

# NOMINATION HEARINGS OF THE 114TH CONGRESS

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## HEARINGS

BEFORE THE

## COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

ONE HUNDRED FOURTEENTH CONGRESS

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FIRST SESSION—MARCH 10 THROUGH DECEMBER 2, 2015

SECOND SESSION—FEBRUARY 11 THROUGH SEPTEMBER 20, 2016

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## NOMINATION

WEDNESDAY, JUNE 17, 2015

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

Gayle Smith, of Ohio, to be Administrator of the United States Agency for International Development

The committee met, pursuant to notice, at 2:03 p.m., in room SD-419, Dirksen Senate Office Building, Hon. Bob Corker (chairman of the committee) presiding.

Present: Senators Corker, Risch, Johnson, Gardner, Perdue, Cardin, Menendez, Coons, Murphy, Kaine, and Markey.

### OPENING STATEMENT OF HON. BOB CORKER, U.S. SENATOR FROM TENNESSEE

The CHAIRMAN. The committee will come to order.

And I am going to go ahead and get rolling, and I am sure that Senator Cardin will be here in just a minute.

USAID oversees 20 billion dollar's worth of aid to over 100 countries. It is a very important organization. Gayle Smith, who has been nominated, will have 18 months to have an impact on this organization. And I will say that I think it is beneficial that she has served with the President's National Security Council and therefore inside the main building. She is someone that is trusted and not coming from the outside, and I know has been involved in these kinds of issues for a long, long time.

I do hope that in your testimony you will talk about some of the priorities that we have had here. I think you know the committee passed out on a unanimous vote an effort to end modern slavery. I know it is something that you for years have been involved in and care about, but I hope you will speak to that in your testimony.

I think you also know that there is a significant effort underway to reform the Food for Peace program. I know we talked about that some in our office. It is very important to many members. I think you know that some of us share the belief that it is a travesty that we are not serving the millions of people that could be served by reforming this program and being held hostage to various groups that benefit in ways that are not beneficial to the people that we are trying to serve.

And then thirdly, Power Africa. There is a significant effort underway to make sure that the millions of people that do not have

electricity even in their homes are able to do that in Africa, in particular, as I mentioned. And in the past, we have had some environmental issues that have said that, look, it is more important. We would rather people not have any electricity in their homes if it is going to produce 1 ounce of carbon, which is not exactly, I think, a policy or a value that most Americans adhere to. And I think we have been able to get to a place that achieves a balance between the environmental concerns, which I understand are real, but also the concern for human beings. And hopefully, you will talk a little bit about that.

I am glad that in your testimony you are going to refer to the tremendous need to deal with the organizational issues within the organization. This year we hope to pass into law a State Department authorization. We passed it out of committee unanimously last week. We are attempting, still, to deal with that through NDAA. At some point we need to do the same with USAID, but you internally will be able to do much.

So, I want to thank you for being here. I want to thank you for your willingness to serve. Again, I am glad the executive branch has nominated someone that has the kind of experience that you have.

And when Senator Cardin arrives he may want to make some opening comments, but I think short of that it would probably be best—unless one of the other committee members would like to address—if you would go ahead and give your testimony. We would appreciate it.

**STATEMENT OF GAYLE SMITH, NOMINATED TO BE ADMINISTRATOR OF THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT**

Ms. SMITH. Thank you, Mr. Chairman, and thank you for your comments on those important issues.

Chairman Corker, Senators Menendez and Coons, I am honored to appear before you today as the nominee for Administrator of the United States Agency for International Development. It is truly a privilege for me to come before this committee, and I am grateful to President Obama and Secretary Kerry for their trust and confidence.

I would also like to thank my family: my mother who is watching from Columbus, OH; my brother Jay and sister-in-law Marianne; Ben and Sarah; and my father and sister, who though they may not be with us, will always be part of a family that has continued to provide me with support and encouragement.

Since being nominated, I have had the opportunity to consult with several members of this committee, and I have appreciated your guidance and counsel to ensure that USAID remains the world's top development agency.

In this time of great need and opportunity, USAID is working with a diverse array of partners to end extreme poverty, foster sustained and inclusive growth, and promote resilient democratic societies both as an expression of our values and to transform them into peaceful, open, and flourishing partners of the United States. These are principles that have driven my own approach to inter-

national development across a 35-year career and principles that I will continue to uphold as Administrator.

If confirmed, it would be an honor and privilege to support the USAID mission alongside the more than 9,000 selfless men and women who serve the American people in some of the world's most challenging environments.

Should I have the honor of being confirmed, I will pursue four priorities.

First, I will focus the Agency on programs that are achieving results and will be selective about initiating new commitments. I will work with Congress to institutionalize successful programs, including Feed the Future, Power Africa, and our efforts in maternal and child health.

Second, I will provide the leadership, guidance, and tools needed to enable USAID staff in Washington and in the field to deliver against our most urgent priorities. This includes expanding the Agency's work on democracy, rights, and governance. This also means expanding the Agency's impact on human trafficking and on corruption, laying the groundwork for the success of a critically important strategy for Central America, and ensuring an equally important transition in Afghanistan.

Third, if confirmed, I will act quickly to ensure that the Agency maintains global leadership and agility in responding to increasingly complex humanitarian crises. When a natural disaster strikes or a humanitarian catastrophe is imminent, USAID should be among the first on the ground to help those in need. I will also work with this committee and other stakeholders to pursue meaningful food aid reform that will enable us, as you, sir, suggest, to reach more people more quickly and while maintaining our historic partnership with U.S. farmers and maritime.

Fourth and perhaps most important, I will focus on further strengthening the institution. This will involve expanding the capacity of the Agency to mobilize resources and engagement from other partners; to draw on science, technology, and innovation to address development challenges; and to increase investment in effective local solutions.

Strengthening USAID also means tackling some of the management and operational challenges facing an agency that manages resources across more than 80 countries, often in complex environments. The Agency must ensure that American taxpayer dollars are spent responsibly. It must identify successful programs, learn from prior mistakes, apply lessons learned, and share best practices, all in an open and transparent way. If progress is not being made, it must take corrective action or terminate projects.

But strengthening USAID also means supporting and listening to its people both here and overseas. These are men and women with knowledge, institutional memory, and invaluable insight. Indeed, they take on some of the most daunting tasks and aspirational missions one can imagine, all on behalf of our Government and our country. It is my goal to give them the visibility, respect, and gratitude that they deserve.

Mr. Chairman and members of the committee, I thank you for considering my nomination, and I look forward to your questions. Thank you very much.

[The prepared statement of Ms. Smith follows:]

PREPARED STATEMENT OF GAYLE E. SMITH

Chairman Corker, Ranking Member Cardin, and members of the committee, I am honored to appear before you today as the nominee for Administrator of the United States Agency for International Development. It is a privilege to come before this committee, and I am grateful to President Obama and Secretary Kerry for their trust and confidence.

I would also like to thank my family—my mother, who is watching from Columbus, Ohio, my brother Jay and sister-in-law Marianne, Ben and Sarah, and my father and sister, who though they may not be with us, will always be part of a family that has supported and encouraged me—a family from which I draw strength and humor each and every day.

Since being nominated, I have had the opportunity to consult with several members of this committee, and I have appreciated your guidance and counsel to ensure that USAID remains the world's preeminent development agency. From the humanitarian emergency in Syria and ongoing conflict in eastern Ukraine, to the pressing needs in Central America and the Ebola virus in West Africa, today's world demands creative solutions to increasingly complex problems.

Over the past two administrations, we have seen unprecedented bipartisan support for the Agency's key initiatives, from global health and food security to humanitarian assistance and science and technology—as well as a recognition that the Agency's work must be informed by a rigorous use of evidence and data to guide decisionmaking. These are principles that have driven my own approach to international development across a 35 year career, and principles that I will continue to uphold as Administrator, if confirmed.

In this time of great need and opportunity, USAID is working with a diverse array of partners to end extreme poverty, foster sustained and inclusive growth, and promote resilient democratic societies, both as an expression of our values and to help build them into peaceful, open, and flourishing partners of the United States.

If confirmed, it would be an honor and privilege to support the USAID mission alongside the selfless men and women who serve the American people in some of the world's most challenging environments.

With more than 9,000 men and women and a strong field presence in over 80 countries, USAID is uniquely positioned to flexibly respond to humanitarian crises with agility and to provide enduring leadership to solve the world's most intractable development challenges—all for less than 1 percent of the federal budget.

Over the past 5 years, USAID has embraced a new model of development shaped by data and evidence that brings together an increasingly diverse community—private sector companies, entrepreneurs, local civil society organizations, universities, NGOs, and communities of faith—to deliver meaningful results.

By using assistance to support capacity-building and reform critical policies, the Agency has led a government-wide effort to mobilize domestic and foreign private sector investments, including more than \$10 billion of private commitments through Feed the Future and more than \$20 billion through Power Africa. USAID has worked with entrepreneurs through its Global Development Lab to develop new technologies that address longstanding development challenges. It has partnered with a vibrant implementing partner community here in the United States that has made its own pledges to support reconstruction in Haiti, economic development in Africa, and global food security. And it has elevated the importance of local solutions, investing in the role and wisdom of partners on ground.

Against this backdrop, USAID has responded to an unprecedented number of humanitarian crises spawned by earthquakes and typhoons, droughts and famines, the Ebola epidemic, and chronic and new conflicts. In the past year, the Agency has simultaneously operated an unprecedented five Disaster Assistance Response Teams, bringing new knowledge and creativity to bear, whether by building resilience even while providing emergency relief or adapting data and technology to enable a faster and more efficient response.

USAID has taken great strides to improve operations, increase transparency, embrace accountability and ensure that the Agency is both responsive and responsible. There is much more to be done, but as someone who has worked with and observed this Agency and our foreign assistance programs for decades, I can sincerely offer that it is well on a path of reform and revitalization that is yielding and can yield greater and more potent returns for the United States and millions of men, women, and children around the world.

I believe that we share the view that both development and responding to humanitarian crises are in our national interests and that these pursuits reflect our val-



ues. I also believe that we share the view that we need a strong, capable, effective, and responsible USAID to pursue these interests and values. It would be an honor to serve as the USAID Administrator, and to turn my qualifications and experience to the task of leading the Agency.

Over a 35-year career in development and international affairs, I have spent two decades in the field, much of that time well outside capital cities. As a journalist for the BBC, American and European outlets, I spent months at a time in active war zones, covering conflicts that had escaped the world's attention.

I have consulted for the World Bank, UNICEF and major American foundations. I have worked with several NGOs, including members of the World Council of Churches when they mounted a cross-border emergency relief operation during the Ethiopian famine. I cofounded two NGOs, and today, the Modernizing Foreign Assistance Network and the ENOUGH Project remain active and effective advocates for a robust U.S. policy in support of development and human rights.

I have served on a congressional commission—the Helping to Enhance the Livelihood of People around the Globe (HELP) Commission—which was established to review U.S. foreign aid, and I worked for USAID, based in East Africa. I have served two Presidents, as Senior Director for African Affairs on President Clinton's National Security Council staff and as Senior Director for Development, Democracy, and Humanitarian Affairs under President Obama. I have traveled and worked with former President Carter and provided advice and assistance to President George H.W. Bush's National Security Council staff.

Over the last 6 years, as a member of the Obama administration, I have coordinated administration policy on global development and foreign assistance programs, democracy, governance and anticorruption efforts, and humanitarian crisis response.

Early in my tenure, I spearheaded efforts to develop the Presidential Study of Global Development Policy and the first-ever Presidential Policy Directive on Global Development, which elevated development alongside defense and diplomacy as pillars of American foreign policy.

Responding to humanitarian crises has been a significant focus of my time at the National Security Council, including the Nepal earthquake, major typhoons in Asia, the Ebola outbreak in West Africa, and ongoing conflicts in Syria and Iraq.

Working with departments and agencies, including USAID, I have assumed the primary role at the National Security Council for all major development priorities, including Feed the Future, Power Africa, ending the HIV/AIDS epidemic, maternal and child health, the Open Government Partnership, and the Partnership on Illicit Finance. I have co-led, with colleagues, the development of the Global Health Security Agenda, the U.S.-Africa Leaders Summit, and the President's Stand with Civil Society Initiative.

Should I have the honor of being confirmed, I will pursue four priorities.

First, I will focus the Agency on programs that are achieving results and will be selective about initiating new commitments. Further, I will work with Congress to institutionalize these programs. I will also work with this committee and other stakeholders to pursue meaningful food aid reform that will enable us to reach more people, more quickly, in times of need—all while maintaining our historic partnership with U.S. farmers and maritime.

Feed the Future and the New Alliance for Food Security and Nutrition have together elevated food security on the global agenda, registered direct impact on reducing poverty and improving nutrition, and mobilized billions of dollars in direct assistance and private resources. In 2013 alone, Feed the Future reached more than 12.5 million children with nutrition interventions and helped more than 7 million farmers and food producers use new technologies and management practices on more than 4 million hectares of land. If confirmed, I will ensure that Feed the Future and related nutrition programs continue to deliver these evidence-based results.

With a long-term goal of doubling access to cleaner, reliable, and efficient electricity in sub-Saharan Africa, Power Africa has already brought more than 4,100 megawatts worth of power transactions to financial close and raised over \$20 billion from more than 90 private sector partners. At the U.S.-Africa Leaders Summit, President Obama tripled our initial goal to 30,000 megawatts, aiming to bring electricity to 60 million homes and businesses in Africa. If confirmed, I will support Power Africa as it closes more power transactions, partners with additional businesses, and expands into new countries.

If confirmed, I will continue the Agency's leadership in the global effort to end preventable child and maternal deaths. USAID has led an international coalition that developed targeted action plans in 24 priority countries that will save the lives of 15 million children and 600,000 women by 2020. I will also work closely with the Office of the Global AIDS Coordinator, the Centers for Disease Control, the National

Institutes of Health, and international and local partners to ensure that USAID does all it can to contribute to a goal that is within reach: ending the HIV/AIDS epidemic.

Second, I will provide the leadership, guidance, and tools needed to enable USAID's staff in Washington and the field to deliver against our most urgent priorities. This includes expanding the Agency's work and impact on democracy, rights, and governance by securing and mobilizing additional resources to strengthen institutions and the rule of law, support and build the capacity of civil society organizations, enable free and fair elections, foster dialogue and promote transparency, and build on the successes of, for example, the recent elections in Nigeria. This also means, as I have discussed with several of you during our consultations, expanding the Agency's impact on human trafficking and corruption, laying the groundwork for the success of a critically important strategy for Central America, and ensuring an equally important transition in Afghanistan.

Third, if confirmed, I will act quickly to ensure that the Agency maintains global leadership and agility in responding to increasingly complex humanitarian crises around the world. In 2014 alone, USAID responded to 49 disasters in 42 countries. In addition to the Ebola outbreak in West Africa, these included major crises in Syria, Iraq, South Sudan, Central African Republic, and, most recently, the earthquake in Nepal.

The Agency has developed an effective relationship with the Department of Defense, which has on multiple occasions deployed in support of USAID. USAID also continues to build the capacity and resiliency of governments to respond to disasters themselves. When a natural disaster strikes or a humanitarian catastrophe is imminent, the Agency is and should be among the first on the ground to help those in need, and in a world rife with crises, I believe it is critical to ensure that USAID remains one step ahead.

Fourth, and perhaps most important, I will focus on further strengthening the institution. That means building on the reform agenda launched by Administrator Rajiv Shah. This will involve expanding the capacity of the Agency to mobilize resources and engagement from other partners; to draw on science, technology, and innovation to address development challenges; and to increase investment in effective local solutions.

Strengthening the institution involves tackling some of the management and operational challenges facing an agency that manages resources across over 80 countries, often in complex environments. It is my view, and one that is shared by the staff of USAID, that the Agency must ensure that American taxpayer dollars are spent responsibly. It must identify successful programs, learn from prior mistakes, apply lessons learned, and share best practices—all in an open and transparent way. If progress is not being made, it must take corrective action or terminate projects.

USAID has already implemented critical reforms to safeguard taxpayer dollars, ensure greater accountability and oversight, and focus on sustainable results. In 2013, the Agency issued new guidance for awarding contracts that increased the weight of past performance in identifying potential contractors. Its new compliance unit has already executed over 200 suspension and debarment actions since its inception in 2011. If confirmed, I will build on these and other components of the reform agenda that strive to make the Agency more accountable to Congress and the American people. I will always be fully transparent about what is working and what is not, and I will ask for your help in solving problems and seeking opportunities.

Strengthening USAID also means supporting and listening to its people, both here in Washington and overseas. These are men and women with knowledge, institutional memory, and invaluable insight. Indeed, they take on some of the most daunting tasks and aspirational missions one can imagine, all on behalf of our government and our country. It is my goal to give them the visibility, respect, and gratitude that they deserve.

Mr. Chairman, Ranking Member Cardin, and members of the committee, should I have the honor of serving as Administrator, you have my word that I will be ambitious but focused; that I will not downplay challenges but seek your help; that I will strengthen a growing bipartisan consensus on development that serves us and the world so well; and that I will pass on to my successor an Agency that is strong and effective, responsive and responsible, and transparent and accountable—an Agency worthy of its dedicated men and women and those around the world that they aim to serve.

The CHAIRMAN. We thank you for being here.

And our distinguished ranking member—I do not know if you want to make some opening comments. Okay.

As we have mentioned and you have mentioned, we have been working on some human trafficking issues and certainly hope to do something to majorly affect modern day slavery. What approaches has USAID identified and tested that demonstrably contribute to reducing modern day slavery?

Ms. SMITH. Thank you, Senator, for the question and also for your leadership on this issue.

I think USAID to date has done a lot to contribute to this in the areas of training on rule of law, information and education through the media, through NGOs, through new applications, and new technologies, through also responding to the victims of human trafficking.

As you and I have discussed, I think that there is a foundation to build on and that we could actually do much more. If confirmed, I hope that we can expand on the work the agency has done to integrate the fight against human trafficking into its programs around the world to take full advantage of its presence in over 80 countries, to work on, importantly, the supply chains that USAID focuses on frequently as it is working on economic development and which, as you know, are among the places that human traffickers hide and exploit the most vulnerable.

So if confirmed, this is something that I will make a priority. I believe the men and women of the Agency believe it is a priority, and I very much look forward to working with you and others on the committee to explore what more we can do on this important agenda.

The CHAIRMAN. We, as you know, have been working on the Food for Peace program that I alluded to earlier. There is always a tug between working on this and making sure that the United States agriculture community is on board because, obviously, it matters relative to putting these reforms in place.

There are a lot of people out there that are trying to allude to the fact if we create more flexibility, that much of what we will be buying we will be buying from Russia and/or China, which is not true. But I wonder if you could expand on that non-fact?

Ms. SMITH. Senator, I think on this issue the facts show us a few things. One, Food for Peace has been an enormously valuable program for many, many decades. And I think we want to preserve—

[Audience disruption.]

The CHAIRMAN. One of your supporters, I guess.

Ms. SMITH. Yes. [Laughter.]

Anyway, if I may continue, Senator. Food for Peace has been a vital program. I have spent a lot of time in the field and have seen cases where food aid made an important difference, but also cases where the greater flexibility to which you allude would be enormously valuable in reaching more people more quickly. It is my belief that in consultation with key partners, constituents, and supporters of that program over time—it is my hope that we can find a way forward that would give USAID and particularly our people in the field that flexibility and ensure that at the same time we reflect and take into full account the very legitimate and important

interests of our communities here. I am optimistic that we can find a way forward. I am very encouraged by the number of Senators, yourself included, who have raised this during the consultations prior to this hearing. And so it is my intent, if confirmed, to work very closely with all of you to see if we can get this done.

The CHAIRMAN. Your predecessor had worked on, in essence, a \$95 million transfer from food aid to the maritime industry in order to give ourselves the flexibility to feed more people. And as bad as that sounds—I actually wish every American could be aware of that—but as bad as that sounds, if there is a way to phase that out over a period of time so that it got to zero, there may be a way of dealing with this. I just wonder if you might give some editorial comments regarding that?

Ms. SMITH. Senator, I am a little bit hesitant to get too specific on the particulars. But I do think in principle—and I followed very closely Administrator Shah's work on this—that we can find ways to transition toward a program that is mutually beneficial to all involved. And I think considerable time has been given to thinking through how to do that within the Agency, even after Administrator Shah's departure, and I know among members of this committee. So I would be happy to sit down with you and with others to work through what exact calibration might be most appropriate and to consult, again, with all stakeholders so we can find a way to do this.

The CHAIRMAN. On Power Africa—the administration has spent a great deal of time talking about renewables being sort of the base delivery system in Africa. Not unlike our own country, there are places where renewables work decently well and there are places where they just do not. Does the administration support the development of fossil fuel energy as an integral and indispensable part of Power Africa acknowledging that, at its base, it is more important that we ensure that people have access to electricity than promoting goals that just do not agree with the particular area that we are in, and actually are not feasible?

Ms. SMITH. Thank you, Senator, again for your interest in Power Africa.

Let me say a couple of things about how we have structured this initiative and address your particular question.

Power Africa, in identifying priority transactions, looks at a number of things. It looks at private sector demand, the potential for transformational projects, buy-in from the government, opportunities to exploit the vast resources on the continent, project viability, and overall impact.

Now, within that, it is our belief that like any modern power sector, we need to rely on a broad array of generation sources, including wind, solar, hydropower, geothermal, and natural gas.

On the particular issue you raised, except in the poorest countries or where those plants are equipped with carbon capture and storage technology, the United States does not provide public financing for new coal-fired power plants pursuant to President Obama's Climate Action Plan of June 2013.

Now, I want to be very clear that this is with the exception of the poorest countries, many of which are on the African Continent.

The CHAIRMAN. So you are saying in those areas that are very poor, that we are trying deal with the people in most need, that the Obama administration would support coal facilities to produce power?

Ms. SMITH. I think if these met the other criteria that we have designated as key for identifying projects, according to the terms of the Climate Action Plan in those poorest countries, it would be worthy of consideration.

The CHAIRMAN. If you do not mind, what are some of those other criteria?

Ms. SMITH. As I said at the start, we try to look at need, where we are going to have transactions that will have impact, where we have investor interest, buy-in from the government, where our experts take a look and think that the project is likely viable and it can make a meaningful contribution to the ultimate goal of Power Africa to double access to electricity. So those would be the individual project criteria.

The CHAIRMAN. So almost any of the countries we are dealing with would meet that criteria?

Ms. SMITH. Most countries in Africa would meet that criteria. I think there are a few where it is a little bit difficult, given the current conditions.

The CHAIRMAN. And again, natural gas. There are all kinds of other ways of dealing with it. I am not here to push one particular area. But obviously, when you are living in a place with zero electricity, getting that is important, and maybe some of these other criteria need to move away. So I think you have said that you agree with that—that the Obama administration agrees.

Ms. SMITH. I think it is critically important. And I think the other thing that Power Africa has done very well is an initiative called Beyond the Grid, which also looks at people in some of the poorest areas of Africa and the most remote and where new technologies and innovations can be deployed through micro-grid, or off-grid solutions. So that is another option for reaching some of the most vulnerable.

The CHAIRMAN. Thank you.

Ms. SMITH. Thank you.

Senator CARDIN. Well, Mr. Chairman, first thank you for scheduling this hearing. I think it is very important that we move forward in the nomination process and have a confirmed Administrator for USAID. This is a critically important position, and I thank you for your cooperation in scheduling this hearing.

I want to thank Mrs. Smith for her willingness to continue to serve and her willingness to step forward with this very important position. And I want to thank your family because we know this is a joint sacrifice, and we thank you very much for that.

We have been debating for 3 weeks on the floor of the Senate our national security budget for the Department of Defense. The role that we play in development assistance is equally important part of our national security budget. So we consider the responsibility of this position to be one of the highest in our national security interests. So we thank you again for stepping forward.

Yesterday under Chairman Gardner, we had a hearing in the East Asia and The Pacific Subcommittee dealing with trade in the

region, and USAID was present to talk about capacity-building for trade. If we are going to have successful opportunities there, countries need to have the capacity to deal with modern trade agreements, and USAID plays a very important role there. And I could keep on going on about additional areas in which the responsibilities of the agency that you are being considered to lead plays.

Under Administrator Shah, there were new initiatives that many of us supported, including the Global Development Lab which allowed us to do more with the recognition that our resources are limited, by leveraging the help of private companies, universities, and NGOs. All of that is important. And I know that you understand how critically important it is to prioritize. And you and I had conversations about that, and you mentioned that in your preliminary statement.

I want to talk a little bit about human rights. You are not going to be surprised to learn that, because I think USAID can play a critically important role in advancing human rights, I want to talk about three priorities within that.

