associated fees for these services are deposited in the

Treasury. The total projected revenue for FY 2011 under the proposed authority is approximately \$782 million. Planned use of the retained fee revenue would be included in the Department's annual financial plans which are submitted to the Congress soon after the appropriations legislation for each fiscal year is signed into law.

Question. During President Obama's recent State of the Union Address, the President stated that it would be the administration's goal of doubling American exports over the next 5 years under the "National Export Initiative." The goal of increasing U.S. exports is one that I applaud and support. Multiple governmental agencies including the Department of State as well as the Department of Commerce, the United States Trade Representative, and others have been designated to be involved in this effort. Yet, I struggle to see evidence of the National Export Initiative reflected in this proposed budget of the Department of State. For example, the U.S. Trade and Development Agency budget increases at a rate below the average increase for non-Frontline State spending. This is an agency whose primary purpose is to promote U.S. exports and reports that every dollar is spent by the agency results in \$40 in U.S. exports.

- Please explain how the National Export Initiative is reflected in this budget and how it might be reflected in future budgets.

Answer. The National Export Initiative (NEI) is an interagency effort coordinated by the Trade Promotion Coordinating Committee (TPCC) led by the Commerce Department. We support the administration's request for increases in FY 2011 budget requests for the Commerce Department and other TPCC agencies to support export promotion efforts. In the USAID budget, \$10 million has been allocated to the Economic Growth, Agriculture and Trade Bureau for this initiative. These foreign assistance funds will complement U.S. commercial diplomacy by helping our partners in key developing country markets to streamline customs and other import administration procedures, thereby lowering the cost of U.S. products to customers in those markets.

State Department officers work in a close partnership with their Commerce Department colleagues, particularly in our embassies and consulates abroad where Commercial Service officers are part of our country teams. Our embassies and consulates also work to leverage the resources and support for exporters offered by the Export-Import Bank (ExIm), the Overseas Private Investment Corporation, the Small Business Administration and the U.S. Trade and Development Agency.

I have sent a message to all U.S. Ambassadors to highlight the importance of commercial diplomacy in their support for U.S. business abroad. We are working closely with our TPCC colleagues to strengthen the advocacy process to ensure that high-level U.S. Government officials are prepared to discuss commercial issues with foreign government officials. We are working with the Commerce Department in support of foreign trade missions and encouraging our Chiefs of Mission to engage with the U.S. business community when they are in the United States to encourage interest in markets abroad.

Much of what the State Department does to advocate for business interests abroad does not require additional resources at this time. This could change given the transitional nature of the domestic and global marketplace and scope of this initiative in the future. Our U.S. embassy and consulate staffs offer U.S. exporters assistance every day by providing country-specific expertise on markets and potential customers. Embassy officers assist in investment and commercial disputes and provide U.S. firms with critical insight into local political and judicial systems in foreign countries. We also work closely with the Office of the U.S. Trade Representative and other agencies to enforce international trade rules to help level the playing field for U.S. companies. We also support efforts to negotiate new balanced trade agreements that improve market access for U.S. manufacturing, agricultural and services exports.

Question. During your testimony, you discussed the increased role of the Export-Import Bank (ExIm Bank) in this initiative. As Exim Bank is an independent, self-sustaining executive agency which only receives funds from the 150 Account for expenses of the Inspector General of Exim Bank, how will the Department of State increase Exim Bank's effectiveness in financing and increasing U.S. exports?

Answer. The National Export Initiative is an interagency effort, and the Department of State and other agencies of the USG, are working to increase U.S. exports. As we proceed to reach out to the U.S. business community, in Washington and through our embassies overseas, we are highlighting and promoting ExIm's programs more than ever. In fact, the State Department's Bureau of Economic, Energy and Business Affairs will be hosting an Internet seminar on ExIm Bank programs in March for embassy officers worldwide.

Question. Given the focus of the National Export Initiative, how is the Department of State working to minimize the impact on U.S. exports and job loss due to the ongoing cotton dispute with Brazil?

Answer. The administration continues to prefer a resolution to the cotton dispute that does not include Brazil resorting to countermeasures. We are disappointed to learn that Brazil's authorities decided to proceed with countermeasures against U.S. trade in this dispute. Working closely with the Office of the U.S. Trade Representative, we are consulting with Congress and American stakeholders, and we plan to continue to engage Brazil on this issue.

ORGANIZING FOR CIVILIAN CRISIS RESPONSE

While you and Secretary Gates have indicated, side by side, the importance of right-sizing the foreign assistance budget for our own national security, you have both also indicated the necessity to organize our civilian agencies for this role in the 21st century. As you well know, I have long supported such efforts, to include strengthening the ability of civilian agencies to deploy personnel as effective partners to our troops and independently where necessary. I am pleased to see that the Civilian Stabilization Initiative remains a priority in the budget and hope to see it organized and led with the resources and personnel appropriate to this important security-related response capacity.

While the Department of Defense has embraced the clear necessity to organize for the deployment of civilians in crisis areas around the world through policy decisions (3000.5) and reorganization (creation of the Civilian Expeditionary Workforce—CEW), it appears the State Department is not moving with the same urgency or commitment.

Question. Why has the State Department Office of the Coordinator for Reconstruction and Stabilization (S/CRS) lacked priority and emphasis within the administration in the face of growing and persistent requirements for civilians from State, USAID, and other civilian agencies to deploy to places determined to be of the highest priority by the President such as Iraq, Afghanistan, and Pakistan, and perhaps places such as Haiti or even Yemen in the future?

Answer. Robust funding for S/CRS and further development and employment of the CRC and other tools continues to be a priority for me, for the Department as a whole, and for the President. Although it is true that S/CRS is not leading our civilian response efforts in Iraq, Afghanistan or Pakistan, its tools and personnel have been involved in our efforts in all three places, particularly in Afghanistan. Currently, S/CRS has approximately 20 members of the Civilian Response Corps and S/CRS staff serving in Afghanistan and who are central to our efforts at civil-military planning, support for the U.N., and strategic communications. S/CRS has assisted in our Haiti effort and is just finishing a civilian-led assessment and planning process for our Embassy and USAID mission in Sana'a.

In the coming months, as S/CRS continues to grow, my senior staff and I expect that Ambassador Herbst and his team will take on a more central coordinating and operating role in our most important conflict prevention and conflict response challenges.

Question. What are your intentions with regard to matching the commitment you made with Secretary Gates to lead our lead civilian foreign policy agency to be an effective locus of organization for deployment of civilians? Is it possible to innovate upon S/CRS advances made to date in order to organize and coordinate for reconstruction and stabilization missions determined by the President to be in our interests?

Answer. I remain fully committed to ensuring that the State Department, along with USAID, has the necessary civilian capacity effectively to respond to the nation's most important national security challenges. S/CRS has made very significant strides already, and, in the past few months has achieved a new level of readiness and maturity. In connection with the QDDR process this year, I am confident that we will build on S/CRS's successes and make further advances to create a larger and even more effective State, USAID and whole-of-government civilian response capability.

Question. How will you ensure the hard-fought progress made through S/CRS to date is not lost and that the utility of its tools, such as a planning capacity, its innovation and coordination across agencies, its collaboration with DOD, as well as critical learned lessons and resident knowledge are collected and maintained as civilians return from difficult assignments in crisis zones?