First, what efforts do you believe we can make to fight corruption? What will be our anticorruption strategies? When we look at stability globally, we find the countries that have not been able to deal with corruption are going to have a problem. Many believe that the Ukraine revolution was not so much about Russia's influence but more about people who wanted an honest government. We could go on—the Arab Spring was also a condemnation of governments that were corrupt and denied their people basic human rights.

The second issue I want you to talk about is the role of women. We have also found that the way a country treats its women is a good indicator of a nation's strength. And I am interested in your commitment and ideas and vision as to how USAID can be more effective in advancing the rights of girls and women globally as we look for greater stability and more reliable strategic partners.

And the third issue—and I put all three on the table—is that World Refugee Day is coming up. We are approaching 60 million refugees today, one of the highest numbers of refugees in modern history. When you look at the number of displaced people around the world, we have a crisis, and USAID needs to be actively engaged in what we are doing to deal with this humanitarian crisis.

So I would like to hear your vision in regards to how we will advance anticorruption measures as part of any program within USAID, how you plan to make advancing the rights of women and girls the highest priority within your agency, and what are we doing to carry out our responsibility in regards to the world refugee issue.

Ms. SMITH. Thank you, Senator. And I was thrilled when you raised in our meeting and as you raise right now the issue of corruption. I could not agree with you more, that it is perhaps the greatest enemy to development.

The flip side of that, of course, is if we can tackle corruption in meaningful ways, it frees up significant resources for development. This is something that is a priority for the Agency. It is something I would like us to build on through some terrific things the Agency has done over the years.

The first is, obviously, transparency. Now, that means transparency for USAID but also encouraging and calling for greater transparency from its partners. As you know, it makes a huge difference when citizens can see where resources go. So I think that is the first thing.

I think the second area—and this is where I think we are seeing some significant—insufficient but significant—momentum around the world is on greater adherence to norms and standards. We have been able, through multilateral organizations and other means, to work with countries to sign up to the international laws, rules, obligations, and treaties that require norms and standards on corruption.

The third—and I mentioned this to you in our meeting—is something called the Open Government Partnership, which the United States was a founder of with several other countries and has now grown to over 65 country members. What is quite interesting in that initiative is that it requires governments to join in publishing their budgets. Publishing the budget makes a huge difference and breaks the ice, if you will. I think we can build on that. Some countries have used it more effectively than others. A critical piece is that it entails a partnership between governments and civil society where civil society holds the government accountable for meeting the terms of its open government plan.

We are also working on—and this is something we would like to build on—a partnership to deal with illicit finance. There are huge losses in capital to the developing world to illicit finance. So that is also a priority on the corruption side.

Let me turn to your two other issues, if I may.

I think USAID has made the rights and well-being of women and girls a priority for many, many years, and that is a priority I would very much like to build on, whether it be in global health where it is a primary focus, in Feed the Future where there has been a particular focus on women farmers, but also in the areas of rights, access, and critically important, in training. I have traveled around the world and seen a lot of USAID missions. I have seen a lot of leaders in civil society and government. I have been very proud to see that some of those people were trained by USAID. So I think the training mission is critical, and support raising this issue at every opportunity.

Finally, USAID is also participating in the First Lady's initiative called Let Girls Learn, which is about enabling more young women to pursue their secondary education.

World Refugee Day is daunting. The numbers are staggering. USAID works closely with partners in the State Department's Bureau of Population, Refugees, and Migration on this issue. It is my very strong view that we have to give a lot more attention to this so there is a better understanding of the consequences of conflict and violations of human rights. So, again, this is something that I think is in the Agency's humanitarian mission—while my hope is to strengthen the Agency's ability to stay a step ahead and respond, it is also to give much greater visibility to these issues.

Senator CARDIN. Let me just point out—and I appreciate not only your response but the conversations that we have had on these

subjects. You give me great confidence that these all will be highest priorities in your agency.

We need to be very strict about how we use our aid programs in countries that have challenges in dealing with corruption. We have got to make sure that the United States aid program is not contributing to a corrupt government or corrupt officials. And it is critically important that the Administrator send a very clear message and have clear directions on how not to participate in or fund corruption within governments.

Ms. SMITH. I could not agree with you more, Senator, and if confirmed, you will have that.

Senator CARDIN. Thank you.

The CHAIRMAN. Senator Gardner.

Senator GARDNER. Thank you, Mr. Chairman.

And thank you for being here today. It is great to have a University of Colorado graduate testifying before the panel. So welcome.

And I just wanted to follow up some of the conversations we had in my office.

Yesterday we did have a hearing—Senator Cardin and I—with Jason Foley, the Deputy Assistant Administrator for Asia for the Agency. It was a good conversation.

One of the things we talked about is just where priorities are for the Asia-Pacific region. If you could just spend a little bit of time talking about that, I would appreciate it.

Ms. SMITH. And I think the greater emphasis on Asia has been reflected in an increase in resources and personnel. As we discussed the other day, I think there are some other things that we can explore in Asia. And I am interested in the reference to trade capacity-building. That is one of them. I think that is something USAID makes huge contributions to around the world whether it is at the level of petty trade, local trade, national, regional, or in fact global trade.

What I would like to do, if confirmed—and Senator, I would love to work with you and others on this—is do more of in Asia and elsewhere of what USAID has done very well in other parts of the world, and that is to help work on the constraints to private capital flows and increase private capital flows in support of development in Asia. That is number one.

Number two, work with governments again to build on what USAID has done to date to build the capacity to run and sustain economies that are inclusive and deliver for their citizens. I think that there is a lot that we can build out on, some of it aided by resources, which are critically important, as you have pointed out; some of it by taking the lessons the agency has learned in other initiatives in other parts of the world and applying them more effectively there.

So these are all things I think we can do. I am quite interested—as I say, I have less experience in Asia than other parts of the world—in consulting with you and with others and obviously our men and women in the Agency here in Washington, particularly those in the field, to see what more can be done.

Senator GARDNER. Thank you.

Last year, the GAO, the Government Accountability Office, produced an assessment of USAID's trade capacity-building efforts and



concluded—and I will quote the report. The U.S. Agency for International Development's 2003 trade capacity-building strategy does not directly guide TCB activities and parts of the strategy no longer reflect the current TCB environment.

If confirmed, do you plan to update the TCB strategy?

Ms. SMITH. Yes. I think that is something we can do, Senator—I have worked with USAID on this in my current capacity, and I think USAID has learned a great deal. One of the things USAID has also done a phenomenal job of over the last few years is, again, taking those lessons and then figuring out how to apply them. So I think that could be a very, very good exercise.

Senator GARDNER. Thank you. And I would love to follow up with you on some of the ideas for doing just that.

Ms. SMITH. Great. Thank you.

Senator GARDNER. Thank you.

Mr. Chairman, thank you.

The CHAIRMAN. Senator, I noticed her staff was somewhat alarmed that she would answer a question off the cuff like that. So thank you for doing that. [Laughter.]

There was quite a shock in the back. [Laughter.]

Senator Menendez.

Senator GARDNER. That is the training of a University of Colorado graduate right there. [Laughter.]

Senator MENENDEZ. Well, welcome. All my questions are off the cuff. No.

First of all, as someone who has been and is a huge supporter of USAID, this is an incredibly important nomination. I congratulate you on being nominated. And I appreciate having listened to you here at the hearing describe your priorities in the same way that you did in the private meeting that we had.

And there are a lot of issues I have, some which I will submit for the record. But the one that I want to pursue with you is the question of democracy and governance, and following on to Senator Cardin's questions of human rights.

I am concerned that democracy and governance at USAID under the President's tenure has been cut by 38 percent, and I think there are a lot of critical countries in the Middle East, North Africa, Latin America, and Africa as a whole that have great needs that are woefully underfunded. And part of our challenge is, yes, economic growth and giving people greater opportunities, but in part that comes from more transparent democratic governance at the end of the day in countries, which is a longer term proposition, but nonetheless incredibly important to stop, because when in the Middle East you are facing a future that is so dismal that you can have your mind converted to believe that dying is more glorifying than living, that is a real challenge. It is a challenge to our national security and interests. It is a challenge in the region. And unless we change the dynamics of what is happening in those countries over time, we will continuously be in a perpetual war. And so I think it is important to be thinking about that in the long term, but it has got to start in a more significant way. When you cut democracy and governance by 38 percent, it does not lead us in the right direction.

So, one, I would like to get your sense of how you will try to stem the tide here. Two, I would like to get a sense from you that—and you and I talked about this a little bit, about those who would say that stability is more important than democracy and governance, that we are willing to look the other way on democracy and governance in order to have stability.

And three, do you believe that if a country resists or attempts to thwart our democracy initiatives that we should simply end those programs in that country, as we are seeing such challenges, for example, in Pakistan, where several members of this committee and others of the Senate have written about NGOs, the NDI, The Republican Institute, and Save the Children, and others having challenges in Pakistan? Give me a sense on those issues.

Ms. SMITH. Thank you, Senator, and thank you both for the conversation we had the other day and your leadership on these issues.

I agree with you on the importance of resources, and I believe you are aware that the President's request includes an increase in resources for democracy and governance.

But I think there are several other things we need to do.

One is press others to also increase their resources. I think worldwide, if you look at investments in democracy, governance, and human rights, they are far below where they should be, and I think we are in agreement that this is essentially the backbone that is needed to ensure that the gains of development are sustained.

I would also like to look at the potential impact of having additional personnel on the ground, particularly democracy and governance officers, who often, with technical assistance—but not necessarily large quantities of assistance—can play a hugely important role in training and using their convening power and other tools to build capacity. I think USAID's record on training at the institutional level for civil society and NGOs is something we can build out. I know the Agency is looking at how to make greater use of regional platforms where more people and more organizations can be trained at once and where also, and importantly, networks can be built.

I also believe, sir, that a government that is credible in the eyes of its citizens is a government that delivers transparently and in ways that are meaningful and impact the lives of those citizens. So in the areas where USAID has a very big presence and budget in health and in food security, the Agency has worked on—and I think we can expand—also looking at governance in those sectors. Is it transparent? Are the budgets transparent? Are citizens able to avail themselves of the equivalent of a feedback loop to ensure that, again, those services are delivered but in a way that is effective and transparent?

As I mentioned in response to Senator Cardin the Open Government Partnership, I have been quite impressed by what that has provided in terms of triggering a worldwide debate on what open governance means and what the obligations of governments are, while also exercising the muscles of some governments in transition, with their civil societies to see what it is actually like to both cooperate and have civil society hold governments accountable.

I believe as well that USAID is in a very good position, along with the State Department, to play the role of broker or facilitator in dialogue between governments and civil society.

I appreciate that you also made, sir, the point about this being a long-term proposition. I think the importance of our investing as a nation through USAID and by any other means in institution-building is ultimately the key because it is when we have got strong, effective, and transparent institutions that I think we have the greatest assurance.

Senator MENENDEZ. Let me make one observation before my time runs out, as well as one final question.

Ms. SMITH. Yes.

Senator MENENDEZ. And your answer, which I appreciate, a lot of it was focused on governance, and I agree that is an important issue. But I also think we have to decide whether USAID is going to play a role in democracy-building or not. And if it is, then it needs to be robust, and if it is not, then we need to think about how we move those resources to an entity that would, which brings me to my final question.

I am pleased to see that the administration has its traditional request for Cuba democracy programs at \$20 million. And I have clearly a very different view of United States-Cuba policy than the administration. But the one thing, I would think, that we can all come together on are programs that ultimately we pursue worldwide in other countries that are undemocratic, and that we do not allow the entities in those countries, whether they are autocratic dictatorships or other authoritarian regimes, to just stop our programs at the end of the day because they do not like it, otherwise we would have given up a long time ago and would not have been successful in Eastern Europe at the time of Vaclav Havel, Lech Walesa, and so many others.

So the question is, as it relates to Cuba democracy programs, can you make a commitment that you will prioritize programs that strengthen independent civil society, defend human rights, and expand democratic space and increased access to information inside of Cuba?

Ms. SMITH. Senator, yes. Let me address a couple of things you have said.

First, I believe that the U.S. Agency for International Development is and must be an agency that is about supporting democratic institutions, expanding democracy and democratic practices. So I think that is and must remain a priority.

With respect to Cuba, my understanding is USAID is continuing programs in democracy, governance, human rights, and the free flow of information, and intends to do so. And that is certainly my intention if confirmed.

I also believe you make a very important point with respect to the situations where we find that governments reject, close space, or take other measures that constrain the evolution of democracy. I think we need to respond in those cases. I think we may respond differently in different cases and must do what is effective. In some cases, we may not be supporting an actual government. We may be working primarily with local civil society or other groups. But I do think it is something we must respond to, and I will, if confirmed.

Thank you.

Senator MENENDEZ. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Coons.

Senator COONS. Thank you, Chairman Corker.

And welcome, Ms. Smith.

Ms. SMITH. Thank you.

Senator COONS. I very much look forward to your confirmation and to continuing to work with you in what I hope will be your new role in leadership of USAID.

And I appreciate and just want to join with the chairman in questioning about food aid reform and then talk a little bit more about effectiveness, monitoring, and economic development, if I could.

What role do you see for local and regional procurement and for readjusting some of the commodity and cargo preferences in the path forward toward a reasonable and balanced reform to our food aid program?

Ms. SMITH. Senator, again, as you know, the President in his budget made a proposal for food aid reform. So I certainly believe that this is something we need to pursue.

I believe there are ways to do it. I think there is probably some sort of equation that will be the ultimate solution. I am a little bit hesitant to get exactly into the particulars because in my current role I have not been directly consulting with all the parties.

But I do think we can and should find a balance that does a number of things: enables the Agency to respond more quickly and meet the needs of more people while maintaining those very important, vital parts of a program that have served us well over many years and also meet the needs and concerns of a broad range of constituencies. I think it is entirely possible. It is something I would make a priority, if confirmed.

Senator COONS. Great. Well, I look forward to working with you, the chairman, and other members on achieving that right balance between a lot a different interests and concerns.

There is a number of initiatives that you may well get to carry forward that are, in no small part, focused on economic development in a part of the world we have both spent a fair amount of time in, whether Power Africa, Trade Africa, Feed the Future, Global Health Initiative. I have a concern about Power Africa that it has largely been funded out of democracy and governance programming funds, and my hope is that we will get an authorization and then dedicated sources of funding for the long term. But speak to those initiatives, if you would, in terms of which you think has been most successful in the last 5 years and which you would prioritize your focus on, if confirmed as Administrator, to try and advance both economic development and human development.

Ms. SMITH. Thank you, Senator, and thank you for your engagement on Africa, but also your engagement on development.

I believe Feed the Future is one of the most successful initiatives we have seen in a long time. And I would point out that it was originally built as an initiative that started in Africa and has now expanded. There are Feed the Future countries outside of Africa that follow the same model, which include countries having a com-

prehensive plan and their own investing in that plan. I think this is something we can build on. I think it is something that has influenced the rest of the world. I think we have put food security and agricultural development back on the world's map, both through Feed the Future and support for that initiative. So I think anything we can do to ensure that it not only achieves as much impact as possible over the next 18 months but also well beyond that. I sincerely hope that Feed the Future is an initiative that will be continued, and I think it is worthy of it.

Power Africa—and I would be delighted, if confirmed, to work with you on any resource issues—I think is something that has shown us that the development model that USAID and the other agencies and departments that are part of that initiative, because there are 12 all together, have figured out. I think there has been a search for the silver bullet on energy or infrastructure. I do not believe there is one, but I do think that we have come up with something that allows us to identify viable projects, interested investors, and importantly, break down the constraints and build the capacity that is necessary to get a transaction done that not only yields greater access to electricity but exercises the muscles of trade and investment and also demonstrates success. Because, as you know very well, in Africa, risk perception is a very powerful thing, and I think over time we are reducing it.

I think it is also important that Power Africa is not overwhelmingly assistance-driven. The team has USAID at the lead, but again, all of those agencies and departments have done a phenomenal job of leveraging private sector capital and working with other countries. Sweden has put \$1 billion behind this. The World Bank is engaged with us. So, again, using our leadership and a good idea to get others involved has been key.

I think Global Health, if I may, Senator, is and will remain a top priority I certainly hope for this administration, as it has for past administrations.

Senator COONS. Thank you. Across those few, if I might, I am pleased to hear that you think Feed the Future is scalable—

Ms. SMITH. I do.

Senator COONS [continuing]. And can expand just its early success in Africa and is worth working together to sustain and grow.

Second, I hope within Global Health that the development of an HIV vaccine will continue to be an area of priority and focus. Although it has a long trajectory, it would have an enormous cumulative impact.

I also just wanted to recognize that the value of partnering with other development entities from around the world, with the private sector, as demonstrated in your comments, I see real value in. The Millennium Challenge Corporation I think in a number of countries where I have had the opportunity to visit with its sites and when I have had the chance to meet with their leadership has turned me from a skeptic to a real advocate because I think that long-term model of having metrics and accountability and measurable results and of doing development in partnership with other governments in a way that builds their capacity I think is really promising.

Let me, as a last question, just mention the Paul Simon Water for the World Act. I joined a number of my colleagues, Chairman

Corker and Senator Durbin, Flake as a cosponsor. I think access to clean water and sanitation is one of those sort of foundational concerns like access to electricity. Just tell me, if you would, how USAID will seek to improve access to clean drinking water and sanitation in the developing world under your tenure if you become the Administrator.

Ms. SMITH. Senator, let me just echo your endorsement of MCC. I have enjoyed working with MCC and look forward to continuing to do so in a new capacity, if I am confirmed.

On the issue of water and sanitation, that is really one of USAID's strengths, whether it is in the development field or if you look at emergency responses around the world. The Agency is terrific at moving quickly and also on a long-term developmental footing.

My understanding is the Agency has been working on a much broader strategy and identified priority countries where our experts believe that USAID can have the greatest impact. It is something I am very eager to dive into further, including in support of the act. So I think it is something that I would like to come back to you on. I cannot claim to have exhaustive knowledge of it yet, but as I say, it is something the agency does very well. And my understanding is that they have been working very hard on plans to look at how it can be expanded but also how they can prioritize, again, in key countries where they can achieve the greatest impact.

Senator COONS. Well, if I could simply, while Senator Perdue settles in, let me just say in closing that on my trip to Liberia last December, I was really impressed with the DART team and with how USAID was not just delivering disaster relief, humanitarian relief, but helping coordinate across international and private sector and volunteer organizations and how the incident management system that really was, in large part, deployed through the DART team made a lasting and compounding difference in how a complex, broad humanitarian crisis was being dealt with. And I just wanted to commend the great work that USAID has done and I believe will continue to do under your leadership in responding to complex humanitarian crises.

Ms. SMITH. Thank you for that, Senator.

Senator COONS. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Senator Perdue.

Senator PERDUE. Thank you, Mr. Chairman.

Ms. Smith, good to see you again.

Ms. SMITH. Good to see you.

Senator PERDUE. Well, thank you very much for your career service. And I find this role of USAID Administrator, as we talked, to be tremendously important. And I was very impressed with our conversation. I appreciate your forthrightness and candor in our brief time together. I look forward to maintaining that open dialogue. I think there is nothing better in trying to establish our foreign policy around the world than what we do with our philanthropy, and I know you share that as well. You said that in our meeting.

In our fiscal environment, obviously, we want to know that every dollar is—we are getting the most productive use out of that that we can. I know you share that as well.

Assuming you are confirmed, though, I would love to have you talk about it—and I am sorry I missed earlier testimony, but I would love for you to talk about your priorities in the next 18 months, if confirmed, and talk about are there private priority areas that you would see yourself focusing on in particularly the first year.

Ms. SMITH. Thank you, Senator. Thanks again for our meeting.

Yes. Let me briefly go through priorities.

The first is achieving maximum impact in the areas where I think we can achieve the greatest scale. And we have talked a bit about some of those, Power Africa, Feed the Future, and Global Health.

The second is a set of urgent priorities, including expanding the agency's work on democracy, human rights, and governance, obviously a critical strategy in Central America, and for transition in Afghanistan.

The third—and Senator Coons just referred to this. I believe that USAID is the best in the world in responding to crises anywhere. They are flexible. They are adaptive. They are creative. I think we need to make sure that the teams are able to keep one step ahead in a world where we are unfortunately seeing too many crises.

The last, but I think in many ways the most important and something you and I talked about, is the management operations of the agency. We put huge expectations on the men and women who serve this agency to operate and manage huge amounts of money often in very complex environments. They do an excellent job. I think they are committed to being fully responsible with taxpayer dollars. I think you will find with me that I will be totally and utterly frank with you about what goes well and what does not, but as I said to you in our private meeting, I will also come to you and ask for help when we need to fix things that may not work so well.

So on the operations and management of the Agency, I think USAID does a terrific job of doing assessments on the front end, looking at risk mitigation, evaluation and monitoring, and responding to oversight. I would like to work with the team—and it is a very dedicated team—to get out in front and ahead of some of these things to see if we can identify problems and challenges earlier, but also again to be able to come to you and other members of this committee with some options we may develop, and ask for your help and partnership in seeing if we can work together to make this agency as effective, as responsive, as responsible and agile as it needs to be in the world we live in.

Senator PERDUE. I look forward to that.

Another thing I want to follow up on is to have you speak to us a little bit about how do we get other partner nations around the world to help us in this role. I know they do now, but there are more needs than we can meet. And as one country, we cannot meet them all. This is not a budget conversation. It is really more of a conversation philosophically. From your role as the leading, I guess, contributor in this effort around the world, how would you

use this position to help influence other countries to step up their support of philanthropy the way we are?

Ms. SMITH. First of all, I am not shy about asking for money.

But, Senator, I think there are a couple things. And one great example of this has been the work on food security and agriculture where agencies and departments, including USAID, including the State Department—all of us rallied together to look at what the world was investing in agriculture, looking at what we could do, and then literally going country to country and saying here is what we expect you to put on the table. And we challenged other countries to triple their investments. We were polite, we were evidence-based, and we were relentless. Ultimately we mobilized \$33 billion.

Now, I think we can do that as a matter of practice. I think part of it is, again, challenging countries, looking at the evidence of where the investments are lacking, figuring out what is appropriate, and pushing politely until we get there. I think our convening power helps us enormously as does our success. Again, with Power Africa, the fact that Sweden announced last summer \$1 billion in support of this enterprise is because it is a good idea and it is working. So I think the power of our example works.

The last thing I would like to mention, Senator—and I think this is a trend we should build on—is that in a number of countries, we are seeing the important recognition by governments that something called domestic resource mobilization is key, that it is critical that they invest more in health, in education, in agriculture, and rely more on their own budgets. Now, some of that means that they need assistance in things like how to manage an effective tax administration. I think we need to capitalize on this trend, build on it where we have got countries that are stepping up and being real leaders on it, and then using that to challenge other countries to meet us at least part way. So I think that is another way that we can mobilize additional resources.

Senator PERDUE. Thank you.

If confirmed as Administrator, what would you do to ensure the priorities identified at the mission level are incorporated into final budget submissions to Congress and that presidential initiatives, while important, do not distort necessarily—I know they are important and they need to be taken into consideration, but they do not distort the type of assistance that you as the Administrator determine to be of utmost importance. I guess what I am looking for is the priorities in making sure that we all agree on those priorities with regard to meeting the needs that USAID is charged to do.

Ms. SMITH. Thank you for that question. And, Senator, I will not fool you. This is not easy. There are huge demands. There are huge opportunities, and it always is ultimately a question of tradeoffs and prioritization.

So I think the first thing is to look carefully at what the Agency's priorities are, to lean in the direction of those places we are getting the greatest impact and meeting the greatest need. Again, that is not easy because it means letting some things go. I am prepared to do that if that is what, again, the people in the Agency and others agree with, but I think that is something we have to look at.

The other is I think listening to the field. We send teams out in the field to run USAID missions. They have got eyes and ears on



the ground. They have got a sense and the experience to know what is working and what is not and where we can have real impact. So I think factoring that in at the end of the day is important.

And finally, I think we have got to continue to leverage and draw in other resources because, as you said yourself—and I strongly agree—we cannot do everything. I think something we can do more of is mobilize, quite frankly, other people's resources to match our own.

Senator PERDUE. Well, thank you for your testimony.

Mr. Chairman, thank you.

Ms. SMITH. Thank you, Senator.

The CHAIRMAN. Senator Murphy.

Senator MURPHY. Thank you very much, Mr. Chairman.

Welcome. I look forward to working with you in your new position. You have done very well today. Thank you for taking the time to meet with all of us.

I am glad to hear in response to a question from Senator Perdue, you are not shy about asking for money because I wanted to ask you a question about resources.

Interestingly, you skirted the issue a little bit in response to a question from Senator Menendez. You said resources are important, but let me tell you all the ways that we can get around needing more resources. And it speaks to a fear that I at least have about the aid community.