Answer. S/CRS is continuing to develop a database of best practices by capturing lessons learned from reconstruction and stabilization operations and incorporating them in doctrine, training, and future operations. After Action Reviews (AARs) of individual engagements are a primary means of distilling lessons and best practices. Evaluations are conducted while operations are ongoing, and final AARs are drafted after consulting with a wide range of interagency experts and external partners in both face-to-face meetings and online surveys. Such AARs are studied to glean best practices and lessons learned.

S/CRS is working closely with USAID, DOD, and the Center for Complex Operations at the National Defense University in the establishment of a "Whole-of-Government Lessons Learned Hub." With S/CRS as the policy lead, an integrated civilian-military, multiagency pilot project is underway on Afghanistan and Iraq Provincial Reconstruction Teams that will institutionalize a standing interagency lessons-learned capacity. This interagency collaboration includes participating civilian agencies (DOS, USAID, USDA, and DOJ) as well as the Defense Department and a number of DOD entities. In managing the PRT lessons-learned project, the CCO has partnered with USIP and the Association of Diplomatic Studies and Training to interview returning civilian PRT members, using an interagency-agreed questionnaire. An interservice team is interviewing military personnel using the same materials. We are looking to create direct links to the field for rapid implementation of best practices.

Question. Resources are an essential element of the Civilian Stabilization Initiative and should be properly located to achieve their purpose. Although I am pleased to see my persistent call for a Crisis Response Fund to be housed at State rather than relying on DOD section 1207 funds for the same purpose I wonder how State has organized to continue with the proper use of such funds. Why does USAID appear to have a parallel account? Is it for Stabilization and Reconstruction purposes?

Answer. We welcome your support for the proposed FY 2011 Complex Crisis Fund (CCF), which we see as the natural successor to the 1207 funding program. While specific decisions will have to wait for the conclusion of the legislative process, USAID, S/CRS, and F are currently consulting on the best way to organize to implement the CCF, building on the expertise S/CRS has developed in managing the 1207 program. While the FY 2010 CCF was appropriated to USAID, we see this as being used for purposes similar to 1207, or for conflict prevention and conflict response activities, which is also how we envision the FY 2011 CCF.

Question. The Office of Foreign Disaster Assistance and its agency, USAID, responded as they have done so well over the years in cooperation with the Department of Defense and others in the immediate humanitarian response following the earthquake. As the humanitarian crisis settles the U.S. must decide on the path ahead for our engagement which I have noted earlier should encourage an international effort.

- Why was the designated Deputy Assistant Secretary within the PRM Bureau for the Haiti Task Force not seconded to S/CRS in order to directly employ the resident S/CRS planning and coordination tools including the engagement of the nascent Civilian Response Corps (CRC) mechanism?

Answer. The 12 January earthquake in Haiti came on the heels of a 9-month-long process to review the USG's policy and assistance on Haiti lead by my Counselor and Chief of Staff Cheryl Mills. The selection of Deputy Assistant Secretary Reuben Brigety of the Bureau of Population, Refugees and Migration, to lead this process under Mills allowed us to bridge steady state with crisis response planning, particularly given DAS Brigety's background linking national security, humanitarian affairs, human rights, and foreign assistance reform. S/CRS reached into its staff as well as Active and Stand-by members of the Civilian Response Corps to provide the majority of the staffing for Task Force IV, which had the lead on this effort. In addition, S/CRS's signature whole-of-government planning process and coordination tools were enlisted in the effort, which within days had successfully convened over 150 experts from 45 federal offices and agencies to lend their expertise to a complex and rapidly evolving planning environment. In the space of 3 weeks, Task Force IV produced a compendium of planning products from situation analysis and future assessment needs to policy issues and a supplemental budget justification in support of the USG's strategy for recovery and reconstruction in Haiti from immediate transitory measures to a 5-year horizon.

Question. Was there a conscious decision to bypass S/CRS and the years of development we in Congress have encouraged since 2003? If so, why?

Answer. USAID Administrator Rajiv Shah was designated the unified Haiti disaster coordinator by the President since the earthquake relief was so clearly a humanitarian task for which rapid food, medical, and search and rescue assistance was needed. USAID's Bureau of Democracy, Conflict and Humanitarian Assistance has the mandate to provide humanitarian assistance in natural disasters, and has extensive experience in rapidly and effectively coordinating with international and nongovernmental humanitarian assistance providers and other USG agencies, including the U.S. military in such situations.

S/CRS was and continues to be important as we manage our response to this tragedy, primarily by supporting our forward planning efforts and by coordinating some of the interagency contributions to the effort.

Question. How will the State Department continue to build upon the resources dedicated to building an effective civilian response capacity in the Crisis Response Corps (CRC), as well as the tools to help in the planning, training, and coordination of all civilian agencies providing personnel for deployment?

Answer. I am confident the QDDR process will point the way forward for the further development of the function pioneered and practiced by S/CRS and funded by the Civilian Stabilization Initiative (CSI). As part of the QDDR process we are looking at everything—filling all the gaps in our ability to respond to complex challenges, possible new authorities needed, resource gaps, and the necessary scope and size of our “tools.” One thing is for sure; continued building of our response capacity will require continued funding, in 2011, 2012, and beyond. I would also ask you to help us recruit, train, and employ a robust and effective force with flexible hiring authority, an expansion of the definition of personnel able to serve in the CRC, and the ability to offer dual compensation to USG retirees who want to come back and contribute to this effort without losing their pension.

Question. The administration's CSI request includes \$69.6 million for CRC deployments. The State Department FY 2011 Congressional Budget Justification indicates that there is a “growing demand for CRC [deployments] in sub-Saharan Africa and South Central Asia,” and that the Secretary has already committed one such deployment to the Democratic Republic of the Congo.

- Are deployments to these areas to be made in FY 2010 or FY 2011? Specifically, how many and what size deployments does that administration contemplate for the remainder of FY 2010 and for FY 2011?
- How many members of the CRC are currently deployed? Where are they deployed, and what functions are they serving? What contribution have S/CRS and the CRC made to the civilian surge in Afghanistan? What contribution are they making in response to the Haiti earthquake?

Answer. The demand for CRC deployments continues to grow as we progress in fully staffing the CRC and the capability becomes more widely known throughout the government. The deployments to sub-Saharan Africa and South Central Asia are in FY 2010 but we expect them to continue into FY 2011. Unfortunately, due to the demand driven nature of the work, we can only provide specific numbers of CRC that we anticipate deploying for the remainder of FY 2010. CRC deployments scheduled for the next 3–6 months include: 10–15 CRC to Sudan; 5 to the DRC; 20-plus to Afghanistan; and a handful to a number of other countries. We anticipate that demand will continue to grow for CRC deployments in FY 2011.

Currently, 25 CRC are deployed. In addition, 15 S/CRS staff are deployed to countries including Yemen and Kyrgyzstan. Afghanistan is the largest deployment with 13 CRC members currently supporting joint civilian-military planning efforts, strategic communications, and corrections issues. In addition, there is one CRC member embedded with CENTCOM to support joint planning efforts in Afghanistan. One CRC–S Standby member is deployed to Chad working with MINURCAT on upcoming elections and one CRC–A member is in Sudan. In the DRC, there are two CRC members who were part of a larger CRC team conducting assessments in a variety of areas—including gender based violence, SSR, minerals trade—at the request of Embassy Kinshasa. In Pakistan, one CRC member is strengthening strategic communications and outreach efforts of the Embassy. At SOUTHCOM, S/CRS has one CRC Standby member from the Department of Commerce working on reconstruction and stabilization issues in Haiti. In Haiti itself, the CRC has deployed five members to conduct a variety of different missions related to the post-earthquake reconstruction and stabilization. In Sri Lanka, one CRC member is supporting the ongoing DDR activities in country.