I mean, the Defense Department is never shy about coming up to Capitol Hill and telling us when they do not have the resources to meet their operational demands, and they tell us routinely the risk at which we are putting the Nation if we do not fund the Department of Defense's budget to the amount that meets their defined objectives overseas.

I do not always feel the same way about the aid community, and often it is just a question of how we allocate scarce resources and how we draw on other partners. And all of that is important.

But does USAID have the resources today to meet its operational demands? How much of this can continue to be just robbing Peter to pay Paul? Do we not have to have a pretty fundamental conversation about the growing number of crises across the world and the fact that today we are spending 1.1 percent of our GDP on foreign aid, when back in the 1950s we were spending 3 percent of our GDP on foreign aid? At some point we have got to reckon with that number. Right?

Ms. SMITH. Senator, I welcome your comments, and I think absolutely that we do. I think, if confirmed, I will also function as a member of the administration that is responsible for putting together an entire budget and take those factors into account.

But I think there is something key that you are getting to. I think we are in a position now to make the case certainly to the American people. I have been encouraged by the conversations I have had with members of this committee that foreign aid is a worthy investment, that we get a return, that it impacts our influence and our standing around the world, and that we can prevent more crises than those to which we have to respond. So I think it would be a wonderful thing to start making the case that this a worthy

investment and one that we should consider over time increasing. I would be delighted to work with you on that.

I do also want to say—and I certainly was not attempting to skirt something, but I also believe that assistance is one of the tools we have, but it is not the only one. The Agency has done a phenomenal job at a time when ideally it would have a much bigger budget, of figuring out, again, how do you mobilize other people's resources, how do you work with the NGO community, which has made huge commitments of its own, and how do we, again, leverage what is now billions of dollars in private capital. So I think regardless of where the budget is, that is something that we have got to focus on.

You did mention the word "operational," so I just want to make one quick plug of something that, if confirmed, I hope that we can discuss, and that is USAID's operating budget, which is also one of the key elements of its ability to function around the world and is absolutely critical. I would want to rely more fulsomely on the experts in the Agency to come back to you on that. But that is one of the, if you will, force multipliers to the effectiveness of the Agency over time.

Senator MURPHY. One of the issues that we talked about, which I would love to hear your thoughts on in open committee, is the issue of flexibility. One of the things that I routinely hear from mid-level and upper-level operators in the field is that partially by internal processes, partially by congressionally directed earmarks, that we compartmentalize funding on a geographical basis and then on an operational basis, a categorical basis such that it is hard to move money as fast as the crises move our attention.

Are there things that can be done internally? Are there things that we need to work with you on to make sure that you have the flexibility to move money as quickly as events on the ground demand it?

Ms. SMITH. Senator, that is an issue I would love to come back to you on, if confirmed. I think it is vital.

USAID has a lot of people who are masters of figuring out how you move between the various pieces to move money as quickly as possible, but also respond to requirements that the Agency is obligated to and wishes to respond to, whether they come from the legislative or executive branch. I think if we could talk about how to provide the Agency with greater flexibility, that would be of enormous value. I think part of that equation is also working with you on how USAID can ensure that it will be fully responsible with that greater flexibility.

I have known this agency for a long time. I have watched it go through a lot of permutations. I think it is better positioned today than at any time I have seen in 20 years to assume the responsibility for and act on that greater flexibility. And if that is a conversation that we could have, if I am confirmed, I would be delighted.

Senator MURPHY. And then lastly, I just wanted to get your thoughts about the way in which USAID can be built more tightly into the overall national security infrastructure. There is a really fascinating report that one of your former colleagues, Gen. Jim Jones, headed. It had about a half a dozen former generals and ad-

mirals, as well as a number of policy-thinkers, talking about the better ways to integrate both State Department resources and USAID resources into the strategic commands to make sure that we have a more coherent conversation happening out in the field so that we can have a coordinated response to crises.

I think about the movement of an organization like al-Shabaab out of Somalia into Kenya. If we had been able to all think about the ways ahead of time to try to buttress those sections of Kenya which were vulnerable to the movement of al Shabaab, we might have been able to prevent a little bit more of the seepage that ended up happening.

Are there some opportunities to try to connect strategic commands and USAID? They are some of your biggest boosters, frankly, and there seems to be a need to maybe have a little bit more coherence in the field.

Ms. SMITH. Well, I think that is a very good point. And the Department of Defense has been a big champion of USAID largely for the reasons you suggest. USAID is the agency best positioned to pursue the prevention that is needed so we have fewer crises.

I think USAID and the Department of Defense have a very good relationship. It is one that has expanded including because of joint responses in humanitarian crises. I know that on the Sahel and other parts of the world, the two agencies have together looked at roles and responsibilities but also how to think about what might be done on the side of prevention. And I think that is something I am very interested in pursuing further.

Senator MURPHY. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Markey.

Senator MARKEY. Thank you, Mr. Chairman, very much.

Can you give us the 1 minute on geothermal in Ethiopia?

Ms. SMITH. Sure. Thank you, Senator.

Geothermal in Ethiopia has a huge potential. All along the Rift Valley, as you and I discussed, there is the potential to provide electricity for a huge chunk of the continent. It is not easy to exploit, but we are finding that there is increased interest. Power Africa is behind transactions in Kenya and in Ethiopia that we hope to see significant progress on, including in the coming weeks. I think it is something that could be a profound game-changer for the region again.

Senator MARKEY. We were told by the President of Liberia, a country of 6.5 million people, that her whole country only has 40 megawatts of electricity.

Ms. SMITH. Exactly.

Senator MARKEY. What can one geothermal facility in Ethiopia do?

Ms. SMITH. You could go from 500 to 1,000 megawatts.

Senator MARKEY. A thousand megawatts.

Ms. SMITH. Potentially. There are lots of megawatts in that geothermal rift there along the valley, sir.

Senator MARKEY. Right. So ultimately we are looking at something that is potentially 25 times bigger—one plant, one facility—than all of the electricity in Liberia today.

Ms. SMITH. But we are looking at some serious impacts. And again, I think we have got to be mindful of the challenges in exploi-

tation of geothermal. But I think we are seeing increasing evidence of its potential, of the interest by investors, and of the viability of some of these projects. We still have to focus on the Liberias that do not have that potential and have the kind of acute shortages you talk about, particularly at a time when, after having survived decades of war and now an Ebola epidemic, they are able, fortunately, to focus again with our Power Africa team on turning the lights on there.

Senator MARKEY. The numbers are just so exponentially larger that they just match up with the cell phone wireless revolution in Africa. I mean, it is almost like a perfect analogy of how we are not talking about a doubling or a tripling. We are talking about something with one facility in Ethiopia that is 50 times bigger than everything that is going on in Liberia. So that is something that we just, again, continually have to focus on and understand that it is transformational. When a place has all the telecommunications they need and all of the electricity they need, capitalism, commercial activity is going to flourish and similarly the education of the kids, the health of the kids, all the way down the line.

Let us talk about health systems post-Liberia. What can USAID do to make sure that there is a better infrastructure in place on an ongoing basis in these countries so that they can be the front line and effective in making sure that these diseases just do not spike out of control?

Ms. SMITH. That is a really important question, Senator, and thank you for asking it. Senator Coons mentioned the DART team deployed, and even from the initial deployment of that disaster assistance response team, looking at the health systems has been a priority, building on some significant progress made over the years, but obviously insufficient progress given the impact that the Ebola epidemic has had. I think there are several things that can be done.

One is transferring some of the capabilities that have been developed in Liberia out of misfortune to other places and making sure those are retained. There are now people who are trained as lab technicians to track the data on an epidemic, to do some of the treatment and prevention.

The second is part of something called the Global Health Security Agenda, which was launched by the President with an eye to doing two things, both getting countries to adhere to the norms and standards that are required to manage global health threats, but also and importantly build the capacity of countries like Liberia to be able to prevent, detect, and respond to global health threats.

Lastly, I think for USAID, for the Office of the Global AIDS Coordinator for the CDC, and for all the U.S. Government agencies that work in health, there have been some important lessons. I think about the importance of health system strengthening. This has been a priority since the beginning of the administration. I will admit it has not been the easiest thing to market. Health system strengthening really did not capture a lot of imagination I think until we saw the Ebola epidemic. But the teams are working now on how we can do as much as possible—

Senator MARKEY. Can you take tuberculosis as an example—

Ms. SMITH. Yes.

Senator MARKEY [continuing]. And talk about what USAID can do in terms of detection and prevention of tuberculosis in the countries that you have an ability to influence? Can you talk about that a little bit?

Ms. SMITH. I think many of these are the same systems. And what is needed and I think what USAID does very well across the board on health is how do you have the education in place, train the people who you need on the ground, provide the education, and then put in the extra training and capabilities that are needed for diagnostics, for treatment, in TB for sustaining treatment because one of the biggest challenges there is that if people fall off their treatment, you have got a recurrence or even worse. So I think, again, it all comes back to health systems, to training, and to putting in place those things that enable local communities to play a central role.

And one last thing on tuberculosis, if I may. It also means mobilizing other countries to do more because if you look at where the evidence of tuberculosis is today, much of it is in the world's poorest countries. A great deal of it is in the BRICS. And so I think the other piece is going back and pressing other countries to do more.

Senator MARKEY. And finally, USAID has partnered with MIT in working on a comprehensive initiative on technology evaluation in order to ensure that we are using the smartest technologies effectively in order to aid in development in these countries. Can you talk a little bit about that and how we can continue to advance that effort to maximize working smarter, not harder to extract all of the economic opportunities in these countries?

Ms. SMITH. Senator, I am not familiar with that particular project. I am familiar with the extraordinary work that has been done by—if I am confirmed—my predecessor.

Senator MARKEY. You have my vote.

Ms. SMITH. Thank you, sir.

Dr. Shah is a real expert in science and technology and did a great deal to create, as you know, the Global Development Lab.

I think the partnerships with universities are key. Those are already yielding significant results. I think how to use data more effectively both in running the organization but also in terms of tracking solutions and what is working and what is not.

The Grand Challenges that USAID has run have been some of their greatest successes. My personal favorite is one that was to develop a set of protective gear for people who are working in environments like Ebola epidemics where they can work for longer periods than 45 minutes. It was Johns Hopkins and a wedding dress-maker in Maryland that came up with the solution on that.

I think there is enormous potential out of what has been done to bring science, technology, and innovation into USAID. I think the challenge is to look at how we can get some of these things to scale.

Senator MARKEY. I think your whole life has prepared you to sit in that chair, and I think our country and the world is lucky to have you being willing to take on this job. So thank you so much.

Ms. SMITH. Thank you, Senator.

The CHAIRMAN. I am sure that Senator Markey knows that his whole life has prepared him to sit in his chair. [Laughter.]

So with that, Senator Cardin I know has some additional questions.

Senator CARDIN. If I could return to a point I raised earlier from the hearing we had yesterday in the East Asia and The Pacific Committee dealing with capacity-building and using USAID programs as they are related to capacity-building for trade, I want to talk a little bit about labor capacity issues and how you see the tools you have available being used to maintain and expand those opportunities.

If we move forward—and I hope we do—with the agreement with the Trans-Pacific Partnership, there are several countries there that have significant challenges as relating to their capacity to comply with a quality trade agreement such as TPP, particularly on labor issues. How do you see your aggressiveness in using the labor capacity tools that are available to help us meet these needs?

Ms. SMITH. Senator, this is something I have talked to USAID about. USAID has a long history of working with labor organizations to build up to both norms and standards and build capacity. I think there is every intention of continuing those programs. If it is possible to expand those, I think that is worth looking at. But this is something I think the Agency has got a long track record of working on around the world and in Asia, and I certainly think in the Asia-Pacific that is a place where, if confirmed, we would certainly want to continue to do that.

I would be happy to talk to you further and get your thoughts and more details on any specific ideas you may have.

Senator CARDIN. Well, I appreciate your commitment on this. I think it is going to require the agency's initiatives in some of these areas, and I look forward to working with you in that regard.

Ms. SMITH. That would be great.

Senator CARDIN. There has been some conversation about the use of the Global Development Lab. I mentioned it and Senator Coons mentioned it. Do you have thoughts as to how that program could be strengthened so that we can leverage the program for stronger involvement from the private sector in helping achieve the missions of USAID?

Ms. SMITH. Sure. I think the partnerships that the Global Development Lab has already built are part of what is going to anchor it and allow it to succeed. One of those is, again, with universities around the country, and also with the private sector. I think there is some real potential in looking at how we can take some of these innovations to scale. There is the capacity within USAID to provide some initial small capital to entrepreneurs, for example, or to ideas that seem to be viable enough to work. I think part of the challenge will be then getting with the private sector to figure out how we can take some of these things to market. And that is something I would very much like to do. I will rely on its experts, if confirmed, to determine what the best examples might be.

But I genuinely believe that this kind of lab, that kind of innovation, those kind of entrepreneurs or the ideas that have come out of grand challenges—that if we use our convening power, the relationships that the Global Development Lab already has to work

with the private sector to take these solutions to market—we will not only innovate, but do something the lab was built for and that is to get to scale.

Senator CARDIN. I think it is excellent. I would also urge you to put a bigger spotlight on what you are doing. I think this is a story that is not well understood yet, particularly in our country. So I think you should. This is a success, and you should really put a spotlight on it.

One last point. Senator Corker and I have had many conversations about moving the President's nominees through our committee in an efficient way. And today's hearing is an indication of us moving forward on nominations.

It is my understanding that there are several senior positions in USAID that require Senate confirmations where nominations have not been yet submitted to the United States Senate, including the top position in Africa and some others. If you are confirmed, can we have your commitment that you will do everything you can to make sure that we get these appointments in a timely way? It is frustrating for many of us who are pushing to say we need to confirm positions when the administration has not submitted their nominees.

Ms. SMITH. Yes. I will happily make you that commitment, sir.  
Senator CARDIN. Thank you.

The CHAIRMAN. I am glad to see that he is pushing in two directions, not just one. [Laughter.]

Senator Perdue.

Senator PERDUE. Thank you, Mr. Chairman. I do have one last question.

Ms. Smith, with your operational background, I cannot resist this and I ran out of time earlier. But Senator Murphy reminded me just how important it is that we set priorities. We mentioned that we are only spending about 1 percent of our budget as opposed to maybe 3 percent in the past. I want to look at that. I am not knowledgeable about the 3 percent.

But I do look at the last 6 years where we have spent \$21 trillion in our Government. We borrowed \$8 trillion of that. That means of the \$20 billion, which I believe is in 2015's budget for USAID—and put that in perspective. The State Department is \$51 billion. So this is \$20 billion of the \$51 billion. That means that we borrowed \$8 billion in order to meet needs around the world.

And this goes back to my question about how do we get other players to step up and how can we leverage what we are doing. But the reality is right now we are borrowing 40 percent of what we are using to support philanthropy around the world. I do not know any other country in history that has ever done that.

And so the question I have that comes behind that is, operationally how do you look at the priorities? Right now, five efforts, as I understand it—and I would love to be corrected, but I think this is right. Five programs represent 90 percent of that \$20 billion. Health, humanitarian needs—health is the third. Humanitarian needs is about 20 percent. Democracy and governance is 13 percent. So those three things are about two-thirds of the money we are spending, or about \$13 trillion. Economic growth and agri-

culture are only about 20 percent, a little more than 20, about 23 percent.

So the question is—you do not have to answer today because you have not had a chance to get into the budget and all that. But one of the things I would look forward to is an active conversation about what you see the allocation needing to be relative to the needs that are out there, the objectives and the mission of USAID, given that 40 percent of what we are funding is borrowed. I mean, that puts a perspective on it I think that makes—it just puts every dollar in play relative to how important it is that we make every dollar count. So would you respond to that please?

Ms. SMITH. I will. I also took note of your saying that you would be happy to talk to me about this later when I have had a chance to review the budget in great detail.

I think this issue of prioritization is key. And again, I do not want to understate how difficult it is. USAID has a lot of important initiatives and programs.

What I would really like to do is sit down with the men and women who run these programs both here in Washington and in the field, get their honest assessment of what they think is the most effective, what they think should be prioritized, how they think about that, be able to work that through with the agencies, with others in administration who have views on this, and come back to you and talk it through.

Senator PERDUE. That is acceptable. Thank you.

The CHAIRMAN. Thank you.

If there are no other questions—do you have any, Senator Markey? You are good? I just have a couple and we will close.

Ms. SMITH. Sure.

The CHAIRMAN. Again, thank you for your testimony and your willingness to serve in this capacity.

I was interested in your exchange with Senator Markey and just the order of magnitude change that can take place when we have power production of that magnitude in a country with so little. And we have so many countries in Africa that have that kind of situation. Sometimes administrations on both sides of the aisle try to tout the amount of output that is created, but as you know—and we talked about this in the office—what is important is to ensure you have a distribution system, and you have that power, and you have a cost recovery mechanism or a tariff system in place so that it can be sustained for the long haul and will be there. So many of us have seen—I know you have seen—projects that were completed but they serve no purpose.

I wonder if you could just talk a little bit about that?

Ms. SMITH. Yes. I think there a couple of issues there, Senator. And thank you for the question.

One of the things that Power Africa also focuses on is some of the policy issues, which are key to sustainability. So I think that is vital.

I also think that something, if confirmed, we can do more of and a better job of is looking at that sustainability up front and making sure that the policies are in place, figuring out things like recurrent expenditures that sometimes are not factored in are factored in so that we know that we are not investing in something that 5,



10, 15 years later is going to prove to be dormant or ineffective. So I think that is critically important. It is something that is a priority of mine.

With respect to Power Africa in particular, one of the great things about having not only USAID but all of these other departments and agencies involved is that it is a real opportunity to get to the policy issues that are necessary alongside those very exciting investments to make sure that these are sustainable over time, and that the investments include all of the other cost recovery and pieces that you mentioned.

The CHAIRMAN. While you were at the NSC, you praised the administration's transparency efforts. And we noticed that with the foreign assistance website, we still are not getting full reporting from all Federal agencies relative to that. And while I am sure our friends in China have access to that data, I wonder if you would—

[Laughter.]

The CHAIRMAN [continuing]. If you would commit to going ahead and bringing that up to a full-scale basis and make sure that all of that reporting is taking place?

Ms. SMITH. Sure. Senator, I will continue to work on that. And I will confess to you that several colleagues and I made a priority of really looking at foreign aid transparency. I think in all honesty, we were not fully aware of what we were getting into when you look at the complexity of the full range of departments and agencies that provide foreign aid and their different systems and how one translates all of that information. That is a work in progress. It is something I will certainly lend my support to and continue to work on. And I appreciate your support for it because I think it is absolutely vital.

The CHAIRMAN. Well, thank you for being here today. I appreciate the time you took with committee members in advance.

Without objection, if the record could remain open until close of business Friday and if you would respond to those questions, we would appreciate it.

Ms. SMITH. Yes, sir.

The CHAIRMAN. And without further ado, the meeting is adjourned.

[Whereupon, at 3:23 p.m., the hearing was adjourned.]

#### ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

RESPONSES OF GAYLE SMITH, NOMINATED TO BE ADMINISTRATOR OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT, TO QUESTIONS FROM MEMBERS OF THE COMMITTEE

ADMINISTRATOR-DESIGNATE SMITH'S RESPONSES  
TO QUESTIONS FROM SENATOR CORKER

##### *Water, sanitation, and hygiene*

*Question.* The 2012 U.S. National Intelligence Estimate (NIE) determined that a lack of access to clean water in the developing world will increase the risk of state failure and global instability over the next decade, which in turn will pose strategic issues for the United States. In light of the recent passage of the Water for the World Act and its emphasis on prioritizing help for the most in need, what efforts would you undertake to ensure water and sanitation funding is not used as a strategic bargaining chip but that appropriate prioritization takes place as required by

law, increasing access to clean drinking water and sanitation where it's needed most, as part of a global strategy to engender goodwill toward the United States and reduce the risk of global instability?

Answer. Thank you for your leadership on this issue, including your sponsorship of the Senator Paul Simon Water for the World Act, which I was pleased to see signed into law.

It is my understanding that the act aligns with USAID's 2013 Water and Development Strategy, in that both prioritize USAID's water investments based on (1) country needs (targeting countries with the least access to safe drinking water, improved sanitation and hygiene, and highest rates of death of children under 5 due to diarrheal diseases); and (2) opportunities (focusing on countries with host-government commitment to supporting water, sanitation, and hygiene).

As you may know, the majority of USAID's priority WASH countries and the majority of the Agency's WASH funding can be found in sub-Saharan Africa, a region that has historically suffered from the lowest rates of access to safe drinking water and sanitation in the world.

The country prioritization and funding trends both demonstrate USAID's commitment to supporting the water needs of the very poor, and providing a foundation for sound governance of water resources that helps contribute to stability in priority countries.

If confirmed, I will focus on sustainably expanding access to safe water, sanitation, and hygiene to the neediest countries in an increasingly water scarce world and look forward to consulting with the Congress and relevant stakeholders to ensure we are meeting the intent of the Water for the World Act.

#### *Freedom promotion*

*Question.* Where do you see democracy and liberty promotion fitting into the agenda of USAID?

- ◆ a. What percentage of USAID funds and staff time should be spent on democracy and liberty promotion?
- ◆ b. How does that compare to the current allocation of staff time and funds for democracy and liberty promotion?

Answer. Democracy promotion is central to development, and an integral part of the U.S. national security strategy. This is highlighted in the President's two published strategies as well as in the two Quadrennial Diplomacy and Development Reviews issued by the State Department and USAID. Within USAID, a new strategy on democracy, human rights, and governance (DRG) frames the importance of an integrated approach to programming within the sector, and equally on a holistic approach between this sector and the economic and social sectors. If confirmed, I intend to make democracy promotion a top priority.

As stated during my testimony, to advance implementation of the new DRG strategy, if confirmed, I will support a greater presence of DRG officers in the field. Democracy officers are on the front lines each day, convening and networking civil society organizations, finding innovative ways to promote human rights, and working to ensure our programs in health, food security, climate change, and economic growth incorporate elements of citizen participation and government accountability.

With respect to USAID managed and comanaged accounts, the President's FY 2016 request includes a substantial increase in democracy funding when compared to the FY 2015 request. If confirmed, I look forward to reviewing funding and staffing levels and working with Congress to ensure appropriate resources are available for this critical area.

*Question.* As space for civil society continues to shrink globally, how will you put President Obama's "Stand with Civil Society" initiative into action?

Answer. USAID has been a key player in the President's Stand with Civil Society agenda, a global call to action to support, defend, and sustain civil society amid a rising tide of restrictions on its operations globally. As a result of Stand with Civil Society, USAID has augmented programs that strengthen legal and regulatory environments for civil society; held numerous consultations all over the world with civil society; and made bold calls to strengthen regional coalitions, improve donor coordination and promote innovative partnerships, and engage local governments to collaborate with civil society to solve community problems.

USAID is also exploring innovative ways to support civil society. For example, in partnership with the Government of Sweden and private philanthropy, the Agency is supporting an effort to connect civil society across the globe through the Civil Society Innovation Initiative. Through a constructive, cocreation process with civil society, USAID and its partners will work together with local and regional CSOs to design up to six regional Hubs that will be connected at the global level. These

regional Hubs, intended to add value to and augment existing support to civil society, will encourage cooperation, innovation, research, learning, and peer-to-peer exchanges. They will feature virtual and physical components that can aggregate existing tools and resources, including on leadership capacity and regionally based resource mobilization, as well as serve as a support platform for civic activists that could provide on-demand legal aid.

These are the types of activities I will continue to support to ensure that USAID is supporting the U.S. Government's efforts to respond to the backlash on democratic principles occurring around the world.

*Program impact*

*Question.* U.S. assistance has had many successes, but too often USAID is focused on dollars spent, rather than impact. If confirmed, how will you push USAID to be focused on development outcomes?

*Answer.* In order to maximize the impact of every development dollar, and as part of the USAID Forward reform agenda, USAID has introduced new operational policies related to strategic planning, program design, and monitoring and evaluation. As you know, this suite of reforms was designed to increase the Agency's strategic focus and development impact by ensuring that programs are designed to respond to local contexts, and that USAID learns from experience and adapts programs accordingly for better development outcomes.

USAID's Evaluation Policy, released in 2011, is one of the key operational policies that is bringing new methodologies for measuring impact to the design and evaluation of development activities. Since 2011, over 950 evaluations, and expanded training in evaluation for over 1,400 USAID staff, have bolstered active management by missions and operating units in evidence-based decisionmaking.

USAID has strengthened its ability to plan and implement strategically, to monitor and evaluate impact, and continuously feed what is learned back into planning and implementation processes to improve outcomes. Another operational reform that has strengthened strategic planning for improved outcomes is the use of Country Development Cooperation Strategies (CDCS) to ensure analysis of changes in country situations and status in the medium term, and support evaluations and interim Agencywide assessments to inform decisions about adjustments in resource allocations. If confirmed as Administrator, I will work to further institutionalize these reforms across the Agency.

*Question.* What are your thoughts on innovative pay-for-performance contracts, such as Cash-on-Delivery Aid, where U.S. taxpayers would only be footing the bills for measurable achievements?

*Answer.* I understand that USAID is committed to utilizing the most effective and efficient means for incentivizing, attaining, and sustaining development results.

Examples include:

(A) Acquisition and Assistance: For acquisition (contracts), USAID has several options to incentivize contractors by tying payment to performance, including cost plus award fee, fixed price award fee, cost plus incentives fee, and fixed price incentive fee contracts. For assistance (grants and cooperative agreements), a fixed amount award, which was previously referred to by USAID as a fixed obligation grant, is the main pay-for-performance mechanism. I understand that USAID strives to use these mechanisms when appropriate.

(B) Government-to-Government (G2G) Assistance: Most of USAID assistance to local governments is "projectized" which means that the Agency's funding is for a specific project, not simply budget support, and financed via either cost reimbursement, fixed amount reimbursement, or resource transfers (i.e., cash transfers in a few select countries).

If confirmed, I would be interested in looking at other innovative pay-for-performance approaches, including Cash on Delivery.

If confirmed, I am committed to achieving results that sustain in the most efficient and effective way. However, in pursuing this results focus, I also want to ensure that the approaches we use do not undermine or distort current systems such that the countries on their own are not able to sustain this assistance.

*Africa*

*Question.* At a time when China and other countries are making huge inroads into Africa, often displacing American influence, how would you advance American interests in this competitive environment?

*Answer.* I believe America can continue to assert influence as a global leader in Africa, even as sub-Saharan Africa attracts significant investment from China and many other countries. At the U.S.-Africa Leader's Summit (ALS) President Obama

told the largest gathering of African leaders ever held in Washington, "We don't look to Africa simply for its natural resources. We recognize Africa for its greatest resource which is its people and its talents and its potential." The United States relationship with Africa is about much more than extracting minerals from the ground for our growth. The United States seeks to build partnerships that create jobs and opportunity for all our peoples, and unleash the next era of African growth. The U.S. approach provides a mix of investments in Africa representing a comprehensive American agenda that promotes influence in the forms of democracy, individual liberties and respect for the rule of law as well as soft power influence where we have a significant undisputed edge in working with African governments.

USAID can demonstrate leadership and advance American interests in Africa through development programming that engages and empowers Africans. USAID invests heavily in programs that ensure Africans have a stake in their own development and continues to engage in Africa on a large scale. In its first year, the Power Africa initiative made significant progress toward achieving its initial goal of adding 10,000 megawatts (MWs) and 20 million business and household electrical connections in six countries in sub-Saharan Africa. During the ALS, President Obama announced a tripling of Power Africa's goals—Power Africa partners would work together to add 30,000 MW and 60 million connections across all of sub-Saharan Africa. Through Power Africa, USAID is coordinating a total of 12 U.S. Government agencies and working with over 100 private sector partners, multilateral development institutions, bilateral partners, and African governments to increase power generation across sub-Saharan Africa. To date, Power Africa has helped projects expected to generate over 4,100 megawatts of electricity generation capacity reach financial close.

Through the Feed the Future initiative, USAID is working with African governments, the African Union, and the private sector in Africa and abroad to address the root causes of hunger, poverty, and food crises. U.S. leadership is ensuring that the fight against hunger and poverty is a global endeavor. Indeed, our L'Aquila commitment of \$3.5 billion over 3 years, which the United States met and surpassed, spurred other partners to pledge more than \$18.5 billion. And the United States was instrumental in the development of five key principles that were subsequently adopted at the Rome World Summit on Food Security in November 2009. Now known as the Rome Principles, they constitute the foundation for collective, global action on agricultural development and food security. If confirmed, I will ensure that USAID continues to show such leadership on the continent through bilateral and regional partnerships with African institutions, and through the USG's power to convene global responses to African challenges.

Through the Young African Leaders Initiative (YALI), the U.S. Government is empowering a new generation of young Africans to contribute to solving challenges in their communities and around the world. YALI works in partnership with a robust network of stakeholders from across the continent and in the United States to support young African leaders as they spur growth and prosperity, strengthen democratic governance, and enhance peace and security across Africa. This initiative also builds lasting linkages between the United States and Africa in government, business and civil society.

At the same time, since China is the largest single trading partner with the African region, it is important that the United States engage the Chinese to channel global development resource flows toward more transparent, accountable, and transformative development objectives in line with our values. Through this engagement, the USG has an opportunity to encourage compliance with international standards for environmental and social risk assessments. If confirmed, I will work with the Department of State on developing a strategic framework for enhancing this engagement.

As outlined in the President Obama's U.S. Strategy toward sub-Saharan Africa, the United States commitment to Africa is long-standing and deep. The United States has invested in development partnerships with Africans to foster sustained economic growth, promote food security, increase resilience to climate change, and improve the capacity of countries and communities to address HIV/AIDS, malaria and other health threats. This is the foundation of a continuing strong relationship between the U.S. and African nations.

#### *Yemen*

*Question.* Earlier this year, USAID suspended its conflict resolution programming in Yemen due to an escalation of conflict. What are your views of the proper role for USAID in Yemen and how USAID might be able to restart these important programs?

Answer. As you know, USAID supports local, civilian-led conflict mitigation programs and efforts to foster dialogue throughout many countries worldwide. Yemen currently faces a humanitarian crisis, with conditions deteriorating rapidly, and USAID is focused on addressing this crisis through its continued life-saving humanitarian assistance. Since FY 2014, the Agency has provided \$158 million in humanitarian assistance to conflict-affected and vulnerable populations in Yemen. USAID works through trusted humanitarian partners that are seasoned professionals with many decades of experience working in conflict zones and difficult operating environments, such as Somalia and Afghanistan.

In light of the extremely difficult security and operational situation in Yemen, some USAID programs, including social and economic development programs, have been suspended. The safety and security of USAID implementing partners, beneficiaries, and local staff in Yemen is USAID's first priority and the Agency does not want to put them at risk unnecessarily. I understand that USAID has worked diligently to ensure that this suspension will allow the Agency to keep programs in place so that it can quickly restart activities—including conflict management and mitigation activities—at any point when the situation is permissive, civil society partners can meet in a safe environment, and USAID can ensure sufficient program oversight.

*Risk assessments missing in program planning*

*Question.* While USAID has increased its partnerships with local partners in country-led programming, the Government Accountability Office reports risk assessments that are carried out by USAID are many times not used during program planning in order to mitigate those risks. How would you address this as Administrator?

Answer. It is my understanding that USAID has addressed the concerns raised in the GAO report regarding the alignment of its fiduciary risk assessments with its program planning process. If confirmed as Administrator, I am committed to creating the conditions whereby countries can lead, resource, and sustain their own development. To the extent that effective government systems are key to sustaining desired results, under my leadership, the Agency will continue to invest directly in those systems to improve their function. I will ensure that the Agency continues to conduct in-depth fiduciary risk assessments at the country level, as well as at the institutional level for those organizations in which the Agency is directly investing.

My understanding is that in 2014 USAID revised its internal regulations to align its processes for fiduciary risk assessment and program planning, and accompanied that revision with a worldwide training program. If confirmed, I will work to ensure that USAID staff worldwide are familiar with and implementing these regulations so that these fiduciary risk assessments are used in program planning in order to mitigate such risks.

*Grants vs. contracts*

*Question.* In order to achieve maximum accountability for results, efficient use of resources, and the incorporation of lessons learned from prior development efforts, what do you think the appropriate balance is between contracts, grants, and cooperative agreements in acquisitions associated with development?

Answer. To achieve maximum accountability and results, I believe that the appropriate choice of instrument will vary from activity to activity. The decision to use a grant, contract, or cooperative agreement should be based on a rigorous program design in which intended results, efficiencies, and lessons learned are incorporated.

I understand that USAID has a history of robust use of all three mechanisms with assistance instruments such as grants and cooperative agreements receiving 60–70 percent of USAID obligations and contracts receiving 30–40 percent. I also understand that USAID's official policy states that there is no preference for acquisition instruments over assistance instruments or vice versa.

In addition, I believe it is important to ensure that the choice of instrument is made in accordance with principles found in the Federal Grant and Cooperative Agreement Act.

Please be assured that if confirmed, I will ensure that results, efficiencies, and lessons learned are used in each of these implementing mechanisms.

ADMINISTRATOR-DESIGNATE SMITH'S RESPONSES  
TO QUESTIONS FROM SENATOR CARDIN

*Country ownership*

*Question.* Americans are proud that our country is the world's most generous provider of assistance to save lives in emergencies and help people and countries work their way out of poverty. Over the years this assistance has helped other countries achieve some incredible results—including 1 billion people being lifted out of poverty in this century.

- ◆ How do we make sure that our aid is leaving lasting results that countries can build upon, so they can grow their economies, strengthen their institutions and the rule of law, and get to the point where they are eventually funding their needs with their own economic growth?
- ◆ What administrative reforms can we expect you to prioritize to ensure that we make sure we are getting the furthest mile on every U.S. taxpayer dollar going overseas—and what can Congress do to alleviate the pressure to burn money too quickly, measure quantitative outputs versus impact, etc.?
- ◆ How would you invest to increase the impact of successful efforts like the Local Solutions initiative?

*Answer.* USAID is committed to creating the conditions whereby countries can lead, resource, and sustain their own development, a commitment that I share and will prioritize, if confirmed. I agree that country ownership—mutually agreed-upon priorities, direct implementation through local systems as the default choice, and domestic resourcing by local governments, civil society, and the private sector—should be at the core of how USAID does business. My understanding is that the Agency is delivering on this commitment through the following organizational and programmatic reforms, which I will prioritize if confirmed:

- ◆ The Agency has put in place policies and a program planning process that enable it to project results over a longer timeframe and align its staffing and resources accordingly.
- ◆ USAID is ensuring that its country strategies and project designs prioritize and measure sustainability through country ownership, regardless of the sector. This increasingly entails broad local stakeholder involvement in the Agency's planning processes. It also entails analysis (e.g. political economy analysis) and action (i.e. improved governance) on the constraints to sustainability, all of which may not be fully in the Agency's manageable control.
- ◆ The Agency has put in place the appropriate controls to prudently invest directly in local governments, civil society, and bolstering the private sector (as relevant) to ensure that those stakeholders are accountable, effective, and can sustain results on their own.
- ◆ USAID has introduced new guidance and methodologies for monitoring and evaluating project performance. USAID programs are closely and actively monitored in-country—including through the use of objective, third-party evaluations—to track results at every level (input, output, outcome) and to make room for midcourse correction when changes are needed. In addition, through the use of rigorous methodologies the Agency is able to evaluate the impact of its programs and the extent to which outcomes can be attributed to USAID interventions.
- ◆ The Agency has almost doubled its Foreign Service staffing to increase its ability to engage directly with local governments, civil society, and private sector; negotiate policy reforms; leverage the local private sector; build capacity; innovate; and manage its assistance programs.
- ◆ USAID is promoting the mobilization of local resources in countries where it works through tax modernization; coinvestments and guarantees with the local private sector; budding philanthropy; and alternative business models such as social enterprises and social impact investment.

*Health workforce*

*Question.* What is the overarching vision and strategy for helping the Ebola-affected countries and other developing country partners to build a well-trained, well-equipped and well-supported health workforce that can stop threats like Ebola, and at the same time help achieve other major priorities like ending preventable child and maternal deaths?

*Answer.* USAID has worked closely with the national governments of the Ebola-affected countries as well as with other U.S. Government agencies and bilateral and multilateral donors to develop a health country plan for each country, which directly supports national strategies and reaches the most vulnerable populations. USAID's

programs focus on restoring non-Ebola essential primary health services delivery while supporting the rehabilitation of health systems, including the capacity to prevent, detect, and respond to future outbreaks before they become epidemics, in line with our Global Health Security Agenda.

To support service delivery, USAID will focus its efforts on health promotion and behavior change and communication at the community level. These efforts will help to reduce the fear of returning to health clinics and promote primary health services, particularly maternal and child health services. Support will also focus on the reopening of community health facilities in USAID-targeted communities which follow new established standards and norms for infection prevention and control, training of health care workers, and ensuring the availability of essential health commodities at the facility level. Additional support will also be provided for service delivery through existing nontraditional, community platforms, such as national health weeks and immunization campaigns, which will help to serve as a stop-gap measure until community-based facilities are up and running.

USAID will focus on a variety of activities to improve health systems in both the short- and long-term in each country. Priority programs will include capacity-building for health care worker training programs to better support the recruitment, training, supervision, and retention of health care workers at all levels. Support will also be provided for curriculum development, training tools and materials, helping to develop a professional training track for community health care workers, and integration of new health workers recruited and trained during the crisis. Significant efforts will also be made to support the supply chain management efforts from forecasting and procurements to storage and delivery at the community level. Additional efforts will be considered to help support the local Ministries of Health on governance, health care financing (to help manage the additional influx of resources from donors), management and oversight. All three affected countries have requested support in setting up an infection prevention and control unit within the Ministry of Health to ensure the quality control and implementation of standards and norms for infection prevention and control implementation throughout all clinical settings.

USAID-supported recovery efforts will build upon systems and activities put in place during the emergency response efforts to further enhance each country's capacity in detecting, preventing, and responding to further outbreaks of Ebola and other infectious disease threats.

These efforts, combined with the efforts of other donors, will collectively support the national recovery strategies in each country and help to support overall efforts to end preventable maternal and child death.

#### *Maternal and child health*

*Question.* In 2012, the United States led on the Survival Call to Action roadmap that identified key barriers that we needed to address to bend the curve on ending child deaths and increase child survival and health.

- ◆ How is the United States moving this agenda forward?
- ◆ How can you deepen or expand that commitment or vision?
- ◆ How will you ensure that we are working with the highest-burden countries and promoting equity for children across the globe to ensure we are reaching all children?

*Answer.* Since 2009, the Obama administration has been strategically focusing its maternal and child health programs on countries with the highest burdens of maternal, newborn, and child deaths and where the United States had the opportunity to make a difference in this outcome. By focusing on countries and populations with the highest need, U.S. programs have helped save millions of lives, contributing to greater equity and more inclusive development. In USAID's 24 priority countries that account for more than 70 percent of global child and maternal deaths, nearly 800,000 more children survived in 2013 than in 2008, contributing to a cumulative total 2.4 million lives saved.

USAID's 2014 report "Acting on the Call: Ending Preventable Child and Maternal Deaths" outlined an evidence-based plan to accelerate progress in USAID priority countries—sharpening field programs, realizing efficiencies, and improving accountability to yield the greatest number of lives saved, while building systems and partnerships to sustain progress. Building on this momentum, USAID appointed a Child and Maternal Survival Coordinator in 2015, focused on: (1) continuing to sharpen the Agency's work toward Ending Preventable Child and Maternal Deaths; (2) intensifying external engagement with Congress and partners, advocates, civil society, faith groups, and partner country leaders that are critical to progress; and (3) increasing financing for EPCMD.

USAID is working to accelerate its action through a new framework to track success, support missions, and ensure that resources are in place to sustain the effort.

By enhancing existing internal processes such as the annual operational plan development, USAID can improve its performance and ensure that our investments are focusing on the highest priorities. Dashboards have been developed to rigorously measure progress at both the outcome level and input level. The dashboards facilitate a more organized, coordinated system for tracking, and managing progress, and are a supporting tool in a comprehensive approach to measuring progress.

I understand USAID is working to release the second "Acting on the Call" report in summer 2015, following up on commitments and targets set in the 2014 report. Through dashboards and these annual reports, USAID is holding itself and its partners accountable for accelerating our impact on ending preventable child and maternal deaths.

Ending Preventable Child and Maternal Deaths cannot be accomplished by USAID alone. In 2012, the Governments of Ethiopia, India, and the United States, in collaboration with UNICEF, hosted the Call to Action to unite the global community around this achievable goal. The same partners convened again in 2014 to assess progress and identify challenges. This year, the Government of India will host a followup global conference in August, cohosted by the Governments of Ethiopia and the United States, and UNICEF. Since 2012, 20 governments have committed to—and most have developed—national plans to accelerate progress, set clear priorities and costs and scorecards to systematically track outcomes.

Since the beginning of the Obama administration, the U.S. Government has increased investments in global child and maternal survival with the strong, bipartisan support of Congress. Worldwide, government health expenditures and donor contributions have seen meaningful growth. There still remains a gap in financing needed to build on progress to date and bridging that gap will require strategies that incorporate domestic resource mobilization, global engagement, USAID's Health Financing Framework, and targeted country-specific interventions. As countries experience unprecedented economic growth, a new transitional model of aid can better mobilize domestic public, private, and other innovative sources of funding to create a bridge toward equity, sustainability, and self-sufficiency. If confirmed, I am committed to building on the successes of USAID's efforts to end preventable maternal and child deaths.

*Question.* As you know, land tenure is a critical element of food security. However, smallholder farmers, particularly women farmers, are often at risk of having their land seized without their consent in large land acquisitions. This has been a challenge in efforts to promote food security and helped drive the development of the land tenure guidelines, which I am pleased that the United States supported.

- ◆ What are your thoughts on how USAID can ensure a strategy that includes participation of small-scale farmer's organizations and prioritizes their needs?
- ◆ Will USAID continue to support policies favoring large agribusiness and large-scale land acquisition in Africa?
- ◆ How will USAID avoid being involved in projects that fail to respect the legitimate tenure rights of local people, especially in post-disaster or post-conflict assistance where communities are especially vulnerable?
- ◆ What role do you see for the U.S. Government/USAID in fostering increased investments by donor and host governments in the agricultural sector of countries facing food insecurity, specifically investments geared toward benefiting smallholder farmers?

*Answer.* I fully agree that land tenure is a critical element of food security. Indeed, smallholder farmers, particularly women farmers, are often at risk of having their land seized without their consent in large land acquisitions. This has been a challenge in efforts to promote food security and helped drive the development of the land tenure guidelines you reference.

USAID has taken steps to ensure that land-based investments are responsible, inclusive, and sensitive to the interests and concerns of local communities. USAID supports efforts to combat hunger, poverty, and malnutrition through the U.S. Government's Feed the Future initiative, which prioritizes improving smallholder farmer access to tools, technologies, and markets as they are the backbone of rural economies. If confirmed, I will ensure that Feed the Future continues to prioritize country ownership, and backs strategies developed by host country governments with input and ongoing engagement across a range of important stakeholders, including smallholder farmer organizations, local private sector, and research organizations, to ensure inclusive agricultural growth.

USAID, through Feed the Future, supports the principles of the New Alliance for Food Security and Nutrition, a shared commitment among African governments, donors, development partners, and the private sector that was launched in 2012 to encourage responsible private sector engagement in promoting inclusive growth in



the agriculture sector for sustainable impact against poverty and malnutrition. If confirmed, I will ensure that the Agency continues to reinforce efforts to create an enabling environment for responsible investment that include commitments among participating parties to adhere to the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security.

I understand that USAID has developed Operational Guidelines for Responsible Land-Based Investment, which serve as guidance to the private sector on how to ensure that land-based investments protect local communities and do not displace or disadvantage local populations. Through training and technical assistance, research and evaluation, policy reform, and pilot projects, USAID is committed to implementing the principles set forth in the Principles for Responsible Investment in Agriculture and Food Systems and Voluntary Guidelines for the Responsible Governance of Tenure of Land, Fisheries, and Forests. These international law instruments create important standards of practice that protect people and communities and create an enabling environment that promotes broad-based economic growth and reduces extreme poverty. If confirmed, I will promote the full utilization of these instruments in all USAID's economic growth programs.

USAID plays a lead role globally in promoting agriculture sector and food security investments through development partnerships at all levels. Data indicate that the agriculture sector is more than twice as effective in reducing poverty and increasing food security as other economic growth activities. A focus on reducing poverty and undernutrition requires a clear focus on improving the status of smallholder farmers. If confirmed, I will ensure that USAID investments focus clearly on the needs and opportunities of small-scale farming families and communities, where the great majority of the poor and food-insecure live. With its emphasis on sustainability through country-led partnerships, I understand that Feed the Future has helped spur significant increases in host-country investments in agriculture and food security. At their recent summit in Malabo for example, Africa's leaders adopted agriculture and food security as a main development focus, committing to invest 10 percent of national budgets in agriculture. Evidence-based partnerships are occurring in other food-insecure regions as well. Feed the Future is clearly contributing to reductions in both poverty and child stunting in countries where USAID works. If confirmed as USAID's Administrator, I will strengthen partnerships with both beneficiary countries, donor countries, and other investors to ensure that a clear priority on agriculture and food security continues to emphasize gains in small-farm communities.

USAID is uniquely placed to drive gains for smallholder farmers, producers, and rural families that work in goods and services around agriculture-based value chains. Through partnerships with the U.S. university community for example, Feed the Future Innovation Labs are leading the way in developing new technologies and sustainable management practices that focus on increasing productivity and reducing risk in small-scale farming. Through global research alliances that link scientists and students in the United States with counterparts in partner countries and key international research organizations, USAID is leveraging the best of global science to enhance the lives and livelihoods of rural producer communities across Africa, Asia and Latin America. If confirmed, I will continue and enhance a focus on increasing both productivity and profitability of their enterprises and the private sector value chains that depend on them. I will work to ensure that USAID investments continue to drive agriculture and food security gains in ways that also enhance employment opportunities for the young—men and women—both on farm and off.

#### *Countering violent extremism*

*Question.* Countering Violent Extremism (CVE) has emerged as a top White House priority, as evidenced by the February summit. And the State Department just released the Quadrennial Diplomacy and Development Review, which highlighted a CVE strategy that stressed the need for good governance and the importance of addressing corruption.

- ◆ What were the key outcomes/take-aways of the Kenyan CVE summit?
- ◆ How will the strategies discussed there inform broader prevention efforts in sub-Saharan Africa?
- ◆ In your view, what are USAID's strongest tools when it comes to CVE? How does USAID plan to utilize tools to address the root causes of radicalization in the West African and Sahel contexts to counter the ideology of groups such as Boko Haram and al-Qaeda in the Islamic Maghreb (AQIM)?

*Answer.* The Kenya Countering Violent Extremism (CVE) summit will be held in Nairobi on June 25–28. This will be one of several regional summits held in the

wake of the White House summit in February and in the leadup to the Senior Leader summit to be held in New York around the U.N. General Assembly.

This summit builds on a foundation of existing engagements aimed at building cooperation in the East Africa region, such as the Global Counter Terrorism—Horn of Africa Working Group and the Partnership for Regional Counterterrorism in East Africa. The participants for the Kenya CVE summit will represent a broad spectrum of government and civil society from throughout the region. The objective is to enhance further regional cooperation and coordination, as well as develop a joint understanding of how violent extremists gain and sustain support among some local populations. By sharing knowledge and best practices, the conference will help strengthen the response to violent extremism in the East Africa region and beyond. USAID is a key member of the U.S. delegation to the Kenya summit and will participate in all the other planned regional summits.

The White House CVE summit and the regional summits have highlighted the value of USAID's approach to addressing violent extremism as part of a whole-of-government response to terrorist threats in Africa and worldwide. In 2011, USAID released an agency-level policy, the Development Response to Violent Extremism and Insurgency, that outlines best practices from several years of CVE programming, as well as from research on the factors that drive violent extremist recruitment and how development assistance can help mitigate these root causes. A critical aspect of effective CVE programming is building community resilience, which is particularly key in areas at recurring risk of exploitation by violent extremist groups. At its core, USAID's approach is based on understanding the legitimate concerns of minority populations in areas most at risk to violent extremism; working with local community organizations and government officials to address those concerns; building respect for human rights and the rule of law among all parties; and promoting respected, moderate voices who can encourage peaceful solutions to expressed grievances. I understand that based on evaluations of USAID programs in Chad, Niger, Mali, and Kenya, these programs have made a measurable impact among local populations by undermining support for violent extremist rhetoric and activities.

It is my belief that the United States needs a broad array of tools in its toolkit to counter terrorism effectively. USAID's programs attempt to address problems at their source by decreasing the momentum and rationale behind violent extremist recruitment while reducing local sympathies and support for extremists. These efforts complement our Nation's ongoing diplomatic, defense, and intelligence assets aimed at reducing the terrorist threat to ourselves and our partners.

#### *The Europe and Eurasia Bureau*

*Question.* With the rise of a belligerent Russia, the E&E Bureau has taken on new prominence and significant budget responsibilities especially with respect to Ukraine, yet the E&E Bureau does not have offices in the main headquarters building. This sends a bad message and hampers the Bureau's ability to coordinate with the rest of USAID.

- ◆ What can be done to address this issue?
- ◆ Would you consider at least moving the leadership of the E&E Bureau into the main USAID building?