Question. I have long sought to strengthen the institutional Inspector General offices and find it is especially important given the vast resources being dedicated to U.S. efforts in Iraq, Afghanistan, and Pakistan. Effective institutional oversight is

the currency for greater confidence from Congress in our expenditures overseas. While Special Inspectors General were established in Afghanistan and Iraq and were granted authorities, such as the hiring of annuitants and retirees, similarly helpful authorities and significant resources were not provided for the oversight of offices within State and USAID.

- (a) It is not a matter of resources alone however. Please explain why our institutional Inspector General offices are not given the authorities and resources deemed essential to the Special IG entities?

Answer (a). *OIG Response: Resources*—For FY 2011, the President’s budget request for State OIG (\$63 million) will not substantially inhibit our audits, inspections, or investigations. In accordance with the Inspector General Act of 1978, as amended, the Department fulfilled its obligation to apprise Congress of the OIG funding request to the Department (FY 2011 CBJ, Vol. 1). OIG’s original FY 2011 request, \$76 million, was based on our current and projected requirements. In FY 2010, OIG’s base funding (\$54 million), plus all supplemental funding available is \$68.9 million. OIG appreciates Department and Congressional interest in our resources and the trust placed in OIG by both to undertake a swift but prudent expansion of our oversight portfolio.

Authorities—In 2008, the State Department delegated OIG its statutory authority to hire personal services contractors (PSCs) for international work.

In 2009, OIG responded to SFRC questions on needed OIG authorities, which were undertaken by the committee, specifically for:

- (1) Expansion of PSC authority to include domestic authority, and
- (2) New Civil Service and Foreign Service annuitant hiring authorities, which now are being coordinated by SFRC with committees with related jurisdiction.

These personnel authorities would increase OIG’s capability to respond to oversight needs across the globe, however, only Congress can provide OIG additional statutory authorities such as 5 U.S.C. 3161, the use of PSCs domestically, and the expanded use of Civil Service and Foreign Service annuitant through partial retirement offset reduction. Recently, OIG requested that the SFRC provide 5 U.S.C. 3161 authority to OIG.

- (b) How are you building the institutional capacity within State and USAID IG offices to be more responsive to the significant challenges and tasks associated with our foreign policy and foreign assistance commitments in places such as Pakistan and Afghanistan? How are you ensuring there is no dropoff in productivity across the rest of the globe as resources and personnel are directed to Afghanistan and Pakistan?

Answer (b). *OIG Response: OIG continues to hire and train new personnel to meet oversight requirements and achieve full staffing levels. OIG makes the best use of its limited resources by prioritizing its work, focusing on high-risk, high-dollar programs and placing the greatest emphasis for new growth on sustaining oversight in post-conflict and crisis countries and regions. In 2008, with additional resources available, OIG launched new offices to address emergent oversight needs. These new officers are the Middle East Regional Office (MERO) and Middle East Investigative Branch (MEIB).*

OIG will continue to expand its oversight efforts in Pakistan, Afghanistan, Iraq, and West Bank/Gaza, and its focus on issues important to Congress such as global health initiatives, global women’s issues, and trafficking in persons. OIG will also continue to respond to new areas requiring oversight as evidenced by its announced review of the Department’s response to the disaster in Haiti.

In Afghanistan, OIG–MERO currently has assigned four staff members full-time—two auditors, including the audit-director, an auditor-analyst, and an office support specialist. This staff is supported with a budget of \$2.5 million in FY 2010 and \$3.5 million in FY 2011.

In Pakistan, OIG–MERO has hired or identified positions for three staff members to be assigned full-time—an audit-director and two auditor-analysts. This staff is supported with a budget of \$2 million in FY 2010 and \$3.6 million in FY 2011.

The full-time staff in Pakistan and Afghanistan is in addition to staff deployed from the U.S. on a temporary duty (TDY) basis from Washington, DC, and those assigned TDY from the MERO and MEIB hub offices in Cairo and Amman, respectively.

Beyond the work of MERO and MEIB, all OIG offices have conducted oversight work in countries within the Middle East and South Asia regions in recent years. For example, the OIG recently released its inspection of Embassy Kabul and the inspection report on Embassy Islamabad will be issued this spring. In October 2009, OIG published its report on the Audit of the Construction and Design of the New

Embassy Compound in Baghdad, Iraq and in June 2009, OIG's Office of Audits released a joint report with the Special Inspector General for Iraq Reconstruction on "Joint Audit of Blackwater Contract and Task Orders for Worldwide Personal Protective Services in Iraq."

Meanwhile, OIG continues to provide oversight of programs and offices for the Department of State, Broadcasting Board of Governors and the International Boundary and Water Commission, with prioritized oversight activity, both domestically and overseas.

From FY 2008 to FY 2010, the Office of Investigations increased its staff of criminal investigators from 10 to 36 and anticipates an increase to 38 by the end of FY 2010. In FY 2009, the OIG created the Middle East Investigative Branch (MEIB) within the Office of Investigations to conduct investigations in support of the Department's expanding Middle East and South Asia mission. MEIB's primary mission is to respond to criminal allegations and support investigative activities concerning Department programs, employees, and contractors in the Middle East and South Asia, with focused concentration on high-value, high-risk areas of Afghanistan, Pakistan, and Iraq.

MEIB has a total of eight criminal investigators, with three stationed domestically and five stationed in Amman, Jordan, Baghdad, Iraq, and Cairo, Egypt, respectively. This translates to more than 22 percent of INV's entire investigative staff dedicated to the Middle East and South Asia region. From these locations, OIG can move its personnel easily, as needed, throughout the region. During FY 2010, INV plans to add another criminal investigator to MEIB.

This shift of resources to the Middle East and South Asia has corresponded with a large increase in INV's overall domestic and worldwide workload. The number of OIG Hotline complaints processed rose from 533 in FY 2007 to 1,004 in FY 2009 (an increase of 88 percent) and is on pace in FY 2010 to surpass last year's total by a wide margin. The number of cases opened also rose from 37 in FY 2007 to 126 in FY 2009 (an increase of 240 percent).

To adjust to the increased workload, INV has taken measures to enhance productivity. For example, INV has also procured a new electronic Case Management System (CMS), which is due to come online during FY 2010 and will replace an outmoded system in use since 1999 that is not accessible remotely. This new system will, for the first time, enable INV personnel stationed overseas to instantly update case files, communicate much more efficiently with Washington and greatly increase productivity.

- (c) After strong congressional pressure there are now 3 USAID IG staff in Afghanistan and a similar number of State IG staff, while there is 20 staff on the ground working for the Special Inspector General for Afghanistan (SIGAR) which was established only a short while ago. Washington, DC, staff is similarly overweight within the SIGAR relative to the institutional IG offices.
 - (i) What changes have been made or will be made to strengthen the institutional IG offices?
 - (ii) How will you ensure the institutional capacity for audit and oversight are sufficient to each and every environment within which we expect to employ foreign assistance and other foreign policy resources?
 - (iii) Please break out the amounts from the FY2010 and FY2011 budgets intended for State IG and USAID IG use by total and by region, and where possible for Afghanistan and for Pakistan.iv. Why does the FY2010 Supplemental Budget Request include \$14 million for SIGAR on top of \$30.2 million for FY2010 while OIG request is for only \$3 million?
 - (iv) Why does the FY2010 Supplemental Budget Request include \$14 million for SIGAR on top of \$30.2 million for FY2010 while OIG request is for only \$3 million?