*Answer.* I have not been involved in any decisions related to space within USAID's headquarters. If confirmed, I look forward to receiving a briefing from the relevant personnel on the Agency's plans with respect to the allocation of space and will ensure that our plans are consistent with Agency priorities and staffing requirements.

#### *MENA*

*Question.* In 2011 the Arab Spring protests and calls for nonviolent reform offered tremendous hope for the potential of the Middle East region. Four years later we face a long, cold winter with many states reverting to old bad habits of closing off all avenues for nonviolent political expression or economic opportunity. Worse yet, we are facing failed or close to failing states in Yemen, Libya, and Syria. In the face of such unpredictability, instability, and violence the U.S. diplomatic presence and USAID field offices have been forced to draw down or close. In other areas, governments are actively confronting USAID funded programs and projects.

- ◆ How are you thinking about U.S. assistance and development engagement in the Middle East and North Africa against this depressing and alarming backdrop?
- ◆ Do we need to change the way we do business, or the missions we pursue, in the region?

Answer. USAID works with local and international partners to address the tremendous needs in the Middle East and North Africa. USAID recognizes that capable and accountable governance institutions are crucial to the sustainability of our development investments, which is why the Agency seeks to integrate democracy, human rights and governance principles and practices across all programming.

USAID's approach in the Middle East is twofold; the Agency works not only with governments, but also at a grassroots level, changing the lives of individuals and transforming communities. USAID works closely with national governments where that is possible, and where national-level governance institutions are lacking, USAID works at the local level, with municipal councils or local civil society, to help meet the immediate needs of the people in the region as well as build sustainable local governance structures that can support a move to resilient democratic societies. Local- and municipal-level governance issues are an increasingly important component to USAID's work in the region, especially in communities affected by conflict and crisis. Key elements in all USAID programs are a deep analysis of the political context, supporting citizen engagement in policymaking and service delivery, and promoting the rights of all citizens and groups to ensure equitable development gains. USAID programs represent a long-term investment in the people and communities of the Middle East and North Africa and build on the Agency's mission to partner to end extreme poverty and promote resilient, democratic societies while advancing our own security and prosperity.

USAID is constantly reassessing the way it does business and the specific programs in which it invests. Each country and regional program begins with a careful assessment of local needs and capacity for reform. Once programs are implemented they are carefully monitored and evaluated for effectiveness and lessons learned. Security concerns remain a significant challenge, and the security of USAID staff and implementing partners is paramount. In places where USAID has no direct-hire staff on the ground, the Agency uses local and international partners as well as remote management techniques to continue and ensure close oversight of USAID programs.

If confirmed, I look forward to working with Agency personnel, the Congress, and our implementing partners to ensure our programming is achieving maximum impact and effectiveness.

*Humanitarian response (Syria)*

*Question.* In addition to the recently closed \$10 million USAID/DCHA/OFDA Annual Program Statement to support local capacity-building and emergency response efforts in Syria, in what other ways can USAID best support long-term efforts to more effectively reach the over 12.2 million IDPs inside Syria that are in need of humanitarian assistance?

Answer. USAID continues to work through all channels—including the United Nations (U.N.), international organizations, nongovernmental organizations (NGOs), and local Syrian organizations and networks—to maximize the reach of critical, life-saving assistance to conflict-affected populations throughout Syria. This includes assistance that originates in Syria as well as cross-line and cross-border assistance. By using all means possible to get lifesaving assistance to those in need throughout the country—including in regime, contested, and opposition—held areas—USAID is reaching all 14 governorates of Syria.

The administration's ultimate humanitarian priority is to provide lifesaving assistance to all that we are able to reach and continue to push for consistent, safe, and secure access for humanitarian aid workers. As part of ongoing efforts to address the increase in humanitarian needs in an extremely fluid conflict, USAID continues to identify and support opportunities to strengthen and maximize the reach of humanitarian assistance throughout Syria. As part of all humanitarian programs, including USAID's Office of U.S. Foreign Disaster Assistance (OFDA) Annual Program Statement, USAID partners provide technical assistance to local organizations to strengthen their ability to meet the needs of affected populations. USAID works with other donors and implementing partners to identify opportunities to transition from emergency response to longer term early recovery and development programs. The Agency's humanitarian experts coordinate closely with development counterparts to help ensure that, when humanitarian assistance programs end, basic social services can be maintained.

The needs in Syria are significant and USAID has had to balance these needs with those of other crises around the world, prioritizing the most immediate life-saving assistance first. I understand that USAID is working closely with the State Department as well as other international donors to encourage countries to follow through on pledges made at the Kuwait conference, especially Gulf States.

*Egypt*

*Question.* President Sisi has made economic stabilization a priority for his administration and has committed to creating employment through megaprojects like the expansion of the Suez Canal. U.S. assistance has focused supporting education, entrepreneurs, and small and medium-sized enterprises, most notably through the Higher Education Initiative and the Egyptian American Enterprise Fund.

◆ In what ways do U.S. assistance and Egyptian economic development initiatives complement each other?

*Answer.* U.S. economic assistance to Egypt is designed to work across all sectors to support and strengthen Egyptian actors who advance democratic ideals. Improved employment and economic opportunity are cornerstones of stability in Egypt. Poverty and economic exclusion, when unaddressed, inhibit the ability of individuals to invest in their own future and make them vulnerable to forces of instability as they struggle to provide for their daily needs.

I understand that USAID supported Egypt's Ministry of Planning in developing the country's Sustainable Development Strategy, released in March 2015. The strategy has four principal goals: (1) improved economy, including macroeconomic, tax, and subsidy reforms to reduce the deficit and lower inflation; (2) improved business enabling environment through regulatory and institutional reforms; (3) better access for all Egyptians to services and employment opportunities; and (4) increased investment in human capital, specifically reforming education and health systems. The strategy also emphasizes improving social safety nets and promoting opportunity for women and youth.

USAID is positioned to support the Government of Egypt's vision outlined in its Sustainable Development Strategy. USAID programs in economic growth, education, health, and democracy and governance are designed to address the core development issues identified in the Government of Egypt's strategy. USAID supports major themes of the strategy, including macroeconomic policy reform, small and medium enterprise development, vocational and technical education, and social justice and inclusion.

For example, building skills in Egypt's private sector workforce, particularly in small business, tourism, and agriculture, is a key component of USAID's development approach. USAID also recognizes the need to work within the health care system to provide better care in rural community clinics and promote infection control programs in hospitals. USAID's technical and vocational school interventions and programs that support science, technology, engineering, and mathematics education promote private sector growth and enterprise development. Many of USAID's activities target underserved areas, mainly in rural Egypt. All of these interventions are supportive of the Government of Egypt's Sustainable Development Strategy.

◆ How can U.S. assistance help to promote political reform, in addition to economic reform?

*Answer.* Consistent with U.S. foreign policy objectives, assistance activities in Egypt are designed to promote both political and economic reform. U.S. assistance focuses on various aspects of the enabling environment needed both for inclusive economic growth and improved governance. Support also assists in making public institutions more accountable and effective, and in empowering Egypt's citizens.

If confirmed as Administrator, I will ensure USAID's continued commitment to promoting essential democracy and governance principles in Egypt. While advancing certain democracy, rights and governance issues is a challenge in the current environment, the Agency is moving forward with support to civil society organizations to combat gender-based violence, promote women's empowerment, counter trafficking in persons, promote religious tolerance, and support rights of people with disabilities. Many international and Egyptian civil society organizations remain committed to working with USAID. The Agency also works to empower Egyptian civil society actors across its assistance programs, including in education, economic development and health.

The Egyptian Government has also specifically requested USAID assistance in key areas such as election administration reforms, training Egyptian judges, and decentralizing Egypt's Government in line with provisions of Egypt's new Constitution. USAID also has mechanisms in place to support parliamentary strengthening once a new Parliament is elected.

*Question.* There is solid evidence that early malnutrition, especially during the 1,000 day window from pregnancy to age 2, is an obstacle to cognitive and physical development. It affects long-term health, learning and earning potential. Malnutrition, in other words, is a constraint to economic growth.

Malnutrition is also the underlying cause of half of all deaths of children before they reach their 5th birthday. Having the benefit of the recently launched USAID Multi-Sectoral Nutrition Strategy and the soon-to-be launched U.S. Whole of Government Nutrition Coordination Plan, how would you build upon global momentum on maternal and child nutrition to achieve and increase U.S. nutrition commitments and high impact interventions that help children to survive and thrive?

Answer, USAID's multidisciplinary approach to addressing malnutrition works across the Agency's programs, including the U.S. Government's Feed the Future and Global Health activities, the Office of Food for Peace development programs, resilience efforts, and nutrition investments through economic growth, water and sanitation, and other sectors. USAID's focus is primarily on the prevention of undernutrition during the first 1,000 days—from pregnancy through a child's second birthday—through comprehensive programs in health, humanitarian assistance, and food security. Last year, the Agency's efforts reached over 12.5 million children under 5 with nutrition interventions. Over the past 18 months, USAID has led the development of a consolidated U.S. Government Nutrition Coordination Plan to harness the power of the diverse investments across the U.S. Government through better communication and collaboration, and to create stronger links between research and program implementation. This plan is expected to be launched this fall.

The Agency's high level goal to End Preventable Child and Maternal Deaths has nutrition at its core with renewed investments to promote breastfeeding, improve maternal nutrition for mothers' health and for the healthy growth and development of babies, and for better feeding practices for infants and young children. Better nutrition includes clean water, better hygiene and sanitation to prevent the vicious cycle of infection and chronic undernutrition.

Multisectoral attention in nutrition interventions is producing positive results. In Bangladesh, 2014 survey results show an almost 15 percent average reduction in stunting during the past 3 years across priority geographical areas where Feed the Future programs are concentrated. In Ethiopia, through Feed the Future and Food for Peace development and emergency programs, USAID is supporting progress toward achieving real reductions in stunting, with rates declining by 9 percent over the past 3 years, resulting in 160,000 fewer stunted children despite a growing population.

If confirmed, I will continue to scale up USAID's successful multisectoral programs and exercise strong leadership, including through its critical role in the global Scaling Up Nutrition—or SUN—Movement, to leverage the combined efforts and commitments of multiple donors and countries to drastically reduce chronic malnutrition globally. SUN is a global movement comprised of 55 country governments, civil society, private sector, and donors and provides a global spotlight on the challenges and progress in eliminating undernutrition.

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ADMINISTRATOR-DESIGNATE SMITH'S RESPONSES  
TO QUESTIONS FROM SENATOR BOXER

*Question.* Supporting Women Globally.—This year marked the 20th anniversary of the 4th World Conference on Women. Over the past 20 years, the international community has made important progress on advancing the rights of women worldwide. However, as long as women and girls around the globe continue to face violence and discrimination and are denied the opportunity to exercise their most basic rights, the United States must continue to focus on women and girls as a cornerstone of its foreign policy and development.

- ◆ How do you see the role of women and girls in development?
- ◆ If confirmed, how will you work to ensure that USAID programs continue to advance women's equality, health, political participation, and rights globally?

*Answer.* Throughout my career, I have been dedicated to initiatives that empower women and girls. Gender equality and women's empowerment must be at the core of all of our development programs. Water, energy, agriculture, health, and education all affect men and women differently. These differences are not barriers but opportunities to maximize the impact of our work by delivering development in a more targeted, effective and sustainable way.

Over the past several years, the Agency has made important strides to elevate women and girls in its approach and programming. The U.S. National Action Plan (NAP) on Women, Peace, and Security (2011) and the subsequent USAID Implementation Plan are an integral part of the Agency's architecture for advancing gender equality and female empowerment. In 2012, USAID released the Gender Equality and Women's Empowerment Policy, which mandates that gender equality be inte-

grated throughout all programs and initiatives. To help facilitate integration, USAID developed accompanying policy implementation guidance, a series of in-person and online gender training courses to build staff capacity, and a suite of technical resources and tools that have been disseminated to staff worldwide.

Now that the foundation has been established, the remaining challenge is to ensure that gender is truly integrated across all of the sectors in which the Agency works, including global initiatives such as eradicating extreme poverty, resilience, countering violent extremism, and responding to climate change. Doing so will require a deeper understanding of the challenges in each sector through in-depth gender analysis and impact measurement as well as the necessary resources to advance the solutions.

USAID has a major role in the White House's new Let Girls Learn initiative, which addresses the complex and varied barriers preventing adolescent girls from attending and completing school, and from realizing their potential as adults. USAID's Let Girls Learn approach is comprised of three main pillars: Increasing Access to Quality Education; Reducing Barriers such as school fees and the threat of violence; and Empowering Adolescent Girls.

If confirmed, I will work with Congress and with the talented men and women of USAID to build on this important progress.

*Question.* Improving Education for Adolescent Girls.—Globally, 62 million girls are not in school and approximately 17 million will never go to school. Of these girls, 35 million are adolescents who should be in or nearing secondary school. Statistics show that increased levels of girls' education support improved health, economic status, and political participation.

In 2013, I introduced legislation, named for Malala Yousafzai, which was designed to expand scholarship opportunities for disadvantaged young women in Pakistan through USAID's Merit and Needs Based Scholarship Program. In response to this legislation, I was pleased that USAID committed to provide 50 percent of all future program scholarships to women and is on track to meet that goal in calendar year 2015.

◆ If confirmed, how will you work to continue to expand educational opportunities for women and girls in Pakistan?

*Answer.* Pakistan's ability to educate its population is critical to the country's long-term stability and prosperity. I understand that, despite recent measures taken to expand Government of Pakistan spending and performance in this sector, Pakistan's challenges remain daunting. School-aged girls, specifically, face additional challenges; 55 percent of children out of school are girls. For those who do attend school, many are not learning what is needed to find employment and function in Pakistan's economy.

In line with Pakistan's Vision 2025, U.S. assistance helps Pakistan address obstacles to accessing quality basic and higher education, including for women and girls. Programming also provides ample opportunity to build collaborative relationships between U.S. and Pakistani individuals and institutions, which will have a long-term impact on Pakistan's trajectory and U.S.-Pakistan cooperation. If confirmed, I will ensure USAID's basic and higher education programs will continue to work to improve access to education for young Pakistanis, including women and girls. For example, I understand that in basic education, the Pakistan Reading Project (PRP) is USAID/Pakistan's flagship reading program, and will continue to support Pakistani-led efforts to introduce and institutionalize improvements in reading instruction and reading assessment in the first and second grade levels in public schools across Pakistan. The project will train more qualified female teachers for girls' and mixed gender primary schools, and will reach approximately 754,000 students, of which half are girls and, of the girls, 27 percent are adolescents.

In Sindh, I understand that USAID's Sindh Basic Education Project will continue to strengthen the capacity of the Government of Sindh to deliver quality education and empower communities to become more involved in their children's education. To improve educational outcomes and increase community involvement in education, the project will help construct schools, train teachers in early grade reading and mathematics instruction and provide basic reading and math skills to students. The program is projected to benefit over 82,000 adolescent girls.

In higher education, I understand USAID has seen an increase from 48 percent to 58 percent of university scholarships under USAID/Pakistan's Merit and Needs-Based Scholarship Program awarded to women. To date, 507 scholarships have been awarded to students; of these, 293 were given to female students. Pakistan also remains the largest Fulbright Scholars program country in the world, with half of all scholarships going to women.

◆ Will you commit to make girls' education—especially adolescent girls' education—a priority during your tenure at USAID?

Answer. If confirmed, I will ensure that USAID will remain strongly committed to ensuring that girls succeed and stay in school. Advancing girls' education can unlock human potential on a transformational scale. Girls' education is key in the global effort to end extreme poverty. Investing in girls' education could boost agricultural output in sub-Saharan Africa by 25 percent, and if 10 percent more girls attend school, a country's GDP increases by an average of 3 percent.

Advancing girls' access to, and success in, education is integrated throughout the Agency's education portfolio. By integrating gender considerations across all USAID's education programs, the Agency has the potential to transform gender norms and achieve equality for all learners in a scalable and sustainable manner. USAID provides substantial support and funding aimed at ensuring that girls and adolescent females have increased equitable access to quality education, particularly in crisis and conflict-affected environments. Specifically in education, I understand that promoting gender equality remains a top priority in each of the three Education Strategy goal areas: increasing primary grade reading; youth and workforce development; and education in crisis- and conflict-affected areas.

One of the first USAID programs announced under Let Girls Learn is the one the First Lady announced during her trip last week in the Democratic Republic of the Congo, where USAID has partnered with the United Kingdom's Department for International Development (DFID) to provide girls who are not in school with access to accelerated and alternative learning programs in the conflict-affected areas of North Kivu, South Kivu, and Katanga. This program aims to benefit more than 755,000 girls ages 10 to 18 over the next 5 years, providing up to \$180 million (up to \$125 million by USAID and £36M committed by DFID). Through programs like this, and throughout the Agency's portfolio, USAID supports adolescent girls in getting the education they deserve.

**Question. U.S. Efforts to Support International Family Planning.—**Statistics clearly show that a woman's ability to decide when, whether, and how many children to have is fundamental to her ability to thrive and fully realize her rights and potential.

◆ How do you see access to voluntary family planning services as part of broader efforts to support women's health and rights?

Answer. Access to voluntary, affordable, and high-quality family planning services is an essential part of USAID's broader effort to support women's health and rights. When women are able to delay their first birth until at least age 18 and to space subsequent births at least 2 years apart, both mother and baby are more likely to survive. Some 225 million women in the developing world say they want to delay their next pregnancy or stop childbearing altogether but are not using a modern method of contraception. Fully meeting this unmet need by expanding access to, and use of, voluntary family planning would result in 52 million fewer unintended pregnancies, 70,000 fewer maternal deaths, and 500,000 fewer infant deaths annually. In addition, girls who can avoid pregnancy while in school are more likely to finish school.

**Question. U.S. Efforts to End Preventable Maternal and Child Deaths.—**In your testimony, you mentioned that continuing efforts to end preventable child and maternal deaths would be a priority for you if you are confirmed to be the Administrator of USAID.

It is more important than ever that the United States continue to make robust investments in maternal and child health. As a result of U.S. leadership, real and measurable progress has been made. In the 24 countries where U.S. involvement has been the greatest, maternal mortality has declined an average of 4 percent each year, faster than the global average.

◆ With this progress in mind, if confirmed, how will you work to continue and expand these effective investments to work toward achieving the global goal of ending preventable maternal and child deaths by the year 2035?

Answer. Since 2009, the Obama administration has been strategically focusing its maternal and child health programs on countries with the highest burdens of maternal, newborn, and child deaths and where the United States had the opportunity to make a difference in this outcome. By focusing on countries and populations with the highest need, U.S. programs have helped save millions of lives, contributing to greater equity and more inclusive development. In USAID's 24 priority countries that account for more than 70 percent of global child and maternal deaths, nearly 800,000 more children survived in 2013 than in 2008, contributing to a cumulative total 2.4 million lives saved.

USAID's 2014 report "Acting on the Call: Ending Preventable Child and Maternal Deaths" outlined an evidence-based plan to accelerate progress in USAID priority countries—sharpening field programs, realizing efficiencies, and improving accountability to yield the greatest number of lives saved, while building systems and partnerships to sustain progress. Building on this momentum, USAID appointed a Child and Maternal Survival Coordinator in 2015, focused on: (1) continuing to sharpen the Agency's work toward Ending Preventable Child and Maternal Deaths; (2) intensifying external engagement with Congress and partners, advocates, civil society, faith groups, and partner country leaders that are critical to progress; and (3) increasing financing for EPCMD. USAID is working to accelerate its action through a new framework to track success, support missions, and ensure that resources are in place to sustain the effort. By enhancing existing internal processes such as the annual operational plan development, USAID can improve its performance and ensure that our investments are focusing on the highest priorities. Dashboards have been developed to rigorously measure progress at both the outcome level and input level. The dashboards facilitate a more organized, coordinated system for tracking, and managing progress, and are a supporting tool in a comprehensive approach to measuring progress.

I understand USAID is working to release the second "Acting on the Call" report in summer 2015, following up on commitments and targets set in the 2014 report. Through dashboards and these annual reports, USAID is holding itself and its partners accountable for accelerating our impact on ending preventable child and maternal deaths.

Ending Preventable Child and Maternal Deaths cannot be accomplished by USAID alone. In 2012, the Governments of Ethiopia, India, and the United States, in collaboration with UNICEF, hosted the Call to Action to unite the global community around this achievable goal. The same partners convened again in 2014 to assess progress and identify challenges. This year, the Government of India will host a followup global conference in August, cohosted by the Governments of Ethiopia and the United States, and UNICEF. Since 2012, 20 governments have committed to—and most have developed—national plans to accelerate progress, set clear priorities and costs and scorecards to systematically track outcomes.

Since the beginning of the Obama administration, the U.S. Government has increased investments in global child and maternal survival with the strong, bipartisan support of Congress. Worldwide, government health expenditures and donor contributions have seen meaningful growth. There still remains a gap in financing needed to build on progress to date and bridging that gap will require strategies that incorporate domestic resource mobilization, global engagement, USAID's Health Financing Framework, and targeted country-specific interventions. As countries experience unprecedented economic growth, a new transitional model of aid can better mobilize domestic public, private, and other innovative sources of funding to create a bridge toward equity, sustainability, and self-sufficiency. If confirmed, I am committed to building on the successes of USAID's efforts to end preventable maternal and child deaths.

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ADMINISTRATOR-DESIGNATE SMITH'S RESPONSES  
TO QUESTIONS FROM SENATOR RUBIO

*On democracy, rights, and governance*

**Question.** What guarantees can you give the committee that you will consult the democracy, rights, and governance (DRG) community on USAID's strategic objectives and program implementation? Are you willing to provide the committee with periodic reports on your consultations with the DRG community?

**Answer.** The community of implementing organizations—including grantees, contractors, universities, private sector organizations, labor, human rights and women's rights advocacy groups and other organizations—is essential to accomplishing USAID's mission to promote prosperous, resilient democratic societies. I believe that consultation with international and local partners is fundamental to the successful implementation of the Agency's programs. In developing strategies, programs, and implementing strategies, USAID policy calls for consultation with stakeholders and if confirmed, I will strongly support these efforts and will commit the Agency to providing periodic reports to the committee on our consultations with the democracy, rights and governance community.

**Question.** The United States has developed a strong nonprofit sector to implement, through cooperative agreements, programs in support of those seeking freedom and



genuinely participatory governance. How will you ensure that funding for DRG programming will be maintained through the cooperative agreement mechanism?

Answer. I understand that cooperative agreements, as one form of assistance, are widely used and represent a successful approach for accomplishing objectives across many development sectors, particularly in the Democracy, Rights and Governance (DRG) sector. I further understand that contracts also have an appropriate role to play in implementing DRG assistance. My understanding is that the Agency is currently working to develop supplemental guidance for the DRG sector to assist field officers in determining the choice of mechanism in light of what they are trying to achieve and what in their judgment will produce success in that country setting. If confirmed, I look forward to consulting with Congress and our implementing partners to ensure we are getting this mix right.

*Question.* USAID has attempted to “mainstream” democracy and governance by claiming to incorporate it into traditional development programs (e.g., health, education, environment), yet the record is mixed on whether that actually works. What are your intentions to work with the DRG community on the incorporation of participatory mechanisms in traditional development programming?

Answer. “Mainstreaming” or what the Agency has defined as “Democracy, Rights and Governance (DRG) integration” involves the use of DRG approaches across other development sectors. This initiative is based on the understanding that technical solutions alone may be ineffective or unsustainable without a strong foundation based on good governance and effective, transparent, and accountable institutions. Indeed, the Agency’s programs in health, food security, climate change, economic growth all need to have components of citizen participation and government accountability to be successful.

If confirmed, I am committed to consulting partners in the DRG community on an ongoing basis to maximize the effectiveness and impact of our programs and ensure that democratic principles underpin all of our work.

*Question.* Specifically in the case of closed societies or countries where space for political activity and civil society is closing, what is your vision for USAID’s role in providing support in those instances? What specific steps would you implement to achieve your vision?

Answer. I believe that USAID has a critical role to play in supporting reform within closed societies. In doing so, however, the Agency must maintain an appropriate balance between the transparency of USAID’s programming on the one hand and the security of our implementing partners and program beneficiaries on the other hand. It is my understanding that over the past year, and in consultation with Congress and implementing partners, USAID has formulated and begun to implement a new policy in this area, which is available on its public Web site. The new guidance sets out core principles and detailed processes to govern the Agency’s work in this small set of countries. For example, USAID will work with prospective partners to identify all possible sources of risk to a proposed program. And the Agency will undertake senior-level quarterly reviews to ensure that all of our programs in these countries are sufficiently addressing risk and sufficiently fulfilling our obligation to transparency.

I think this represents a sensible approach, and if confirmed, look forward to working with the Agency, Congress, and our implementing partners to provide careful stewardship of these critical programs.