Answer (i). OIG Response: OIG has received a substantial amount of resources since 2007, as detailed below, to increase its oversight capabilities. This corresponded with equal or larger increase in oversight responsibilities for the increasing budget and programs in the Department, in addition to the work on post-conflict and crisis regions.

OIG has judiciously used these resources to strengthen its existing offices and create an overseas presence for the first time. The large increase in OIG oversight products and investigations in crisis and post conflict areas since 2007 speaks for itself. OIG also coordinates and deconflicts its work with other institutional and special OIGs in organizations such as the Southwest Asia Planning Group and the International Contract Corruption Task Force. As for Afghanistan, OIG has deter-

mined that its current mix of overseas and domestically based personnel best supports its oversight mission there.

OIG personnel stationed in Amman and Cairo provide oversight of major U.S. Government programs in crisis and post-conflict areas, including Afghanistan. Staff members in these offices conduct audits, program evaluations, investigations and financial attestations of contracts and grants on performance and procurement issues, as well as program oversight by management. The temporary satellite office in Kabul, with assistance from the regional offices and Washington, DC, provides direct oversight of the same types of Department-funded programs in Afghanistan. This configuration of personnel provides OIG the greatest operational flexibility, while incurring substantially lower risk and life support costs. In addition, it avoids unnecessary duplication of oversight with SIGAR and reduces the administrative support burden on Embassy Kabul.

In terms of strengthening OIG's resources base, since 2008 OIG has received an array of additional funding. In 2008, the base funding was \$33 million. If the 2011 President's budget is enacted, the base funding level will be \$63 million. A major part of the increase was a result of the need to include the MERO and MEIB offices in the base funding. Before 2011, these two offices were funded by supplemental funding, which OIG understands will not be available in FY 2011.

In response to the question on OIG authorities, the OIG supports the new proposed authorities and other OIG-related provisions that SFRC (See page 2.) is now considering for the reauthorization of the Foreign Relations Act.

On overseas staffing, MERO and MEIB provide oversight to post-conflict and crisis locations overseas. MERO maintains 80 percent of its staff based overseas, and an additional 10 percent in TDY-deployable status. MEIB maintains its entire staff overseas or in TDY-deployable status. These offices are continuing to assign additional staff overseas.

The Office of Inspections has, since its inception, deployed domestically based staff overseas on inspections trips that can include multiple-post reviews and onsite, thematic reviews of programs at work overseas.

Answer (ii). OIG Response: Congress plays a key role in ensuring that OIG maintains sufficient institutional capacity by providing sufficient resources and maximum personnel authorities that permit us the flexibility to staff our teams with the best mix of talent and experience.

Answer (iii). OIG Response:

FY 2010

\$54M = regular appropriation
 \$2M = ESF Pakistan
 \$2.4M = Egypt
 \$2.5M = Jordan
 \$2.5M = Iraq
 \$2.5M = Afghanistan
 \$2.0M = Pakistan
 \$1.0M = Gaza

FY 2011

\$63M = regular appropriation request
 \$2.0M = Pakistan ESF transfer
 \$2.4M = Egypt
 \$2.5M = Jordan
 \$2.5M = Iraq
 \$3.5M = Afghanistan
 \$3.6M = Pakistan

Answer (iv). OIG Response: OIG is not in a position to answer this question.

Question. I appreciate the higher profile attention you are giving to international energy matters. We must work to push forward on cleaner and renewable energy sources for the future, while also working to secure the reliable oil and natural gas supplies that are so critical to the global economy. An area of particular importance is opening the Southern corridor to link Central Asian and Caucasian energy sources with consumers in Europe. Special Envoy Morningstar has put a great deal of effort into this project, and his work is commendable. Yet, some in the region still question U.S. commitment, particularly in comparison to the Clinton administration support for the Baku-Tblisi-Ceyhan pipeline project. Could you please update us progress on Nabucco, and also comment on how Nabucco progress fits with our

efforts related to the complicated issues of Nagorno-Karabakh and Turkey-Armenia relations?

Answer. We strongly support Europe's efforts to bring natural gas to Europe through new, diverse routes, including the Nabucco pipeline. Let me be clear. We strongly support Nabucco, but it will ultimately be built only if and when the case has been made that it makes commercial sense. That is why Ambassador Morningstar and his team have put so much effort into encouraging the parties whose interests are most directly engaged (Europeans, producer countries, transit countries, Turkey) to lay the necessary groundwork so that appropriate investment decisions can be made.

There have been several positive developments regarding Nabucco. The Intergovernmental agreement was signed by all partner countries in July 2009. Since that time, the Parliaments in Hungary, Bulgaria, and Turkey have ratified the agreement. Commercial negotiations between the Nabucco partners and several gas suppliers, including Azerbaijan are underway. Negotiations between Turkey and Azerbaijan regarding gas sales and transit are nearing completion. Politics are playing a role in these negotiations but we believe that an agreement is in the commercial and strategic interests of both Turkey and Azerbaijan and have encouraged both countries to finalize the agreement as soon as possible, so that companies can make appropriate investment decisions.

With respect to BTC, the situation today is more complex than it was 10 years ago. The Europeans, for example, are much more involved in Nabucco (and a Southern corridor) than they were in BTC. European companies will be buying the gas, and as much European unity as possible will be necessary for successful completion of the project. The world and the region are very different places in other ways as well. We will continue to work as hard as possible to guide Nabucco and the Southern corridor to a positive conclusion and believe that our efforts will be successful.

Question. Please specify funding and personnel requests for the global critical energy infrastructure program and explain any reductions in support for this program and priorities in FY 2011.

Answer. The Coordinator of Counterterrorism (S/CT) has the lead for implementing the global critical energy infrastructure protection (GCEIP) program within the Department of State. S/CT does not submit a separate budget request for GCEIP but supports this program through Anti-terrorism Assistance program funds. S/CT devoted approximately 1–1.3 FTE to the implementation of GCEIP in FY 2010 and expects to continue this effort at a similar level in FY 2011. Most of this activity involves outreach to potential foreign partners. The GCEIP program assumes that foreign partners will pay the costs for specific assistance requested of the United States. This is already occurring with respect to a sizeable and growing program with a major energy producer.

Question. G20 leaders made a pledge to phase out "inefficient fossil fuel subsidies" (CBJ p. 597). How is the efficiency, or lack thereof, of energy subsidies being assessed? What is the plan of action for implementation of this pledge outside of the United States?

Answer. In Pittsburgh, the Leaders of the G20 countries made a critical commitment to phase out inefficient fossil fuel subsidies over the medium term while providing targeted support for the poorest. This groundbreaking effort will encourage the conservation of energy, improve our energy security, and provide a downpayment on our commitment to reduce greenhouse gas emissions.

Fossil fuel subsidies displace important public investments and drain government finances, worsen balance of payments, lead to underinvestment in infrastructure, and can contribute to energy shortages. Eliminating fossil fuel subsidies and using some of those freed resources for targeted social assistance could significantly improve the quality of life of low-income households.

Cutting energy subsidies leads to reduced consumption, lower import demand and increased availability of energy for export—all helping to reduce the likelihood of a future supply crunch.

The OECD and IEA estimate that eliminating fossil fuel subsidies worldwide would reduce global greenhouse gas emissions by 10 percent or more by 2050. Removing fossil fuel subsidies helps eliminate market distortions, strengthening incentives for investments in energy efficient technologies and nonfossil energy supply.