#### *On Central America*

*Question.* The State Department is asking for \$1 billion dollars for 1 year to improve security, advance good governance and stimulate the economy of El Salvador, Guatemala, and Honduras which are collectively known as the Northern Triangle Countries.

◆ What programs does USAID currently have in Central America?

Answer. Much of USAID’s assistance in recent years has focused on crime and violence prevention through the Central America Regional Security Initiative (CARSI). Results from a Vanderbilt University impact evaluation of USAID’s CARSI community-based interventions in Guatemala, El Salvador, Honduras, and Panama show that USAID’s programs are reducing crime victimization and residents’ sense of insecurity. For example, in communities with USAID interventions, compared to control communities with no USAID intervention, there was a 51-percent decrease in residents’ awareness of murders in their own neighborhoods, 51-percent decrease in residents’ reports of extortions, 25-percent decrease in residents’ reports of illegal drug sales, and 19-percent decrease in residents’ reports of robberies.

USAID's governance programs focus on strengthening institutions at the national and subnational levels and improving citizens' and civil society's public participation. USAID has supported efforts to improve delivery of basic services, to incorporate citizen participation into public policy, to increase citizens' access to justice, to decrease impunity, and to improve governments' capacity to generate and collect their own revenue. For example, USAID/El Salvador's tax administration and expenditure management programs set up automated audits, one-stop shops for taxpayers, improved enforcement of tax policies, which have resulted in a 30-percent overall increase in revenue collections from 2010–2013. In terms of revenue collected as a percentage of GDP, USAID has helped El Salvador achieve an increase from 13.5 percent in 2010 to 15.5 percent in 2014.

Current USAID economic growth programming in Central America is limited in scope. In Guatemala and Honduras, USAID's Feed the Future programs promote food security, increase incomes, and enhance nutrition by improving production of staple and higher value crops, linking producers to markets, and supporting targeted nutrition interventions. In Honduras, over 3 years, USAID has helped to double incomes (from \$0.62/day to \$1.21/day) of over 22,000 farming families or 125,000 people in one of the poorest regions. Programs in El Salvador support the Partnership for Growth Joint Country Action Plan and include improvements to the business enabling environment, support to small and medium enterprises (SMEs), and efforts to boost market relevant skills in the labor force. In El Salvador, over 3 years, USAID has helped SMEs generate over \$57 million in new sales and exports. Central America Regional programs are helping to reduce the time and cost to trade goods across borders. The Central America Strategy envisions greater investments in areas such as promoting regional integration, improving the business climate, supporting SME development, creating a productive workforce, and reducing poverty.

The Strategy for U.S. Engagement in Central America broadens USAID's vision for how it achieves security. USAID will balance its previous and ongoing citizen security-focused investments with proportional investments in prosperity and governance. USAID has prioritized three interconnected objectives: prosperity, governance, and security. A secure, democratic, and prosperous Central America will provide an environment in which all of its citizens choose to remain and thrive.

*Question.* Considering the history of corruption in some Central American countries, how does the administration plan to account for the \$1 billion dollars?

*Answer.* My understanding is that all foreign assistance programs administered by USAID are required to have oversight processes in place to ensure the effectiveness of activities, to monitor funds spent by our partners, and to ensure compliance with federal regulations. USAID regularly evaluate its activities. Nearly all of its current resources are programmed through nongovernmental organizations and development companies, which are audited on a regular basis.

Going forward, I understand the Department of State and USAID intend to calibrate assistance to real reform efforts to send a clear message at the outset that resources will follow reform, and that they will reward the countries that are the most serious about reform. In my view, USAID programming cannot succeed without the right policy environment. Funding flexibility will enable the Department and USAID to support programs with the greatest potential and to ensure senior U.S. Government officials can press partner governments on the needs to make tough reforms.

USAID is developing a results framework for the U.S. Strategy for Engagement in Central America that identifies the key goals the strategy will advance. The framework will assess progress on three levels: programmatic, political will, and national level trajectory. USAID will prepare regular reports for U.S. Government principals to inform ongoing policy discussions.

*Programmatic:* The Department and USAID use both formal and informal methods to continuously monitor and evaluate the performance of its programs. A program tracker will allow USAID to determine what works and where its programs face obstacles. If necessary, principals will be able to intervene in order to accelerate or adjust implementation and to remove obstacles.

*Political Will:* While the United States is investing significant resources, success in Central America is first and foremost dependent on the Central American governments themselves taking ownership for creating the conditions for positive change in their countries. U.S. engagement and the possibility of a new U.S. approach to assistance has already leveraged greater efforts by Central American nations, and they are solidifying their 2016 budget plans to include significant financial contributions to programs. Initial political will indicators are derived from the March 3, 2015, Joint Statement between the Vice President and the Presidents of El Sal-

vador, Guatemala, and Honduras as well as from the "Alliance for Prosperity." This category will reflect an ongoing conversation with senior U.S. officials and leaders from the region; new indicators will be added based on these conversations.

**National Level Trajectory:** I believe it is important to bear in mind the desired outcome of a deepened and sustained U.S. engagement in Central America. While national-level indicators will not likely change on a quarterly basis—and may not change year to year—USAID is ultimately seeking to advance the most important indicators such as GDP growth, poverty rates, homicide rates, and perceptions of corruption throughout the region.

USAID measures good governance in a number of ways, and over the long term will rely on indicators from respected organizations such as Transparency International, Freedom House and the World Bank. Citizens' trust in state institutions, increased collection and effective and transparent use of public revenue, and actions by the government that hold officials accountable are all indicative of the strength of government institutions.

USAID's prosperity interventions will be measured by such illustrative indicators as income levels and the ability of citizens to participate in the formal economy.

#### *On Haiti*

**Question.** The planned funding by USAID for Haiti in fiscal year 2015 is \$274 million. According to [foreignassistance.gov](http://foreignassistance.gov), approximately \$64 million has been obligated in the first 9 months of the year.

- ◆ Why has less than a quarter of the aid budgeted been spent when many Haitians continue to sit in emergency camps and desperately need our help?

**Answer.** As with all of our assistance programs, I believe it is critical that we strike the right balance between ensuring that our interventions are carried out in a timely manner while also performing appropriate due diligence, oversight and planning. I understand that as of March 31, 2015, USAID had approximately \$1.8 billion available for long-term reconstruction and development in Haiti, of which \$1.5 had been obligated; with disbursements totaling \$1.3 billion or 72 percent of overall funds provided. In addition, I am told that 100 percent of the \$1.2 billion provided for humanitarian assistance has been disbursed.

Regarding internally displaced persons, it is important to note that, as of March 2015, nearly 94 percent of the 1.5 million internally displaced people have left temporary camps for alternative housing options. USAID, for its part, provided shelter solutions to more than 328,000 people through transitional shelters (t-shelters), repairs to damaged houses, financial support to host families who housed displaced people, and provided short-term rental vouchers to affected families. USAID's long-term strategy for the shelter sector is to support cost-effective ways to increase durable housing stock through private sector engagement and urban planning. This includes providing low-income households with access to housing finance and better infrastructure, and working in existing neighborhoods, and the Government of Haiti to expand access to basic services.

**Question.** As Haitian nationals are being repatriated by the Dominican Republic, is the aid currently being sent sufficient to help Haiti resettle these nationals? Or will additional funds be requested?

**Answer.** The administration continues to press for a diplomatic solution to the repatriation issue that will mitigate the need for a humanitarian response related to repatriated persons.

I understand that USAID is closely monitoring this situation but is not at the point of requesting additional funding.

#### *Palestinian steps at the United Nations and the ICC*

**Question.** On April 1, 2015, the Palestinians formally became a member of the International Criminal Court (ICC). Under current U.S. law, the administration is required to cut off Palestinian aid if the Palestinians pursue or support charges against Israel in a judicially authorized ICC case at the ICC.

The Palestinian Authority has also taken a series of detrimental steps at the United Nations over the past year, including an effort last year to push for a one-sided United Nations Security Council (UNSC) resolution that called for a final agreement within 12 months requiring total Israeli withdrawal to the pre-1967 lines by 2017, regardless of Israeli security concerns.

- ◆ If confirmed, will you continue to oppose the ICC's politicization of these issues, as is current U.S. policy?
- ◆ What impact do you think President Mahmoud Abbas's move should have on current U.S. aid to the Palestinians and America's willingness to provide future assistance?

- ◆ What role is USAID currently playing in Gaza and what do you believe is the appropriate role for USAID going forward?
- ◆ There are troubling reports that some of the money that has made it into Gaza for reconstruction has been diverted for continued construction of Hamas terrorist tunnels. Is this true? If confirmed, what mechanisms will you put in place to ensure U.S. aid reaches its intended recipients?
- ◆ What steps will USAID take to employ proper auditing requirements on aid to the Palestinians? Will you ensure proper strict procedures are in place to ensure U.S. aid reaches its intended targets and is not abused to support Hamas or other Palestinian entities that support violence?

Answer. I understand that USAID, in conjunction with the State Department, continues to review U.S. assistance to the Palestinians. Although the administration's view is that the legislative restrictions related to Palestinian initiation or active support for an ICC judicially authorized investigation have not been triggered to date, we are deeply troubled by Palestinian action at the ICC and continue to voice our opposition to further actions to both the Palestinians and the international community.

The administration continues to believe that U.S. assistance to the Palestinian people is an important tool in promoting regional stability, economic development, and increased security for both Palestinians and Israelis.

Since the onset of the July–August 2014 conflict in Gaza, the United States has committed more than \$231 million in humanitarian assistance to Gaza. This assistance has been provided to established U.N. and nongovernmental organizations, including the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), the World Food Program, the United Nations Development Program, UNICEF, the International Committee for the Red Cross, and others. My understanding is that USAID is not currently aware of any reports that U.S. assistance for humanitarian aid in Gaza, including reconstruction, has been diverted for other purposes. The United States takes very seriously any reports of diversion of its assistance, and USAID has long required its partners in Gaza to take appropriate steps to prevent U.S. funding from being diverted for nonintended purposes.

Consistent with statutory requirements, USAID has appropriate procedures in place to ensure that Economic Support Fund (ESF) assistance for the West Bank and Gaza is not provided to or through, or diverted to, any individual or entity that is known to be involved in or advocating terrorism, including Hamas. USAID's vetting process checks non-U.S. individuals and entities within certain thresholds against law enforcement and intelligence community systems prior to local prime or subaward issuance. Worldwide, USAID requires grantees to sign its Certification Regarding Terrorist Financing in order to receive funds. In the West Bank and Gaza specifically, the annual Appropriations Act requires annual audits of all USAID direct awardees, as well as an annual Government Accountability Office audit of the use of all ESF assistance. USAID will continue providing humanitarian and other assistance to Palestinians in Gaza, in line with the administration's national security objectives, and in compliance with U.S. law.

I am committed to strong oversight of and accountability for the administration of foreign assistance funds entrusted to the Agency and preventing waste, fraud, or abuse, and if confirmed, this will be a top priority.

#### *Egypt*

*Question.* What is the current status of U.S. economic aid to Egypt? How can our aid to Egypt be better targeted to strengthen Egyptian actors that support democratic ideals? How will economic assistance to Egypt be used? Do you support current conditions on U.S. aid to Egypt, including the maintenance of the Egypt-Israel peace treaty?

Answer. U.S. economic aid to Egypt is designed to work across all sectors to support and strengthen Egyptian actors who advance democratic ideals. Poverty and economic exclusion, when unaddressed, inhibit the ability of individuals to invest in their own future and make them vulnerable to forces of instability as they struggle to provide for their daily needs.

Economic assistance to Egypt aims to help foster rapid, inclusive, and sustainable economic growth. USAID's economic growth programs focus on supporting sound macroeconomic management, improving the climate for private sector businesses, developing small and medium enterprises to create jobs, and promoting bilateral trade. Assistance in the education sector will strengthen basic skills in elementary school and adult literacy to increase the employability of young Egyptians. The U.S.-Egypt Higher Education Initiative provides scholarships to economically disadvantaged men and women and builds the capacity of Egyptian higher education institutions to meet the demands of a modern global economy. Programming across sectors

in Egypt supports access to quality social services, including those related to education and health. Funding also aims to strengthen democratic governance in Egypt by working with civil society, improving the rule of law and enhancing efficiency of service delivery and transparency in government.

U.S. aid to Egypt across all sectors is targeted to strengthen Egyptian actors and institutions that support democratic principles, transparency and offer access to government services inclusively to Egyptian citizens. USAID works with the Government of Egypt on institutional reform initiatives in several sectors in order to improve transparency, accountability, and access. For example, to support more inclusive economic growth—essential for a stable and democratic Egypt—the Agency works with public and private actors to strengthen the enabling environment to allow Egyptian firms, particularly smaller ones, to take full advantage of profit opportunities in the market. At the request of the Government of Egypt, USAID also supports decentralization of the Egyptian public sector through work reforming Ministry of Finance and Ministry of Planning systems to increase transparency and allow for inclusion of Egyptian citizens at the local levels, including in budget oversight. This program seeks to identify reform leaders in the legal sector in order to build capacity and provide Egyptian citizens improved access to justice.

Support for a vibrant civil society is a cornerstone of any strong democracy, and an important priority across the USG, in line with President Obama's Stand with Civil Society agenda. USAID works to empower Egyptian civil society actors across all sectors of its assistance programs, including in education, economic development and health. Education programming supports the active leadership role of parents in communities through parent teacher associations which allow for engagement and advocacy with schools and the government. Through a one-stop-shop model piloted by USAID and managed by Egyptian business associations, businessowners can register businesses with local government in a transparent and efficient manner, which minimizes opportunities for corruption. USAID also supports advocacy groups working to facilitate the enabling environment for small and medium entrepreneurs.

All of this work helps the USG build productive relationships with key public and private actors while supporting the foundations for an inclusive, democratic society. If confirmed as Administrator, I will ensure USAID's continued commitment to promoting stability through fostering rapid, inclusive, and sustainable economic growth and essential democracy and governance principles in Egypt.

#### *On Cuba*

*Question.* Recent media reports indicate that the Cuban Government has objected to the use of free Internet and the training of independent journalists, pursuant to USAID's democracy programs, at the U.S. Interests Section in Havana. Moreover, that this is one of the current obstacles in the establishment of diplomatic relations.

- ◆ a. Can you ensure the committee that the legally mandated U.S. democracy programs will not be restricted or readjusted pursuant to the ongoing negotiations with the Cuban Government?
- ◆ b. Can you ensure the committee that the legally mandated U.S. democracy programs will not be subject to any preapproval or collaborative process with the Cuban dictatorship?

*Answer.* As I mentioned in my testimony, I remain committed to programs that promote democracy, empower civil society, and foster independent media in Cuba. As you know, the Agency helps facilitate the free flow of uncensored information to, from, and within the island, as well as provide connectivity to the Internet for the millions who remain without access.

USAID works to promote free expression by supporting independent journalists around the world, particularly in closed countries where freedom of the press is lacking or independent journalists are under threat.

USAID democracy programs in closed societies around the world, including in Cuba, are not and will not be subject to preapproval by governments.

*Question.* As you are aware, Section 109 of the LIBERTAD Act authorizes the use of funds "to support democracy-building efforts for Cuba." These include:

- (1) Published and informational matter, such as books, videos, and cassettes, on transitions to democracy, human rights, and market economics, to be made available to independent democratic groups in Cuba.
- (2) Humanitarian assistance to victims of political repression, and their families.
- (3) Support for democratic and human rights groups in Cuba.
- (4) Support for visits and permanent deployment of independent international human rights monitors in Cuba.

- ♦ Can you ensure the committee that none of these funds authorized for “democracy-building efforts” will be used to support business promotion activities, of any sort, in Cuba?

**Answer.** USAID will continue with its traditional program areas of humanitarian assistance to political prisoners, marginalized groups, and their families, support for civil society and human rights, and the free flow of uncensored information to, from and within the island.

It is my understanding that the Agency does not anticipate supporting any new programs focused on business promotion activities. If confirmed, I commit to continuing to work with your office as well as others in the Congress to ensure the effectiveness and impact of these programs.

*Supplementary question*

**Question.** Do you believe that USAID has a role to play in supporting a democratic transition in Cuba? If so, what types of programs in Cuba would you support as Administrator?

**Answer.** My understanding is that USAID will continue to support efforts to promote democracy in Cuba, which is in keeping with the USG’s enduring objective—the emergence of a democratic, prosperous, and stable Cuba.

If confirmed as Administrator, I will support programs for democracy, civil society, and independent media in Cuba. These programs are consistent with the administration’s desire to empower the Cuban people to exercise their fundamental civil and political liberties by providing humanitarian assistance and support to civil society, and through promoting the increased flow of information to, from, and within Cuba.

If confirmed, I commit to continuing to work with your office and others in the Congress to further our shared goal of enabling the Cuban people to freely determine their own future.

*On family planning*

**Question.** If confirmed, can you guarantee there will be no change in USAID’s policy toward family planning services? In particular, continued strict adherence to the Helms amendment?

**Answer.** As you know, this is a complex issue and there are deeply held views among a diverse array of stakeholders. This administration and I are committed to improving the health and safety of women and girls around the globe, including survivors of sexual violence. If confirmed, I can guarantee that I will listen to your concerns.

*Supplementary question*

**Question.** Can you clarify your views on existing law? If confirmed, will you faithfully execute the law as it pertains to the Helms amendment?

**Answer.** Let me assure you that, if confirmed as Administrator, I will listen to your concerns. I will consult with you and other Members of Congress, and I will faithfully execute the law across the full range of my responsibilities, including all laws pertaining to restrictions on the use of foreign assistance funds.

*Supplementary question*

**Question.** Please elaborate.

**Answer.** If confirmed, I will ensure that USAID fully abides by U.S. law, including the Helms amendment, which precludes USAID from using its resources to pay for the performance of abortion as a method of family planning or to motivate or coerce any person to practice.

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ADMINISTRATOR-DESIGNATE SMITH’S RESPONSES  
TO QUESTIONS FROM SENATOR MENENDEZ

**Question.** U.S. Assistance is not a blank check, especially not to the Palestinian Authority. I am concerned that our assistance seems to continue as usual, when the reality is that Palestinian leaders will still not commit direct negotiations for a two-state solution and even undermine them through maneuvers at the U.N. and the International Criminal Court.

- ♦ What will be your approach to U.S. assistance for the Palestinian Authority and how you will address this with your Israeli and Palestinian counterparts, if confirmed? What changes can I expect to see in how we are reprogramming our assistance in FY15 to make clear that this is not business as usual?

Answer. Let me begin by saying that the administration is deeply troubled by Palestinian action at the ICC and we continue to voice our opposition to further actions to both the Palestinians and the international community.

I understand that USAID, in conjunction with the State Department, continues to review U.S. assistance to the Palestinians. In FY 2014, I understand that a majority of USAID assistance for the West Bank and Gaza went to programs that directly support the Palestinian people, including humanitarian assistance following the conflict in Gaza. In FY 2015, USAID programs will focus on sectors that the administration believes support our national interest and benefit average Palestinians such as education, healthcare and water infrastructure programs.

Building the institutions of a viable future Palestinian state is a core U.S. national security objective and the long-term focus of our programs. The administration continues to believe that U.S. assistance to the Palestinian people is an important tool in promoting regional stability, economic development, and increased security for both Palestinians and Israelis.

*Question.* Last year Congress unanimously passed the Ukraine Freedom Support Act, which authorized assistance in support of democracy, civil society, and energy security to Ukraine and throughout in the region. The bill authorized \$50 mil to help improve Ukraine's energy security; \$20 mil to strengthen civil society, support independent media, and reduce corruption; \$10 mil for Russian language broadcasting throughout the region; and \$20 mil to support democracy and civil society in Russia. I would urge the appropriators to fully fund these efforts as we look to bolster Ukraine in the face of Russian aggression. I've seen reports that there is some apprehension, especially in Europe, but perhaps within our own government, to provide more robust assistance to Ukraine for fear that it will fall victim to endemic corruption. As the lead on this important legislation, I am supportive of this critical assistance but it must be held accountable.

◆ How will you work to ensure that our assistance to Ukraine is accountable and transparent?

Answer. Ukraine remains the USAID'S top priority in the Europe and Eurasia region. The Agency continues to allocate resources to support the reforms that the Ukrainian Government and civil society have prioritized, including anticorruption, local governance and decentralization, and deregulation and competitiveness of the private sector, especially agriculture and energy reform. USAID integrates anticorruption activities into every project design in Ukraine. For example, anticorruption measures are included in programs to support the judiciary, education, health/pharmaceutical procurement, e-governance, permitting, financial disclosure, and energy.

USAID is starting to see progress on implementation of anticorruption reforms in Ukraine. More than a dozen key pieces of legislation have been passed, including laws to establish the National Anti-Corruption Bureau (NABU) and the National Anti-Corruption Prevention Agency (NAPC). The Ukrainian Government is in the process of standing up these two agencies, which are critical to fighting corruption.

USAID has bolstered monitoring and independent evaluations in the region by organizing monitoring workshops for implementing partner staff, and contracting for independent evaluations of its programs to ensure intended impact, including three such evaluations in Ukraine last year. If confirmed, I will continue to ensure that USAID continues to build on its efforts to strengthen monitoring and evaluation of the Agency's programs, including in Ukraine.

*Question.* In light of the recent news reports of human rights and labor rights in Southeast Asia, in particular the modern slavery camps along the Thai-Malaysian border, and the anticipated completion of negotiations on TPP, please provide an account of any USAID labor capacity programs and funding that are currently in place to raise the labor standards in Malaysia and Vietnam, anticipated TPP partners, and Thailand, a prospective TPP partner.

Answer. USAID works across the Asia-Pacific region to protect and promote fundamental human rights, such as the freedoms of expression and assembly, to ensure that citizens have a voice and the ability to choose their own leaders and influence the decisions that affect their lives. These efforts help ensure that the solutions to the challenges facing the region ultimately come from the people of the region.

The Trans-Pacific Partnership (TPP) offers the United States Government an opportunity to make progress in human rights, but to also help reduce poverty and promote environmental and labor safeguards in the Asia-Pacific, a region that is inextricably tied to our own future stability and prosperity.

In Vietnam, the TPP is both strategically important to U.S. Government relations with Vietnam, and also very important to Vietnam's own development, as it serves as a force for important reforms and improved accountability and transparency. As

part of broader TPP-related assistance, USAID's work complements robust technical assistance provided by other U.S. Government entities, such as the Department of Labor. USAID provides technical assistance to the Government of Vietnam and the legal community to increase understanding of TPP commitments including international labor standards and the enforcement of laws and decrees in areas such as social dialogue, while also supporting civil society efforts. USAID continues to closely coordinate with the Office of the U.S. Trade Representative and the inter-agency to assess and identify future labor-related assistance needs.

Additionally, through USAID's Global Labor Program, the Agency is supporting labor rights across the broader Asia region through programs that work to reduce child labor, improve industrial relations, support labor monitoring and training in apparel factories, and promote freedom of association and collective bargaining. For example in Cambodia, USAID supports union leaders and activists and works to improve working conditions and protect freedom of association for vulnerable workers in the garment, hotel and hospitality, and construction industries. In part due to USAID facilitation, garment worker unions negotiated a 28-percent increase in the minimum wage that was approved in November 2014. In addition, a new health project in Cambodia focused on garment factory workers will improve worker-management dialogue on factory compliance with health standards.

USAID also works to combat labor trafficking, a significant issue for the Asia-Pacific, where incidents of migrants on land and sea in need of humanitarian protection remain a serious concern for the U.S. Government. The Asia-Pacific region also suffers from the largest forced labor and sex trafficking market in the world. USAID is working to address these issues on several fronts. Through its assistance to regional institutions, the Agency stands ready to help Association of Southeast Asian Nations (ASEAN) member states meet the standards for protection of victims and other areas outlined in the ASEAN combating trafficking in persons convention—expected to be endorsed in November 2015.

USAID is also addressing issues surrounding labor trafficking in the fishing industry through assistance for repatriation and victim support services for fishermen, many of whom have spent years working on boats in harsh conditions and without pay. Last month, the Agency provided such assistance to 59 Cambodian fishermen, who, along with hundreds of others from Cambodia, Burma, Laos, and Thailand, were rescued after being stranded in Eastern Indonesia. These efforts will be supplemented by the new USAID OCEANS project, which will improve the conditions of workers in the fishing industry.

Finally, through regional programming to counter trafficking in persons, USAID is continuing a partnership with the International Office of Migration to support a project that builds upon years of successful interventions to prevent trafficking in persons through the use of social media and information and communications technology. This project will raise awareness among the general public and inspire social action to prevent the most vulnerable from being trafficked.

All USAID antitrafficking efforts are closely aligned and coordinated with prosecution and law enforcement efforts implemented by the U.S. Department of State and other governments.