Following the Pittsburgh summit, G20 Finance Ministers and Central Bank Governors called on the IEA, OPEC, OECD, and World Bank to produce a joint report on energy subsidies. This analysis will inform G20 efforts to craft implementation strategies and timeframes, based on national circumstances, for rationalizing and

phasing out inefficient fossil fuel subsidies, and for providing targeted assistance programs.

The State Department is making implementation of the G20 commitment to phase out inefficient fossil fuel subsidies a key element our international energy policy. Pressing for expeditious implementation of the commitment will be an important part of our bilateral engagement with other G20 partners.

Question. New authorizing language and new expenditure of \$5 million is being proposed for the International Renewable Energy Agency. What office would be the U.S. representative to IRENA? What role would the U.S. representative play in expenditure of proposed funds through IRENA? What, if any coordination, will be institutionalized between IRENA and the IEA and IAEA?

Answer. The State Department's Bureau of Oceans, Environment and Science (OES) Assistant Secretary will serve as the U.S. focal point for IRENA. In this capacity, OES works closely with other Bureaus within the State Department, including The Bureau of Economic, Energy, and Business Affairs (EEB), The Office of the Legal Adviser for Ocean International Environmental & Scientific Affairs (L/OES), The Bureau of International Organizations (IO) and the various regional bureaus. Additionally, the State Department coordinates U.S. Government involvement with IRENA through an interagency process that includes the Department of Energy (DOE), the Environmental Protection Agency (EPA), the Department of Commerce (DOC), the National Security Council (NSC), the Export-Import Bank of the United States (EXIM), the Overseas Private Investment Corporation (OPIC), the U.S. Department of Agriculture (USDA), and the U.S. Agency for International Development (USAID).

The United States currently participates in the Preparatory Commission that is working to establish the policies, work program, and organizational structure of IRENA prior to IRENA coming into force. If Congress authorizes U.S. participation in IRENA before it enters into force, then the United States is expected to be a member of the IRENA Council which has the authority and responsibility to "consider and submit to the Assembly the draft work program and the draft budget of the Agency." It is within that capacity that the United States would exercise its responsibility and authority to help ensure that the expenditure of funds conforms to the mission and objectives of the organization.

The IRENA founding statute calls on IRENA to cooperate closely with existing institutions to avoid unnecessary duplication of effort. The United States, along with other like-minded participating countries, is seeking to ensure that IRENA's work plan and programmatic portfolio complements and does not compete with or conflict with ongoing efforts. In State Department discussions with the leadership of the IEA and IRENA, both Secretariats have indicated strong interest and willingness to coordinate and cooperate with each other. For example, IRENA has included IEA representatives in a variety of the workshops that IRENA has sponsored, and IRENA's 2010 work program includes stocktaking of global renewable energy activities among multilateral fora, such as the IEA. As nuclear energy is not within IRENA's mandate, there is not expected to be any institutionalized relationship established between IRENA and the IAEA.

Question. The CBJ (p.766) states: "A primary focus of the Department's diplomatic efforts in the area of energy security is promoting the development and implementation of policies in foreign governments designed to foster growth in the clean energy sector." Please clarify if "clean energy" includes nuclear power and advanced coal technologies.

Answer. In its diplomatic efforts to promote energy security (using State Department operational funds), the Department includes both nuclear power and advanced coal technologies—defined as Carbon Capture and Storage and Integrated Gasification Combined Cycle (IGCC) technologies—as technologies that have the potential to reduce global and national greenhouse gas emissions. With regard to international assistance funding, in accordance with congressional directives in the FY 2010 appropriations bill, we will only use FY 2010 "clean energy" funds to promote the sustainable use of renewable energy technologies and end-use energy efficiency technologies, carbon sequestration, and carbon accounting. The primary objective of these programs will be to reduce, mitigate, and/or sequester emissions of greenhouse gas emissions. We would like to have a further dialogue with Congress on this issue for FY 2011 and beyond.

Question. Please explain the proposed budget reduction for "Caspian Basin Energy Diplomacy" within EEB.

Answer. In fact, it is not actually a decrease but rather shifting of internal accounting within a centralized budget in EEB as we were building the full capacity of the Office of the Special Envoy for Eurasian Energy.

Question. What, if any, funds beyond assessed contributions are likely for the International Energy Agency given its increased role relative to the G20, UNFCCC negotiations, and enhanced engagement with China and India?

Answer. The International Energy Agency (IEA) is an important vehicle to help advance our collective energy security goals and to reduce greenhouse gas emissions. I believe the IEA is the premier source for developing best practices and policies for new energy technologies and energy efficiency—which are integral to the transformation to a low carbon economy. The agency's efforts to improve the transparency of energy data and its wide-ranging analysis are laudable and enhance its global credibility.

Given this, I have encouraged senior State officials to commit voluntary State funding to support the IEA's work on new energy technologies, more efficient energy markets and training, outreach to important new consumers such as India and China, and on developing low carbon technology platforms. Funding will also support G20 developing country members in meeting commitments to eliminate inefficient fossil fuel subsidies, and help provide training for developing country government officials in statistical analysis and transparent reporting of data concerning energy markets, fuel reserves, and energy consumption.

Question. What funds and personnel are being proposed for the Office of the International Energy Coordinator?

Answer. David Goldwyn was sworn in as Coordinator for International Energy Affairs on August 17, 2009. The office of the Coordinator currently has four full time personnel, with plans to increase staffing by an additional three full time positions, for a total of seven (including the Coordinator). Broken down, this includes one SES, two Foreign Service positions, two civil service positions, a schedule C and a contractor. In addition, the Department is utilizing matrix management so that all personnel focusing on energy matters within the Department of State can be called upon by the Coordinator as appropriate. We are currently finalizing the financial plan for FY 2010 and the FY 2011 budget has been submitted. We expect to have sufficient resources to fund the operations of the Office of the International Energy Coordinator to ensure it can carry out its mandate.

RESPONSES OF SECRETARY OF STATE HILLARY CLINTON TO QUESTIONS SUBMITTED BY SENATOR RUSSELL D. FEINGOLD

Question. Secretary Clinton, as you know, defeating al-Qaeda and dealing with the broader problem of violent extremism requires that we use all of the tools at our disposal, including important nonmilitary tools provided by the international affairs budget. In the FY11 function 150 budget request, some of these tools come under explicitly terrorism oriented budget lines, like the new countering violent extremism program. However, there are a number of other budget lines supporting activities—such as economic development, good governance, respect for human rights and the rule of law, and conflict resolution—that can help to counter al-Qaeda's ability to recruit and operate. How do you plan to reach out across the different relevant programs to ensure we maximize and coordinate some of the potential benefits of these various initiatives with our broader counterterrorism efforts? Can you also tell us more about the countering violent extremism program—such as how a country would be determined a priority for the funding and how the program will relate to the wider assistance effort we are undertaking in a specific country?

Answer. The Countering Violent Extremism (CVE) program uses all of the relevant diplomacy, development, and defense tools at our disposal in order to maximize and coordinate programs and potential benefits with broader counterterrorism efforts. The Department of State coordinates accounts and agencies' planning, budgeting, and implementation efforts to ensure that U.S. Government responses meet the complex challenges posed by CVE. The Department of State makes decisions about resource allocation in a coordinated, coherent way so as to maximize the leverage and effectiveness of U.S. Government assistance on this multifaceted problem. In budget formulation, for example, we examine assistance requests through both a country program lens as well as from a global, sectoral perspective to ensure that programs in each country and region complement each other, avoid duplication of effort, and support U.S. strategic objectives. This applies to counterterrorism programming just as in other areas of assistance.

Various U.S. Government agencies have done an impressive job in recent years to further the U.S. Government's understanding of the radicalization process and the underlying factors that foster extremism. This knowledge is based on significant research and analyses conducted by the intelligence community as well as the many studies conducted by the private sector and academics. The Department of State then applies this knowledge in developing programs that will make a genuine difference in communities vulnerable to radicalization and recruitment toward violence.

Before beginning new programs in any country, the Department of State assesses that country's radicalization problem. These assessments are based on polling and surveys and other means of assessing individual and community attitudes. The results are examined in light of the contextual information described above, to guide programming and serve as a baseline to measure program effectiveness.

Additionally, the Department of State considers programs that are already in place to address CVE issues, threat assessments from the intelligence community, and a country's capacity and willingness to work with us.

The first task is to identify the at-risk populations. To successfully develop and implement CVE programs, we seek to understand the specific dynamics of the cohorts we are focusing on, not just by country, but sometimes even down to the community or neighborhood level. Every cohort and community possesses unique demographics, grievances, and, in many cases, ties to overseas family members—factors that influence the cohort's potential vulnerability to extremist pressures.

The second task is to develop programs that fit the characteristics of the intended audience. We develop programs in concert with the interagency community in Washington, our missions in the field, partner nation governments, local community leaders, and civil society organizations, who are best positioned to identify points for intervention. CVE is also a regular subject of discussion at our Regional Strategic Initiative meetings. Our success depends, in part, on having local programs delivered by credible people who can help vulnerable individuals become resistant to extremist messages. We know that programs that are not tailored to the specific cohort or community are likely to have limited appeal, and, ultimately, to be ineffective.

CVE is approached from many perspectives and organizations within the Department of State, including the Office of the Coordinator for Counterterrorism, the Office of the Under Secretary of State for Public Diplomacy and Public Affairs, the Office of the Special Representative to Muslim Communities, and regional bureaus. We also coordinate with several Bureaus in the U.S. Agency for International Development and other agencies to make sure that efforts to engage civil society and counter radicalizing narratives through existing programs are focused in the right areas.

We have an excellent relationship with the Department of Defense (DOD), which informs our CVE programming. Together the State and Defense Departments can complement each other's strengths and efforts in the field, and determine which CVE efforts are best done by the military and which are best handled by civilians. A number of offices that fund CVE projects and research in the DOD and its combatant commands have expressed a desire to collaborate with us on new programs.

We are also working with foreign CVE partners. For example, in November 2009 the Office of the Coordinator for Counterterrorism hosted a Multilateral "Countering Violent Extremism (CVE)" Workshop with Australia, Canada, Germany, Italy, the Netherlands, Spain, and the United Kingdom as a first step in developing a more cooperative multilateral approach to CVE. Participants discussed approaches, target audiences, specific interventions designed to counter terrorists' recruiting efforts, and information-sharing. Programs that gave participants insight into the challenges of police work with diaspora communities in the United Kingdom and Australia generated a lot of interest as possible templates. A follow-on workshop is planned for mid-May with the same international partners plus Denmark and France.

Question. At the Senate Intelligence Committee's annual threat assessment hearing, the Director of National Intelligence testified that, "looking ahead over the next 5 years, a number of countries in Africa and Asia are at significant risk for a new outbreak of mass killing . . . [and] among these countries, a new mass killing or genocide is most likely to occur in Southern Sudan." Madam Secretary, I know you share my concern about the rising violence in southern Sudan and that you are well aware of the potential for it to worsen in the runup to and then after the South's vote on self-determination next January. I know State is working hard to prevent the resumption of conflict between the parties of the CPA, but could you tell me, Secretary Clinton, what steps are being taken to prevent violence between commu-

nities within Southern Sudan and whether you believe our efforts are commensurate with the risk of mass killings and genocide as stated by the DNI?

Answer. Since the implementation of the Comprehensive Peace Agreement (CPA) began in 2005, there has been progress in Southern Sudan in working to build a stable political environment devoid of the overt threat of violence. The United States Government (USG) has worked throughout the implementation process with the Government of Southern Sudan (GOSS) to build effective political capacity and responsible governance, foster the conditions and capacities for longer term development, and mitigate the risk of renewed conflict. However, we are aware of the increasing intercommunal violence in the South, and we share the DNI's concern regarding the escalation of violence between communities within Southern Sudan and the potentially destabilizing effect it could have on the region. This violence is especially troubling as the national elections and referendum on southern self-determination draw closer.

Since 2005, the USG has focused its assistance programs to support the implementation of the CPA, with a specific conflict-mitigating lens to address potential threats to the agreement, including providing peace dividends that help maintain the CPA's viability and addressing the root factors that fuel conflict. Currently, the USG has a program that is focusing on community security through a fast-starting, quick-implementation, flexible small-grants mechanism to support southern Sudanese authorities, institutions, and organizations. We are utilizing southern Sudanese NGOs and companies in order to invoke local ownership of the conflict mitigation efforts. Activities are concentrated in two clusters of counties in Southern Sudan as well as in Abyei, Southern Kordofan and Blue Nile. This community security program started in Southern Sudan in October and is already showing early signs of success in terms of increasing the capacity of local authorities to manage conflict.

In addition to this program, the USG is in the process of standing up new conflict mitigation programs in Sudan in response to the spike in violence seen in Southern Sudan in 2009. The aim of these programs will be to address the factors that contribute to conflict in order to prevent it while simultaneously building government and local capacity to prepare for and respond to conflicts when they do arise. In an effort to prevent and alleviate conflict effectively and appropriately, conflict mitigation programs will focus on addressing fundamental weaknesses in existing conflict mitigation and response efforts, as well as supporting state and local institutions to prevent breakdown of law and order in Southern Sudan.

Specifically, the USG will assist institutions at the state and local levels to implement a conflict management communication and information system that enables southern Sudanese authorities in high-risk areas to network with communities and civil society groups to identify and respond to destabilizing conflicts and violence. We will also coordinate with local and international partners to help state governments to develop stabilization strategies and to build up early warning and response capacities. Additionally, we will facilitate the implementation of resolutions from local reconciliation agreements among parties to conflicts in high risk areas. Finally, we will assist U.N. agencies' civil affairs partner efforts to inform and educate the local population on the various stabilization initiatives and planning processes.

The USG is now playing a leading role in preventing violence in Southern Sudan and the Three Areas. Sudan is a priority for the administration, and we continue to work tirelessly at all levels of the government to ensure peace and security for all people in Sudan.

Question. Critical to addressing this violence sustainably is helping the Government of South Sudan transform its army and police into disciplined and accountable security forces that prioritize civilian protection. Could you tell me what steps we're taking to help build this capacity, where dedicated funds will come from in the FY11 budget, and how this effort will be coordinated with other agencies undertaking such work and among our other Sudan priorities, of which I know there are many?

Answer. Since the signing of the Comprehensive Peace Agreement (CPA) in 2005, the United States Government (USG) has supported the transformation of the Sudan People's Liberation Army (SPLA) and Southern Sudan police forces into more disciplined and accountable security and service forces that can better respond to security threats.

The USG is assisting with the transformation of the SPLA through unit-level training of rank-and-file soldiers, as well as a series of train-the-trainer courses for officer staff skills, military police, and noncommissioned officers. The USG is also facilitating the development of centralized management of army resources, including the establishment of procurement regulations and plans for improved accountability. Finally, the USG is also providing communications systems and training to support

command and control of the SPLA between the General HQ outside of Juba and the SPLA's divisions throughout the south.