*Question.* In light of the anticipated completion of TPP negotiations, are any plans in place to meet increased demands on the Global Labor Program?

*Answer.* I understand that USAID is currently working with the State Department to identify any gaps related to programmatic needs and resource requirements in this area, and that new activities will depend in part on proposals received in response to a solicitation for a new 5-year program.

With respect to the USAID Global Labor Program specifically, since 2011, the program has supported country programs in 10 countries (Colombia, Brazil, Mexico, Honduras, Liberia, South Africa, Cambodia, Bangladesh, Ukraine, and Georgia), as well as regional and subregional programs in Central America/Latin America, southern Africa, south Asia/Asia, and Eastern Europe. It has strengthened capacity of trade unions and other labor-focused CSOs, supported legal representation for workers to promote access to justice, and facilitated advocacy on gender, labor migration and countertrafficking. If confirmed, I will recommit the Agency to ensuring that there will be no gaps in programming, the follow-on will be awarded competitively and budget permitting, the program will be funded robustly.

*Question.* Please provide an outline of the current Global Labor Program activities administered by USAID, by country and expenditure—no detail requested at this time.

*Answer.* USAID has a strong tradition of supporting global labor programs designed to foster democratic development and inclusive economic growth. The



Agency's labor programming directly serves these priorities by strengthening independent and democratic worker organizations and other labor-related civil society organizations, and promoting international labor standards. The current Global Labor Program is a 5-year (2011–2016) award implemented by Solidarity Center. In FY 2015, USAID is programming \$7.5 million for work in nine countries and also regional and subregional programs in Latin America, southern Africa, and South and Southeast Asia. This funding supports four thematic research and advocacy programs on gender, migration and trafficking, informal work, and rule of law. This core programming is supplemented by an associate award in Colombia, administered by USAID/Colombia.

The breakdown of expenditures for FY 2015 by country, region and for the global thematic programs is as follows:

Africa regional: \$332,661; Liberia: \$325,905; South Africa: \$810,249; Americas regional: \$187,570; Brazil: \$626,200; Mexico: \$592,708; Honduras: \$392,230; Central America subregional: \$91,623; Georgia: \$562,262; Ukraine: \$654,611; Asia regional: \$181,620; South Asia subregional: \$207,836; Cambodia: \$527,427; Bangladesh: \$516,102; Global Technical: \$816,343; Operating Expenses: \$674,653.

*Question.* As you know, the labor and environmental chapters of our free trade agreements are particularly important to me and a lot of my Senate colleagues. But I am afraid that USAID does not take the issue of trade capacity-building seriously enough. With the exception of a few places where Congress requires it, USAID has chosen to spend little or no money called for in our trade agreements to support labor capacity-building. USAID has an opportunity to use trade capacity-building funds to support labor capacity-building within its Global Labor Program, which is currently funded only with democracy, rights, and governance funding. I need your assurance that trade capacity-building funds will be used as we intended—to support labor rights on the ground with our trading partners who lack the capacity and sometimes the will to take that on themselves. I believe we need to step up and use trade capacity-building funds to increase USAID's Global Labor Program from its current \$7.5 million to \$10 million.

♦ If confirmed, will you agree to work with my office to ensure that the appropriate funds are disbursed and included in the Global Labor Program so that we can implement the labor provisions in our trade agreements?

*Answer.* I strongly share your view of promoting labor rights in the context of our trade priorities and if confirmed, I would be pleased to work with the committee to see that USAID's Global Labor Program is responsive to these priorities.

I understand that in response to congressional direction to provide labor capacity-building support for countries in the Western Hemisphere with which the United States has free trade agreements, USAID has supported projects that have worked with business and civil society to strengthen the demand for effective implementation of labor standards. USAID's review of these programs confirmed that the Agency's strengths are best deployed in demand-side programming with industry to build the case for better labor practices that enhance competitiveness, and with civil society to strengthen the ability of workers to play a constructive role in monitoring and improving labor standards.

If confirmed, I will review the current level of funding with your recommendation in mind and will consult with the committee as we determine the appropriate funding levels for current and future global labor capacity building.

*Question.* The Review on Antimicrobial Resistance, convened by the Prime Minister of the United Kingdom, has projected that of all the antimicrobial infections, TB is projected to account for a quarter of the 10 million deaths expected from these infections due to antimicrobial resistance by 2050. The G7 Group of Countries recently highlighted Antimicrobial Resistance (AMR) as a top priority, and there is growing momentum for a United Nations High-Level Meeting on AMR to be held at U.N. Headquarters in New York in 2016.

♦ Will you commit to working to ensure, if confirmed, that drug resistant tuberculosis (TB) has a prominent place on the agenda of this High-Level Meeting as well as any political declaration coming out of the meeting?

*Answer.* Yes, if confirmed as USAID Administrator, I will commit to working to ensure drug-resistant TB has a prominent place on the agenda. Drug-resistant TB is the one of the largest antimicrobial resistance issues globally. If confirmed, I will ensure USAID, as the lead U.S. Government agency for international TB, continues to lead coordination of U.S. Government global TB efforts, support for global initiatives, and support to countries to ensure the further development and expansion of

quality programs to address TB and drug-resistant TB using the best tools and treatments available.

*Question.* The White House is leading the development of an interagency action plan on drug resistant tuberculosis as a companion to the White House's National Action Plan for Combating Antibiotic-Resistant Bacteria.

- ◆ How will USAID's contribution to this plan ensure accountability and specify clear and ambitious milestones for reducing drug resistant TB? Will you commit to ensuring, if confirmed, that the USAID proposal specifies the additional funding necessary to reach these milestones and get ahead of the growing crisis of drug resistant TB?

*Answer.* The White House action plan on drug-resistant tuberculosis (DR-TB) will have clear and ambitious milestones. The plan will build on the current USAID TB portfolio and the Global Fund to Fight AIDS, TB, and Malaria. TB grants will accelerate progress toward achieving the goals laid out in the U.S. Government TB Strategy and contribute to the global effort to end the pandemic. USAID will be leading the international part of the plan. It will focus on the development and implementation of faster and better quality diagnostics and treatment regimens, prioritizing countries with the highest burdens of drug-resistant TB to maximize limited resources and to end TB as a major cause of morbidity and mortality, and as a global health security threat. The rollout of new drugs and regimens will be critical to saving lives and preventing the development and transmission of deadly drug-resistant TB. The next step in this fast-track process is a stakeholder forum to ensure input from a wide spectrum of partners. While I cannot guarantee future funding levels, I will, if confirmed, help ensure USAID continues its efforts to curb the epidemic by ensuring good quality TB programs that appropriately treat and cure patients of the disease, and prevent the emergence and spread of drug-resistant strains.

*Question.* According to Freedom House, after a decade and a half of increasing democratic trends, Africa experienced significant backsliding between 2005 and 2013. It is clear the White House is interested in, and committed to, maintaining good relations with Africa as evidenced by initiatives such as Feed the Future, Power Africa, the Young African Leadership Initiative, and the Partnership for Growth, which includes two African countries. I am concerned, however, that we are not focused enough on traditional development priorities, specifically in the area of Democracy and Governance.

- ◆ a. To your knowledge, does USAID have a medium to long-term democracy and governance strategy for Africa? If so, what is it, and does it need to be updated or changed in any way in your estimation?
- ◆ b. If confirmed, will you commit to work with the committee to devise a robustly funded democracy and governance strategy for Africa?
- ◆ c. Elections are an important indicator of the democratic health of a country, but support for elections alone does not build the institutions that support democracy. What has been our approach to ensuring the investments we are making to support key elections in Africa, such as those made in Nigeria earlier this year, are followed by programs and activities that help citizens ensure that those they elect are accountable to the people they are supposed to represent?
- ◆ d. If confirmed, will you commit to ensuring that the elections support we provide in Africa is incorporated into a broader governance strategy?

*Answer.* USAID has been a leader in supporting the President's policies on human rights and democratic governance as fundamental objectives of a whole-of-government strategy toward Africa. I am aware that during this administration USAID has issued a new strategy on democracy, human rights, and governance. The new strategy codifies a more holistic approach to USAID's programming in this sector by focusing on participation, inclusion, and accountability, while elevating human rights and integration of programming across economic and social sectors.

One of USAID's unique strengths is its field-based orientation, in which its missions abroad are the incubators and operational nerve centers of its work. With policy guidance and technical support from Washington, USAID bilateral missions in Africa develop their own multiyear country development cooperation strategies. They do so in close collaboration with U.S. Embassy counterparts, host-country partners, and often with other donors, foundations, and the private sector. To my knowledge, virtually every USAID mission in Africa has a medium to long-term strategic objective focused on supporting democracy, human rights, and governance. These objectives vary significantly based on the specific challenges faced in each country, while aligning with the new strategy on democracy, human rights, and governance. They can also change over time in response to democratic breakthroughs or backsliding.

For example, in Ghana, one of the models of democratic governance in Africa, USAID works in close partnership with national government officials and civil society to strengthen local district government institutions and improve service delivery. In post-conflict countries such as the Democratic Republic of the Congo, USAID programs reconcile communities separated by war, support key governance reforms, and help extend state authority to the people. In Zimbabwe, under constant threat of closing political space, USAID and its partners provide critical support to human rights defenders and civil society activists who are trying to maintain their basic freedoms.

And in Nigeria, as well as more than a dozen other African countries, USAID focuses and concentrates its resources to ensure that election assistance is embedded in long-term democracy, rights, and governance strategies. Doing so allows USAID to support reformers who can seize the window of opportunity provided by free, fair, and credible elections to promote policy changes, strengthen governance institutions, expand basic freedoms, and improve the systems of checks and balances that hold leaders accountable to the people who elected them.

In my estimation, USAID's current process for achieving its democracy strategy in Africa is appropriate: setting broad policy and strategy goals in Washington, and allowing USAID missions to develop their own country-specific responses to achieving those goals, for which they are then held accountable. I also believe that USAID's election assistance programs are most effective and appropriate as part of a holistic democracy, human rights and governance strategy.

If confirmed, I will make this area one of my priorities and I look forward to working with Congress to maximize the impact and effectiveness of this program.

*Question.* As I am sure you are aware, I have been working with State Department and USAID to ensure that our Foreign Service adequately represents the diversity of our population. With 18 months left in this administration, do I have a commitment from you that you will make recruitment and retention of diverse candidates a priority at USAID?

*Answer.* Recruiting and retaining a diverse and skilled workforce is critical to meeting the mission of USAID, and is of great importance to me personally. If confirmed as Administrator, I will work with USAID leadership to strengthen efforts to ensure that USAID's workforce is reflective of our population.

I am pleased that the 2015 Quadrennial Diplomacy and Development Review (QDDR) specifically addresses the need to increase our diversity and provides specific focus areas that I fully support. These areas include enhancing work requirements for USAID managers about the need to foster diversity and inclusion in the workplace, increasing outreach to our veterans, sustaining the numbers of fellowships offered, and initiating an early identification program, focusing on students from underrepresented communities who have an interest in public service.

USAID is engaging in targeted outreach activities and programs that are focused on building a diverse workforce, which I will look to support and expand. This outreach is designed to increase the diversity of applicants who apply for direct-hire positions at USAID, as well as to other qualified applicants who may apply through the Disability Employment Program, the Veterans Employment Initiative, and USAID's Internship Program.

The Donald Payne International Development Fellowship Program (Payne Fellowship Program) has resulted in three classes of fellows with a highly diverse representation. These fellows enter USAID's Foreign Service upon completion of the program.

If confirmed, I will work with USAID leadership to improve retention of diverse employees (and all employees) through several actions including: (1) increasing training for managers and employees tailored specifically to the issues of diversity and inclusion; (2) implementing exit interviews and surveys to provide the Agency with data regarding why employees resign, as well as their impressions of diversity and inclusion at USAID, so that the Agency can take appropriate action; and, (3) piloting programs that focus on diversity and inclusion, such as the Office of Personnel Management's Diversity and Inclusion Dialogue Program.

If confirmed, I am committed to making recruitment and the retention of diverse candidates a high priority of my tenure with USAID.

*Question.* I am very concerned by the state of civil society in Egypt. At a time when analysts are reporting that the suppression of nonviolent political dissent in Egypt is now worse than at any time during the Mubarak regime, only \$5 million out of a total of \$150 million in Economic Support Funds to Egypt is designated for democracy and governance in the administration's FY 2016 request. In comparison, the administration has requested \$47 million for democracy and governance programming in Jordan, a country whose population is roughly 8 percent of Egypt's.

- ♦ If confirmed, how would you be able to support democracy and governance in Egypt and counter the erosion of civil society there, given the subject's seemingly low priority in the administration's budget request?

Answer. USAID resources in Egypt are targeted toward supporting democratic principles and civil society across all sectors. The Agency works to empower Egyptian civil society actors throughout its assistance program, including in education, economic development and health. USAID programming works to reinforce democratic principles, transparency and provide access to government services by all parts of Egyptian society. USAID supports decentralization of the Egyptian Government through work reforming the Ministry of Finance and Ministry of Planning systems to increase transparency and allow for inclusion of Egyptian citizens at the local levels, including in budget oversight. This program seeks to identify reform champions in the legal sector and provide Egyptian citizens improved access to justice. Education programs support the active leadership role of parents in communities through parent/teacher associations which allow for engagement and advocacy with school principals and local government officials. Through a one-stop-shop model piloted by USAID and managed by Egyptian business associations, businessowners can register businesses with local government in a transparent and efficient manner, which minimizes opportunities for corruption. USAID also supports advocacy groups working to facilitate the enabling environment for small and medium entrepreneurs.

While advancing certain democracy, rights, and governance issues is a challenge in the current environment, USAID is moving forward with a significant direct grants program to advance the role of civil society in promoting human rights. Civil society organizations are working to combat gender-based violence, promote women's empowerment, counter trafficking in persons, promote religious tolerance, and support rights of people with disabilities. Bilateral programs include support to civil society organizations that promote youth empowerment and youth engagement in leadership roles in the communities in which they live. For example, civil society organizations offer students the opportunity to participate in programs that promote youth values of tolerance and peace within the Egyptian identity and teach principles of sustainable development and citizenship.

If confirmed as Administrator, I will ensure USAID's continued commitment to promoting essential democracy and governance principles in Egypt as consistent with President Obama's Stand with Civil Society agenda.

*Question.* Continued progress in Tunisia's democratic transition is critical and economic reform will be essential to the ongoing success of that transition. Tunisia needs assistance in building a regulatory environment that facilitates both foreign and domestic investment, especially in providing access to capital for small- and medium-sized enterprises.

- ♦ In your view, how can U.S. assistance most effectively help create this environment? If confirmed, how will you prioritize this assistance?

Answer. I share your interest in ensuring that the U.S. Government provides robust and targeted assistance during this critical period in Tunisia's history. I believe Tunisia demonstrates great potential for a successful transition, and last year, USAID reopened its office in Tunis after 20 years—a clear demonstration of the U.S. Government's continued support for a democratic Tunisia.

USAID is supporting the Government of Tunisia's economic reform agenda in tax and customs policy which will help create a more attractive investment climate for both domestic and international investors. During President Caid Essebsi's visit, Secretary of Commerce Pritzker convened a roundtable of CEOs from top U.S. corporations, including Google, Bechtel, and General Electric. Encouraged by the Government of Tunisia's progress, U.S. companies are poised to take advantage of investment opportunities in Tunisia. Additionally, USAID's work with the Government of Tunisia on customs policy reform will advance the implementation of the World Trade Organization's Agreement on Trade Facilitation (Bali, 2012) which expedites the movement, release and clearance of goods.

USAID programs support the Tunisian people as they lay the foundation for economic prosperity and democratic governance. USAID is creating job opportunities for Tunisian youth by helping small and medium sized enterprises to increase productivity and expand employment; and then matching and coaching young Tunisian men and women to fill these new jobs. USAID is also providing financing to small- and medium-sized enterprises through the Tunisian-American Enterprise Fund.

*Question.* Hundreds of thousands of Christians, Yazidis, and other religious minorities have been made homeless by ISIL's depravity and continue to live as displaced persons without adequate access to shelter, food, medical care or education.

Many women from these communities have been kidnapped and subjected to horrific sexual violence.

- ◆ If confirmed, how will you work with host governments to ensure that assistance reaches these communities and that survivors of sexual violence at the hands of ISIL are given the help they need to rebuild their lives?

Answer. USAID strives to include and be sensitive to the needs of religious and ethnic minorities in all of its programming. All U.S. Government humanitarian assistance is delivered on an impartial basis and is open to every household and community in acute need, regardless of ethnicity or faith. If confirmed as USAID Administrator, I will ensure that the Agency continues to uphold these principles.

In both Syria and Iraq, USAID humanitarian assistance is provided on a country-wide basis and is focused on the populations in greatest need who can be reached by the Agency's humanitarian partners. USAID has provided over \$2 billion in humanitarian assistance for displaced Syrians since fiscal year 2012 and nearly \$76 million in humanitarian assistance for displaced Iraqis since the start of FY 2014.

In Syria, USAID humanitarian assistance reaches into all 14 governorates and 63 districts, including those in which religious minority communities reside or are hosted as internally displaced persons (IDPs). In Iraq, the majority of humanitarian assistance is provided to address acute needs among the IDP population in the Iraqi Region of Kurdistan (IRK), which accounts for over 40 percent of that country's total displaced population. For example, approximately 70 percent of all humanitarian aid provided by USAID's Office for U.S. Foreign Disaster Assistance since FY 2014 has served Iraqi IDPs in the IRK—where the majority of displaced Iraqi religious minorities are seeking shelter.

USAID humanitarian assistance inside Syria and Iraq is focused on provision to vulnerable IDPs of food and other relief commodities, shelter (including repairs), water and sanitation, health care, education, protection (including specialized services for women, children, and survivors of sexual and gender-based violence), and humanitarian coordination and logistics.

In all its programs in Syria and Iraq, the Agency strives to address the protection needs of the most vulnerable—including women, girls and boys in displaced communities. For example, in Iraq, USAID supports humanitarian assistance programs that both mainstream protection and deliver direct, specialized services to vulnerable communities.

Specific activities include recruitment of female health workers, to ensure health services are equally accessible for women and girls as well as men and boys, mobile "child-friendly" spaces and psychosocial first aid for traumatized children, emergency aid focused on the immediate needs of pregnant women in vulnerable conditions, and provision of specialized counseling and referral services to survivors of sexual and gender-based violence.

USAID has also provided funding to the International Organization for Migration (IOM) to support its wider protection activities, which reached nearly 1 million IDPs in Iraq. As a component of outreach to the wider IDP population, this included direct psychosocial support to Christian and Yezidi IDPs in transit sites in northern Iraq.

In those neighboring countries hosting large numbers of displaced Syrians and Iraqis, USAID's nonhumanitarian programming also seeks to address the needs of religious minority communities within the context of the wider crisis. The Agency views inclusion of minorities as a key component of advancing democracy and stability.

For example, I understand that since 2007 USAID has provided over \$40 million in economic and development assistance directly benefiting Iraq's minority communities including Christian, Yezidi, Shabak, and Sabeen-Mandaeen groups. The Agency's Jordan community engagement program works with communities hosting Syrian refugees, and, in Egypt, USAID works with faith-based organizations to promote religious tolerance and diversity.

In addition, USAID has hosted various delegations of Iraqi religious minorities to discuss and coordinate the U.S. Government humanitarian response to their displacement as a result of ISIL actions. This has included, inter alia, representatives of the Assyrian, Chaldean, Orthodox, Catholic, and Yezidi communities. In the field, USAID humanitarian assistance teams meet regularly with representatives of ethnic and religious minority diaspora and local groups serving displaced communities, as well as with international partners serving IDPs. They also coordinate closely with the U.N. and relevant government institutions in Iraq and those host countries for displaced Syrians and Iraqis in order to ensure all IDP communities' needs are taken into account.

*Question.* In 2011 the Arab Spring protests and calls for nonviolent reform offered tremendous hope for the potential of the Middle East region. Four years later we face a long, cold winter with many states reverting to old bad habits of closing off all avenues for nonviolent political expression or economic opportunity. Worse yet, we are facing failed, or close to failing, states in Yemen, Libya, and Syria. In the face of such unpredictability, instability, and violence the U.S. diplomatic presence and USAID field offices have been forced to draw down or close. In other areas, governments are actively confronting USAID funded programs and projects.

- ◆ How are you thinking about U.S. assistance and development engagement in the Middle East and North Africa against this depressing and alarming backdrop? Do we need to change the way we do business, or the missions we pursue, in the region?

*Answer.* USAID works with local and international partners to address the tremendous needs in the Middle East and North Africa. USAID recognizes that capable and accountable governance institutions are crucial to the sustainability of our development investments, which is why the Agency seeks to integrate democracy, human rights, and governance principles and practices across all programming.

USAID's approach in the Middle East is twofold; the Agency works not only with governments, but also at a grassroots level, changing the lives of individuals and transforming communities. USAID works closely with national governments where that is possible, and where national-level governance institutions are lacking, at the local level, with municipal councils or local civil society, to help meet the immediate needs of the people in the region as well as build sustainable local governance structures that can support a move to resilient democratic societies. Local- and municipal-level governance issues are an increasingly important component to USAID's work in the region, especially in communities affected by conflict and crisis. Key elements in all USAID programs are a deep analysis of the political context, supporting citizen engagement in policymaking and service delivery, and promoting the rights of all citizens and groups to ensure equitable development gains. USAID programs represent a long-term investment in the people and communities of the Middle East and North Africa and build on the Agency's mission to partner to end extreme poverty and promote resilient, democratic societies while advancing our own security and prosperity.

USAID is constantly reassessing the way it does business and the specific programs in which it invests. Each country and regional program begins with a careful assessment of local needs and capacity for reform. Once programs are implemented they are carefully monitored and evaluated for effectiveness and lessons learned. Security concerns remain a significant challenge, and the security of USAID staff and implementing partners is paramount. In places where USAID has no direct-hire staff on the ground, the Agency uses local and international partners as well as remote management techniques to continue and ensure close oversight of USAID programs.

If confirmed, I look forward to working with the Congress and our implementing partners to maximize the efficacy and impact of our work in the Middle East and elsewhere throughout the world.

*Question.* In response to the question about USAID's contribution to the U.S. Government TB strategy, you mentioned that you would "help ensure USAID continues its efforts to curb the epidemic by ensuring good quality TB programs that appropriately treat and cure patients of the disease, and prevent the emergence and spread of drug-resistant strains." As its contribution to the interagency action plan on drug-resistant tuberculosis, the Centers for Disease Control and Prevention submitted recommendations that clearly identify the funding needed to carry out the activities.

- ◆ Has USAID identified funding needs, given the objectives of the plan? If not, why not?
- ◆ How meaningful can a strategy be unless resources needs are identified, to enable the agency to not only continue efforts but intensify them and rapidly build country capacity to have a much greater impact on TB?

*Answer.* The White House National Action Plan on multidrug resistant tuberculosis (MDR-TB) will have clear and ambitious milestones. USAID will lead the international component of the plan, building on the current USAID TB portfolio and the Global Fund to Fight AIDS, Tuberculosis, and Malaria. It will focus on the development and implementation of faster and better quality diagnostics and treatment regimens, prioritizing countries with the highest burdens of drug-resistant TB to maximize limited resources and end TB as a major cause of morbidity and mortality and as a global health security threat. The rollout of new drugs and regimens

will be critical to saving lives and preventing the development and transmission of deadly drug-resistant TB.

The process includes critical opportunities to receive feedback from the broader global health community, including a stakeholder forum, on important aspects to include in the plan. Guided by the strategy, stakeholder feedback, and data and evidence, USAID will do its part to identify the resources needed to implement the plan and focus on how to maximize the effectiveness of those resources. However, **combating TB is a global problem and a shared responsibility that requires commitments from other donor partners and countries themselves to do more. As I testified, it is also critical to mobilize other countries to do more in this area—both with respect to TB and to health systems more broadly. If confirmed, I will play a leadership role in this regard and ensure that USAID continues its efforts to curb the epidemic by ensuring good quality TB programs that appropriately treat and cure patients of the disease, and prevent the emergence and spread of multidrug resistant strains.**

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ADMINISTRATOR-DESIGNATE SMITH'S RESPONSES  
TO QUESTIONS FROM SENATOR FLAKE

*Question.* In addition to the devastating loss of life and breakdown of the affected countries' health care systems, we have seen the economies of these countries near collapse as economic activity ground to a halt, investors and contractors fled, farming ceased, and building and maintaining of key infrastructure projects was suspended. As private investments in airports, roads, seaports, and electricity generation and distribution will be vital to for economic recovery, what is USAID doing in these areas to reinvigorate private economies that will be necessary for the long-term stability of affected countries?