Assistance from the USG to reform the GOSS police force, the Southern Sudan Police Service (SSPS), includes funding police, judicial, and corrections advisors to the United Nations Mission in Sudan (UNMIS) as they help develop local police and SSPS through training, advising, and mentoring. This training varies widely from basic policing to elections security and crowd control. UNMIS is also helping the SSPS establish "cattle units" to address cattle raids which are one of the instigators of tribal violence in the south. USG assistance also funds equipment for SSPS specialized units, which are intended to respond quickly to security threats during the April 2010 elections and the referendum in 2011.

From FY 2005–09, the USG provided \$159 million of PKO funding and \$27.326 million of INCLE funding to support security sector reform of the SPLA and SSPS, respectively. For FY 2010, the USG intends to provide \$44 million of PKO funding and \$11.25 million of INCLE funding to continue these efforts. For FY 2011, the administration requested \$42 million of PKO funding and \$24.35 million of INCLE funding.

Coordination of security sector reform efforts is accomplished through weekly interagency working group meetings, weekly conference calls with stakeholders on the ground, Interagency Policy Coordination meetings, and ad hoc meetings and conference calls as needed. In addition, USG efforts are coordinated with other donors and international institutions as appropriate. Because of the destabilizing effects of renewed violence on CPA implementation, governance, civil society, and regional development, the USG has made security sector reform in Southern Sudan one of our highest priorities.

Question. A large portion of our resources in the function 150 FY11 budget request— about 7 percent— is directed to Afghanistan. I am pleased that the administration is attempting to balance our massive military presence in Afghanistan with a new civilian strategy, but I remain concerned that no matter how good a civilian strategy we have, with a flawed military strategy, we may be undermining our efforts. Are you concerned about the impact of our funding for civilian programs when you see that even these huge portions of our State and International Programs budgets for Afghanistan are dwarfed by DOD spending?

Answer. Our plans rely on seamless civilian-military integration. Establishing security requires military engagement, which is costly in budgetary and human terms, but essential for the civilian elements of our strategy to take effect. Similarly, long-term success and drawdown of our troops requires success of our civilian efforts. Military and civilian leaders spent last year getting the inputs right in Afghanistan, putting into place the structures, the concepts, and organizations necessary for a comprehensive civil-military campaign. President Obama announced a more focused policy in December at West Point; the necessary resourcing to support our objectives, however, had begun months earlier, with additional troops and civilians already in place and many more on the way.

The operation in Marjah is the initial step of what will be a 12- to 18-month civil-military campaign. The Afghan Government, with the active support of the United States and United Kingdom Embassies, is already launching the delivery of essential public services. The rapid delivery of governance and development to a "cleared" area is essential to executing our new population-centric strategy of forcing the Taliban to work from the "outside in," instead of from the "inside out." Key development activities will include the rapid expansion of USAID's agricultural stabilization and cash-for-work program (2,500 residents will be employed immediately), technical and logistical support for the lead Afghan official in Marjah, resources to recruit and train qualified local Afghans to fill civil servant positions, and the construction of a highway connecting the area to the provincial capital.

Civilian engagement is vital to the initial security operations and on-going stability, and it should be resourced sufficiently to play its part. The recent budget request reflects our expanded effort and the need for additional resources to fund our civilian activities.

Question. Secretary Clinton, given the recent spotlight on Yemen, I was not surprised to see an increase of \$22.5 million in FMF funding for Yemen—one of the largest country-specific increases in the function 150 budget request. Last month, State Department officials testified before this committee that the Houthi rebellion in the North and a secessionist movement in the South contribute to Yemen's instability and have distracted the Government of Yemen from the fight against al-Qaeda. I was pleased to see a cease-fire agreement with the al-Houthi reached last week, but we've seen cease-fires before, only to have a return to arms. In light of all of this, what are we doing, in addition to the legally required Leahy vetting, to

ensure accountability and transparency in the use of our resources, so that FMF funding for Yemen isn't utilized for these conflicts, now or in the future, undermining our counterterrorism efforts in the country?

Answer. The United States uses Foreign Military Financing (FMF) to train and assist Yemen's Central Security Forces (CSF) and other Yemeni Government organizations engaged in counterterrorism operations. Those organizations include the Ministry of Defense and the Ministry of Interior security forces, the Yemeni Coast Guard, Air Force, and Special Forces, and the Central Security Force's Counterterrorism Unit (CTU). They all have discrete responsibilities focused on counterterrorism and border control. All equipment transferred to Yemeni forces is covered by end-use agreements, which ensure transparency by requiring Yemen to grant the U.S. Government full access to monitor how the equipment is being used.

The United States welcomes the cease-fire in Government of Yemen—Houthi conflict. We understand a mediation commission representing all parties is monitoring compliance with the terms of the cease-fire. We hope efforts will begin the urgent process of reconciliation and reconstruction to bring the conflict to a permanent end.

Question. Diplomatic reporting plays a critical and underappreciated role in keeping our government informed about what is going on around the world. In many situations, our Embassy officials—through completely open channels—may be better suited to obtaining information than the intelligence community. Yet there is no interagency strategy that would ensure that the State Department's role in meeting our government's overall information needs is reflected in its budget. Do you agree that diplomats are often the eyes and ears of our government, and do you also agree that our capabilities in this area would be strengthened if there were an interagency strategy that identified where the need is greatest and ensured that the appropriate resources were provided?

Answer. I agree that our diplomatic reporting provides crucial and unique insights into what is going on around the world. For example, we're gratified that the intelligence community regularly includes diplomatic reporting as one of its most credible, reliable, and frequent sources. The State Department hopes to appreciably increase our hiring to ensure that our staff overseas can not only continue to provide its valuable insights, but also can increase it significantly.

State continually solicits input from foreign affairs agencies to highlight areas in which we're meeting their information needs, identify areas where more focus would be welcome, help us target our efforts, and support our requests for additional resources. While not focused exclusively on reporting, we employ a highly developed, formal system that annually develops strategic plans at the mission, Bureau, and Department level. We use that system to plan strategically, manage our performance, and request resources. Always produced with interagency input, those plans articulate multiyear, forward looking strategic plans and foreign policy priorities, and identify our highest priority funding and personnel needs. Additionally, State this year launched a Quadrennial Diplomacy and Development Review (QDDR) to ensure that State has a short-, medium-, and long-term blueprint to guide our diplomatic and development efforts.

We are confident that our extensive informal and formal planning and feedback tools ensure that we can identify where the need for diplomatic reporting, personnel, and funding is greatest.

Question. As you know, the last few months have seen political paralysis in Nigeria resulting from President Yar'Adua's extended absence. A few weeks ago the Nigerian National Assembly made the Vice President Acting President, an important first step in ending this paralysis, but regional and religious tensions persist and the potential for instability remains high. I held a subcommittee hearing on this issue just yesterday as the Nigeria situation would seem to be a pretty clear-cut case requiring sustained diplomatic engagement at very senior levels. And I certainly commend you and your colleagues at State as I recognize the significant outreach underway to address Nigeria's political crisis and ensure it doesn't worsen or turn into a full-blown conflict. Accordingly, as you seek to enhance our diplomatic capacity, how does the FY11 budget request anticipate the short-term needs of crisis and conflict prevention around the world as well as the longer term work of protecting democratic gains and mitigating tensions, before we've reached a crisis point?

Answer. We are closely following developments in Nigeria. We are pleased that the Nigerian National Assembly took steps to address the political vacuum, granting the Vice President executive powers as Acting President. We continue to engage with our Nigerian counterparts at senior levels to ensure that democratic principles and rule of law are respected. In the FY 2011 Congressional Budget Justification

(p.p. 134–139), we have requested almost \$648 million for Nigeria. Though the majority of funding—nearly \$568 million—is for health and HIV–AIDS programs, the request includes \$4 million for conflict mitigation and reconciliation, almost \$5 million for other security assistance, \$15 million for education programs, \$25 million for democracy and governance programs, and \$31 million for economic growth programs.

Conflict prevention is an important area of attention in foreign policy diplomacy and foreign assistance globally. Based on analysis, we know that some conflicts might be avoided through carefully structured and targeted programs, while others are perhaps unavoidable. Our FY 2011 budget requests \$824 million for conflict mitigation and reconciliation activities in 22 countries with ongoing problems, including over \$600 million for Afghanistan. Our request for USAID’s Bureau of Democracy, Conflict and Humanitarian Assistance (DCHA) includes \$38 million to help missions assess the risk of future conflict and how to address conflict prevention or mitigation. In addition, since our budget requests are made too far in advance to know for certain where crises will emerge, we have requested FY 2011 resources under the Complex Crises Fund (\$100 million) and the Transition Initiatives account (\$48 million) to address emergent situations. Of course, in such situations, existing funds are also examined to see if reprogramming is a possibility to address new, high priority needs.

In addition to conflict prevention and mitigation, the State Department and USAID implement a broad range of foreign assistance programs that build the foundations for stable, prosperous, and well-governed states that meet the needs of their populations by advancing democracy and good governance, broad-based economic growth, and investing in people. In FY 2011, the President requested nearly \$20 billion for these programs throughout the world.

RESPONSES OF SECRETARY OF STATE HILLARY CLINTON TO QUESTIONS SUBMITTED BY
SENATOR JIM WEBB

Question. Despite the administration’s stated intent to reengage Asia, a comparative examination of regional spending does not reflect this commitment. Of the six regional Bureaus in the State Department, the Bureau of East Asian and Pacific Affairs has the smallest FY11 budget request, totaling \$169 million. Additionally, Foreign Military Financing for East Asia is 1.3 percent of the overall FMF request (\$70 million out of \$5.4 billion). East Asia also has the lowest International Military Education and Training (IMET) allocation with only \$9.3 million, compared to Europe with \$30.5 million, Africa with \$16 million and the Near East with \$18.6 million. In contrast, funding for Frontline States (Afghanistan, Pakistan, and Iraq) accounts for 18 percent of the overall budget and 60 percent (\$6.1 billion) of the budget’s growth.

- How much funding did the Bureau of East Asian and Pacific Affairs (EAP) initially request during the State Department’s internal budget deliberations?

Answer. The FY 2011 budget request balances the many pressing needs for increased staffing and programs at our overseas posts. The strategic importance of the East Asia and Pacific region to U.S. national security, economic prosperity, support of human rights, and environmental initiatives was carefully considered as part of this process, and the FY 2011 request reflects the Secretary’s and the President’s priorities for this region within the global context. The ongoing Quadrennial Diplomacy and Development Review is continuing to look at how we can better implement foreign policy initiatives worldwide and may identify further enhancements for our activities in this vital region.

- Given the administration’s goal of reengaging Asia, please provide a detailed rationale for providing EAP with the lowest level of funding among regional bureaus.

Answer. The United States has made a substantial commitment and investment in Afghanistan, Pakistan, and Iraq, and we must ensure that commitment is fully supported. Any tradeoffs are applied worldwide, not only to the East Asia and Pacific region.

- To what extent does the comparatively low level of funding for State Department activities and foreign assistance in East Asia reflect a tradeoff in favor of activities in Afghanistan, Pakistan, and Iraq?

Answer. The United States has made a substantial commitment and investment in Afghanistan, Pakistan, and Iraq, and we must ensure that commitment is fully

supported. Any tradeoffs are applied worldwide, not only to the East Asia and Pacific region.

Question. Of the 565 new Foreign Service and Civil Service positions requested in the budget, how many of these positions will be dedicated to EAP?

Answer. Of the 565 new Foreign Service and Civil Service positions for which funding was requested in the Department's FY 2011 budget, 292 are for the regional bureaus. Of the 292 regional positions requested, 130 are for Afghanistan and Pakistan, and 27 are intended for EAP.

Question. Why does East Asia have the lowest IMET allocation? Does this low funding prevent the United States from expanding military-to-military relations in the region? How does it impact regional military capacity?

Answer. IMET is allocated by country and is based on the training requirements and absorptive capacity of each recipient country. Since training requires a certain level of English proficiency, we are limited in the amount and types of courses we can offer to several countries in this region. For those countries, a major component of our IMET program is English language training, which increases the pool of students eligible for a broader range of IMET-funded opportunities.

The amount of IMET funding allocated for the East Asia and Pacific region for FY 2008 through FY 2010 increased by 44 percent. The request for FY 2011, while a more modest percentage increase than in previous years, is still an increase in absolute terms over FY 2010 levels.

IMET funding is only one of many security cooperation programs and activities that we use to enhance our military-to-military relations in the region. Other security assistance funding, such as Foreign Military Financing and Peacekeeping Operations/Global Peace Operations Initiative, as well as a wide range of DOD programs such as ship visits, exercises, and visits/meetings between senior DOD officials and military leaders of those countries strengthen our relationships and improve regional military capacity.

Question. Does the Department of State have a plan to address the need for a new Embassy in Hanoi? How high does the Department rank this project in terms of our various embassy construction priorities around the world?

Answer. Hanoi is on the Bureau of Overseas Buildings Operations (OBO) Top 80 list for new construction.

Congress directed the Department to follow the Secure Embassy Construction and Counterterrorism Act of 1999 (SECCA) for replacement of facilities at vulnerable posts. The process for identifying and prioritizing projects begins with review of the Vulnerability List mandated by SECCA. This list, published each year by the Bureau of Diplomatic Security (DS), ranks facilities according to their vulnerability across a wide variety of security threats.

The Vulnerability List is then used to establish the Top 80 list of posts where new embassies (NEC), new consulates (NCC), new office buildings (NOB), and new annex buildings (NOX) are needed to reduce security vulnerability. The Department last updated the Top 80 list in 2008. Embassy Hanoi is ranked No. 58 on the Top 80 list. The list will again be updated in summer 2010, after DS releases a revised Vulnerability List.

From FY 2010 through FY 2019, the Department plans to construct, on average, six capital projects (NECs, NCCs, etc.) each year. Accordingly, the Department expects to award contracts for about 60 capital projects over the next 10 years. Consistent with Embassy Hanoi's current ranking at No. 58 on the Top 80 list, the Department is on track to award an NEC contract there in FY 2020.

Regardless of post's ranking on the Top 80 list, the construction of an NEC in Hanoi is predicated on acquiring a site. While the Department has identified an appropriate site, it has not been able to reach an agreement with the Government of Vietnam (GOV) on reciprocal property rights. The GOV wants the right to acquire property in the United States; however, the GOV is not willing to extend equivalent property rights to the United States. The Department continues to raise this reciprocity issue with the GOV, with Under Secretary for Management Patrick Kennedy due to visit Hanoi in April 2010 to address the issue with the GOV.