*Answer.* Having coordinated the USG's international response to the Ebola epidemic while at the National Security Council, I am personally committed to working in the Ebola-affected countries to help reinvigorate their economies, using both **Ebola emergency funds and base development assistance funds. If confirmed, I will ensure USAID continues these important efforts. Examples of USAID's support to revive the economies of the Ebola-affected countries include:**

- ◆ Through the Power Africa Initiative, USAID is engaging in a variety of areas that will improve electricity generation and distribution.
  - USAID/Liberia replicates appropriate scale private models to supply energy to unserved rural areas through the design and build of small-scale facilities that demonstrate renewable energy technologies. This work is buttressed by a cooperative agreement with the National Rural Electrification Cooperative of America (NRECA), which is working with rural communities to manage electrical generation and distribution.
  - USAID/Liberia is working to engage in active diplomacy and dialogue with local governments, other donors, and their implementing partners to encourage and facilitate the rapid completion of work on the Mt. Coffee hydropower station; three new power plants to add 38 MW of affordable electricity to the grid; the extension of the West Africa Power Pool; and other key public sector infrastructure projects.
  - USAID/Liberia is working with local banks to demonstrate the business case for affordable, sustainable, renewable energy solutions beyond the grid. Furthermore, USAID technical assistance has helped with the development of draft legislation that will allow for the entry of private sector actors in generation and distribution.
  - USAID/Guinea is exploring public private partnership (PPP) opportunities in the energy sector in both Guinea and Sierra Leone through collaboration with the member agencies in Power Africa.
- ◆ In addition, USAID is supporting efforts to rebuild critical infrastructure in the Ebola-affected countries in order to attract private investment and improve the lives of those impacted by the crisis.
  - USAID/Liberia is working to rehabilitate rural farm to market roads and build the capacity of the Ministry of Public Works to maintain them, which will stimulate broader private sector activity in agricultural value chains, including transportation and marketing.
  - In all three countries, USAID is supporting investments in digital infrastructure by working with donors and partners to adopt a "dig once" strategy for appropriate road construction projects intended to reduce the combined costs of road construction and broadband connectivity access and

- advancement. Investments in digital infrastructure support roads, airports, seaports, and electricity generation.
- Through advancement in e-payments platforms, USAID/Liberia is working to enable and increase ease of payments for on-grid electricity, as well as pay-as-you-go models in all three countries using emergency funds. In order to advance infrastructure, policy reforms are required to support the development of public-private partnerships (PPPs) across all infrastructure. USAID is collaborating with multiple teams and stakeholders to define a combined vision and requirements for the affected country governments in order to catalyze and spur PPPs that will create infrastructure growth.
  - USAID/Liberia's efforts to increase access to potable water in three cities will contribute to a healthier and more productive workforce attractive to the private sector, as well as facilitate development of industry and agriculture in those locations.
  - USAID/Liberia and partners are completing the construction of 85 kilometers of feeder roads in support of other USG-funded agricultural activities designed under the Feed the Future Initiative and food security programs.
- ◆ USAID is also actively engaging the private sector to leverage their ideas and encourage private sector investment in the three affected countries.
- USAID recently published two new calls for proposals under its Global Development Alliance that focus on all three countries to prioritize co-investment with the private sector to harness ideas, capacity, and private resources to bolster economic activities and investments in infrastructure, improve local health systems, and promote global health security, all of which are aimed at accelerating recovery and building resiliency in the West African communities affected by the Ebola epidemic.
  - In addition, the Agency seeks to harness capacity and resources from the local, regional, and international private sector around partnerships that strengthen information and communications technology, energy infrastructure, social programming, health care, and education.
  - Through the Feed the Future initiative, the Agency is working to engage the infrastructure, and resources of the private sector, foundations, and other partners, including in-country partners, to foster broad-based food security in the short, medium, and long term.
  - The PPP strategy in 2015 focuses on reestablishing private sector confidence to resume business operations through continuous communication and updates about market conditions. USAID is also providing technical assistance to help Liberia develop a PPP policy that will attract investment across a range of industry and infrastructure projects.

ADMINISTRATOR-DESIGNATE SMITH'S RESPONSES  
TO QUESTIONS FROM SENATOR PERDUE

*On Smith's priorities*

*Question.* Assuming you are confirmed, you will only have 18 months in office once you come into office, and there are certainly a host of issues you could dive into. Can you talk about some of these priority areas where you would really like to make a change?

Answer. Should I have the honor of being confirmed, I will pursue four priorities.

(1) If confirmed, I will focus the Agency on programs that are achieving results and will be selective about initiating new commitments. I will work with Congress to institutionalize successful programs, including Feed the Future, Power Africa, and our efforts in maternal and child health.

(2) If confirmed, I will provide the leadership, guidance, and tools needed to enable USAID's staff in Washington and the field to deliver against our most urgent priorities. This includes expanding the Agency's work and impact on democracy, rights, and governance. This also means expanding the Agency's impact on human trafficking and corruption, laying the groundwork for the success of a critically important strategy for Central America, and ensuring an equally important transition in Afghanistan.

(3) If confirmed, I will act quickly to ensure that the Agency maintains global leadership and agility in responding to increasingly complex humanitarian crises around the world. When a natural disaster strikes or a humanitarian catastrophe is imminent, the Agency is and should be among the first on the ground to help



those in need, and in a world rife with crises, I believe it is critical to ensure that the Agency remains one step ahead.

I will also work with this committee and other stakeholders to pursue meaningful food aid reform that will enable us to reach more people, more quickly, in times of need—all while maintaining our historic partnership with U.S. farmers and maritime.

(4) If confirmed, I will focus on further strengthening the institution. That means building on the reform agenda launched by Administrator Rajiv Shah. This will involve expanding the capacity of the Agency to mobilize resources and engagement from other partners; to draw on science, technology, and innovation to address development challenges; and to increase investment in effective local solutions.

Strengthening the institution involves tackling some of the management and operational challenges facing an agency that manages resources across over 80 countries, often in complex environments. The Agency must ensure that American taxpayer dollars are spent responsibly. It must identify successful programs, learn from prior mistakes, apply lessons learned, and share best practices—all in an open and transparent way. If progress is not being made, it must take corrective action or terminate projects.

Strengthening USAID also means supporting and listening to its people, both here in Washington and overseas. These are men and women with knowledge, institutional memory, and invaluable insight. It is my goal to give them the visibility, respect, and gratitude that they deserve.

*On leveraging partners to make American aid go further*

*Question.* Ms. Smith, how do you recommend we use our leadership to work with other nations to do more?

*Answer.* If confirmed, I will encourage other nations to join USAID in addressing the world's development and humanitarian challenges—especially in this time of unprecedented need when no country can—or should—singlehandedly meet global demands.

Leveraging our development resources is a key step to successfully achieving USAID's goals as a 21st century development agency. If confirmed as Administrator, I will work with USAID leadership to more deeply integrate partnership and leveraging of external resources into USAID program design and implementation.

Using U.S. development assistance in a way that catalyzes additional financing for development from other countries, the private sector, multilateral institutions, and foundations is a key pillar of the U.S. approach to development, as is the recognition that sustainable development requires host-country buy-in and leadership. These elements are embodied in initiatives such as Power Africa and Feed the Future. They are also core priorities for the U.S. Government heading into the Third U.N. Conference on Financing for Development in July.

I am aware that USAID has progressed substantially over the last several years in developing closer coordination with a number of other international donors. Sweden, the United Kingdom, and Australia have become even more important partners. If confirmed, I will continue to support and expand these relationships as a priority.

At the invitation of President Obama, the Government of Sweden recently committed \$1 billion to Power Africa, an initiative to double access to energy in sub-Saharan Africa. The early success of Power Africa—transactions expected to generate more than 4,100 megawatts have already reached financial close—played a critical role in securing Sweden's commitment. If confirmed, I will ensure that USAID uses this power of example to bring in more donors for Power Africa and other successful initiatives.

*On effectiveness and efficiency of aid*

*Question.* I certainly understand that if our efforts in assistance are a mile wide and an inch deep, we will not be very effective.

- ◆ How do you plan to focus in certain areas to make our aid go the furthest?
- ◆ What will your methods be for determining where to double down on American aid so we can achieve maximum impact?

*Answer.* Focusing resources—both financial and staffing—in priority countries is essential for maximum impact. If confirmed as Administrator, I will strengthen the Agency's Selectivity and Focus process. This process was launched in 2012 in response to Presidential Policy Directive (PPD-6), which mandated that the Agency focus development efforts by being more selective about the countries and sectors in which it works. Since 2010, the Agency's efforts in Selectivity and Focus have

reduced the number of sectoral program areas by 40 percent, enabling country missions to be more focused on top priority activities.

If confirmed as Administrator, USAID will continue to make hard choices about how to allocate attention and resources across countries, regions, and sectors. Under my leadership, if confirmed, the Agency will closely consider issues of fragility and weigh the impact and potential savings of investing in resilience. It will continue to concentrate resources through better alignment of staffing and funding in support of those countries and programs that yield the greatest impact. Further, I will continue to strengthen the use of Country Development Cooperation Strategies (CDCS) to ensure analysis of changes in country situations and status in the medium term, and support evaluations and interim Agencywide assessments to inform decisions about adjustments in resource allocations.

*Question.* A recent Office of Inspector General's report noted that Presidential initiatives—not just Congressional Earmarks—are stymieing USAID Missions from allocating the correct type of funding to meet needs identified in country as the most important. Ms. Smith, as a development expert, you know the importance of "country ownership" and ensuring our assistance programs are actually reflecting the top priorities of the countries in which USAID works.

- ◆ If confirmed as Administrator, what would you do to ensure that priorities identified at the mission level are incorporated into final budget submissions to Congress and that Presidential initiatives—while important—do not distort the type of assistance USAID ends up providing to countries?

*Answer.* I understand that it is a critical priority at USAID to ensure that its missions receive the funding they need, despite the constrained budget environment in which they operate. If confirmed as Administrator, I will continue to refine our planning and strategy processes and ensure that mission priorities are integrated into our budget development process.

I believe that it is important to the national security of our country that USAID continues to be a global leader in addressing the world's most critical development challenges. If confirmed, I will work to ensure that these efforts are mutually reinforcing with the local priorities specific to a country or region, and reflect the on-the-ground knowledge and expertise of the Agency's field staff.

*Question.* What percentage of your budget is spent on overhead versus directed to assistance? Are there efficiencies that can be found in overhead savings?

*Answer.* Based on my initial briefings, I understand that in FY 2015, the Agency's Operating Expense (OE) appropriation accounted for approximately 6.2 percent of its total program budget.

I understand that USAID continues to implement ambitious operational reforms to improve management processes and achieve efficiencies in areas such as information technology, travel, real property disposals, insourcing, and space optimization. If confirmed, I am committed to reviewing these as well as other areas where we might identify additional efficiencies.

*On increasing transparency*

*Question.* USAID has committed to improving transparency in government.

- ◆ What are your plans for improving the quality and availability of data about USAID spending, so that anyone can trace each dollar right down to the specific project or activity where it is spent?

*Answer.* Aid transparency is essential for helping recipient governments manage their aid flows, for empowering citizens to hold governments accountable for the use of assistance, and for supporting evidence-based, data-driven approaches to foreign aid.

The administration has placed great emphasis on transparency and openness across the government and USAID is taking a leading role in helping the U.S. Government further its commitment to enhancing aid transparency as a way of increasing the efficacy of development efforts and promoting international accountability. In October 2014, USAID released its first ever Open Data policy and regularly posts datasets to [www.usaid.gov/data](http://www.usaid.gov/data).

If confirmed as Administrator, I will work with USAID leadership to advance efforts that are currently under way to increase the transparency of our funding and programming, on both the development and humanitarian fronts. In particular, if confirmed, I am committed to increasing the number and quality of evaluations posted online, as well as regularly posting more and improved data to the International Aid Transparency Initiative (IATI) and [ForeignAssistance.gov](http://ForeignAssistance.gov).

*On results-driven aid*

*Question.* Can you tell us what systems should be in place to ensure that foreign aid evaluations are used to feed back into the loop? To be used to guide program design and policy decisionmaking?

*Answer.* USAID has established systems to ensure that quality evaluations are undertaken and that results are used for program improvements and redesigns. If confirmed as Administrator, I will work to elevate the quality and use of monitoring and evaluations in USAID. I will also ensure that new officers continue training in evaluation, monitoring, and integrating findings to ensure impact.

It is my understanding that between 2011 and 2014, USAID trained over 1,400 USAID staff in sound evaluation methods and practices, created templates and tools to support evaluation design and performance management plans, and worked with missions to implement an approach that allows for collaboration with partners and adaptation of projects based on learning. During that time, over 950 evaluations have contributed to evidence-based decisionmaking by missions and operating units.

I also understand that USAID is undertaking an independent evaluation to examine evaluation utilization across the Agency, which will provide rich data on trends and practices in evaluation use. This study is due to be completed in September 2015.

If confirmed, I will focus on this critically important aspect of USAID programming and ensure that evaluations are used to inform budget decisions, project design changes, and midcourse corrections in development programming.

*Question.* What steps will you take to ensure that these evaluations are high quality and transparent?

*Answer.* USAID released an extremely rigorous Evaluation Policy in 2011, which seeks to ensure high-quality and transparent evaluations. The Evaluation Policy established protocols and procedures for ensuring that all USAID evaluations are transparently conducted, unbiased, integrated into project design, relevant for decisionmaking, methodologically sound, and oriented toward reinforcing local capacity.

It is my understanding that the USAID Evaluation Policy has institutionalized several additional safeguards to ensure a commitment to unbiased measurement and reporting, as well as to promote transparency. For both internal and external evaluations, statements of work/terms of reference and draft evaluation reports must undergo a peer review, which is aimed at increasing quality and transparency. In addition, evaluation team members must submit disclosure of conflict of interest forms which are part of the final evaluation report. Lastly, findings from external and internal evaluations must be publicly shared via the Development Experience Clearinghouse (DEC) online data system.

If confirmed as Administrator, I will ensure continued implementation of this policy and periodic assessments to verify its continued effectiveness.

*On USAID reforms*

*Question.* As you know, former USAID Administrator Shah initiated reforms in 2010 under a program called USAID Forward. In your view, what have been the most lasting results of the USAID Forward reform effort?

*Answer.* Although the USAID Forward reform agenda was launched by former Administrator Rajiv Shah in 2010, I understand that many elements of what became USAID Forward were proposed at a conference of career Mission Directors that was conducted with the participation of senior Agency leadership in November 2009. This early investment in, and continuing ownership of, the reforms by USAID's senior career officers is a key ingredient for ensuring the sustainability of these reforms.

I believe that through USAID Forward's focuses on results, partnership, and innovation, the Agency has significantly strengthened its capacity in each of these areas over the past 5 years. USAID now has in place a rigorous and transparent process for designing strategies and projects while evaluating their impact to achieve results in a more focused and selective manner. Its partnership agenda has grown substantially, almost doubling the amount of direct work with local partners, as well as significantly increasing its partnership with the private sector, particularly small businesses. Moreover, USAID has greatly increased its emphasis on innovative approaches through the use of science, technology, and open innovation through such platforms as the Development Innovation Ventures (DIV) and Grand Challenges for Development, which have been incorporated into the Agency's Global Development Lab. Each of these reforms under USAID Forward is already demonstrating a strong, durable impact on USAID's ability to lead the international community in achieving sustainable results.

*Question.* What further reforms are needed to make USAID more effective?

*Answer.* While I understand USAID has made significant progress as a result of the reform effort launched in 2010, known as USAID Forward, I believe that USAID can be more effective if the Agency further strengthens its Foreign Service, improves transparency when it comes to results, and bolsters local solutions.

I understand that approximately 50 percent of Foreign Service officers (FSOs) have less than 5 years of experience with USAID. If confirmed, I will make it a high priority to invest in the professional development of new FSOs so they can operate and implement programs effectively.

Second, USAID Forward and its reforms require staff to partner, innovate, and deliver results while transparently reporting on foreign assistance to Congress, the public, and external stakeholders. If confirmed, I will work to streamline these processes to achieve even greater effectiveness and continue to strengthen USAID's commitment to accountability.

Third, if confirmed, I will ensure that USAID continues to invest in local solutions that achieve sustainable results and build local capacity and knowledge. USAID must remain committed to creating the conditions whereby countries can lead, resource, and sustain their own development.

*Question.* In your view, does the recently released 2015 Quadrennial Diplomacy and Development Review (QDDR) support ongoing USAID Forward reforms?

*Answer.* Yes. From the outset of the second QDDR process, USAID focused on advancing and institutionalizing the significant initiatives and reform efforts already underway, including USAID Forward. The first QDDR set in motion USAID Forward, a suite of reforms focused on budget management, policy capacity, implementation and procurement reform, monitoring and evaluation, innovation, science and technology, as well as talent management.

The 2015 QDDR emphasizes USAID's commitment to a new way of doing business that brings partnership, local ownership, innovation, and a relentless focus on results to enable transformative change. Through the second QDDR, USAID emphasizes and commits further to building on partnerships to end extreme poverty, prevent and mitigate conflict, counter violent extremism, and work with civil society, religious institutions, and indigenous peoples to promote resilient, open, and democratic societies.

I understand that additional USAID Forward reforms supported by the 2015 QDDR include building a culture of innovation, leadership, and learning, as well as strengthening the ability to assess risks rigorously and comprehensively to strengthen local systems. The QDDR helps institutionalize USAID's focus on innovation exemplified by the Global Development Lab and incorporate these principles into all programming through work on efficiencies in policy, planning, and learning across the entire program cycle. The 2015 QDDR also deepens USAID Forward reforms by bringing greater rigor to evaluations and harnessing data for decision-making.

I am pleased that the QDDR supports ongoing USAID Forward reforms that are vital to strengthening the Agency and enhancing the sustainable impact of its work. If confirmed as Administrator, I will work with the State Department leadership to fully implement the QDDR recommendations.

*On operating in corrupt nations/safeguarding taxpayer dollars*

*Question.* USAID conducts operations in many countries experiencing instability and conflict as well as countries characterized by corrupt practices. What are the agency's greatest challenges with regard to physical security in such countries?

*Answer.* I understand that USAID has presence in approximately 100 countries and that, in roughly 35 of those, the threat from terrorism is rated high or critical by the Department of State's Bureau of Diplomatic Security (DS). I understand that, to supplement the security provided by DS, USAID's Office of Security (SEC) provides a variety of security resources to USAID Missions. Primarily, these include operational security guidance, office building security, armored vehicles, emergency communications systems, and physical and technical security countermeasures.

My understanding is that USAID's greatest challenges regarding physical security are typically the lack of physical setback (distance) and blast pressure from improvised explosive devices. Diplomatic facilities are required to have 100 feet of setback, which is difficult to achieve as most diplomatic facilities are centrally located within congested capital cities. One of the frequently identified challenges is the host nation's willingness and capability to protect U.S. Government resources. I understand that SEC has developed and implemented several programs to mitigate threats to USAID staff and implementing partners through Partner Liaison Security Officers

(PLSO), the Personnel Recovery (PR) Program, and Non-Permissive Environment (NPE) training.

I also understand that the Agency has established an intra-agency working group to determine ways in which the Agency could operate more effectively in NPEs. USAID defines an NPE country as having significant barriers to operating effectively and safely due to one or more of the following factors: armed conflict to which the United States is a party or not a party; limited physical access due to distance, disaster, geography, or nonpresence; restricted political space due to repression of political activity and expression; and uncontrolled criminality including corruption. The challenges with regard to physical security that are faced by officers operating in NPEs vary, but can often include a high security threat negatively impacting their ability to partner, implement and monitor projects, as well as high stress on staff due to the workload and separation from family at unaccompanied posts.

My understanding is that, as a result of these challenges, the NPE working group evaluated USAID's presence across the globe and designated 18 countries as NPE. Officers transitioning to, and out of, these 18 countries will receive tailored training and support beginning this summer. Three 3-day courses will be offered to ensure officers serving in NPEs are better equipped to program, monitor and evaluate projects, as well as enhance attentiveness to staff care and security issues. I understand that additional training and field guides are planned for 2016, contingent upon additional resources.

*Question.* What steps can USAID take to ensure that U.S. taxpayer funds are spent as intended in countries where its staff may have difficulty directly monitoring its programs, such as Afghanistan, Pakistan, and Libya?

*Answer.* USAID works in many places around the world where high-threat environments pose challenges to monitoring and the Agency has learned important lessons on how to address those challenges. My understanding is that USAID tailors implementation monitoring plans for activities implemented in high-threat or non-permissive environments like Afghanistan, Pakistan, and Libya.

USAID has revised its official policy to address this topic. Specifically, its policy (ADS 202.3.6.4) on "Monitoring in High Threat Environments" holds USAID staff (Contracting Officer's Representatives) accountable for "seeing that the contractors and grantees they manage are performing adequately and accomplishing the tasks they set out to achieve." It further notes that "in high threat environments, USAID recognizes the need to keep mission personnel safe, as well as the need to visit project sites and meet with beneficiaries of development assistance." To ensure sufficient USAID oversight of activities, the policy offers alternative monitoring methods such as requiring photographic evidence; using third-party monitoring; utilizing other U.S. Government agencies; and applying technological approaches.

USAID has learned important lessons over the course of its engagement in Afghanistan, and has drawn on experiences in other challenging environments—including Iraq, Pakistan, Yemen, Sudan, and Colombia—to put in place strong oversight of, and accountability for, U.S. assistance funds. Although there are inherent risks in doing business in a country like Afghanistan, the Agency prioritizes the effective and accountable use of taxpayer dollars and does not assume that there is any level of acceptable fraud, waste, or abuse in our programs. This means that oversight must be a process of continual reexamination of ongoing efforts, and that there must be flexibility to adjust to new circumstances as they arise.

In Afghanistan, USAID has developed a multitiered monitoring approach to collect and verify data to inform decisionmaking. By collecting and triangulating information from multiple sources, the approach helps USAID staff mitigate inherent bias and weaknesses from any given source. Each Project Manager gathers and analyzes monitoring data from various sources, compares data to ensure confidence in the reporting, and use the results to make programmatic decisions. Tiered monitoring levels are:

- ◆ Tier 1: USG (USAID and other agencies);
- ◆ Tier 2: Implementing Partners;
- ◆ Tier 3: National Unity Government (internal M&E systems, observation) and other donors;
- ◆ Tier 4: Civil society, local organizations, and beneficiaries; and
- ◆ Tier 5: Independent Monitoring Contractors.

Regarding Tier 5, Independent Monitoring Contractors, the Agency is incorporating key lessons learned and themes from countries and programs around the world that have utilized third-party monitoring in environments in which chief of mission personnel face limitations on movement, including Iraq, Pakistan, Yemen, and West Bank/Gaza. Independent monitoring, however, is not the sole source of monitoring data and it cannot take the place of USAID staff as project managers.

Instead, it is one tool that USAID can use to validate reporting data from other sources. Should USAID determine that its multitiered monitoring approach cannot provide adequate oversight over project activities, it will not hesitate to descope or terminate projects.

For Pakistan, my understanding is that USAID has procured a new monitoring and evaluation program. A core difference from Afghanistan is that Pakistan relies heavily upon USAID's traditional performance monitoring and oversight practices. While they maintain the capability to provide third-party monitors through their recently procured M&E support platform, their primary efforts focus on providing strategic direction to the portfolio through studies and evaluations. The Pakistan model has components for monitoring, evaluation, and other analytic products such as targeted assessments, plus learning, capacity-building, and mapping services. Pakistan applies third party monitoring in the most difficult regions (FATA) and technically challenging projects (Infrastructure).

I understand that USAID manages its Libya programs through a combination of D.C.-based and field-based staff. Foreign Service National staff play a critical role in overseeing activities and fulfilling monitoring and evaluation requirements. In addition, USAID holds regular partners' workshops outside of Libya, in which implementing partners and interagency counterparts convene to review progress toward program objectives, suggest programming adjustments when necessary, and ensure overall program coordination.

Further, as noted in my response to a previous question, I understand an intra-agency working group has been convened to determine ways in which the Agency could operate more effectively in nonpermissive environments (NPEs). USAID defines an "NPE country" as having significant barriers to operating effectively and safely due to one or more of the following factors: armed conflict to which the U.S. is a party or not a party; limited physical access due to distance, disaster, geography, or nonpresence; restricted political space due to repression of political activity and expression; and uncontrolled criminality including corruption. The challenges with regard to monitoring that are faced by officers operating in NPEs vary, but can often include a high security threat negatively impacting their ability to conduct site visits.

My understanding is that, as a result of these challenges, the NPE working group evaluated USAID's presence across the globe and designated 18 countries as NPE. Officers transitioning to, and out of, these 18 countries will receive tailored training and support beginning this summer. Three 3-day courses will be offered to ensure officers serving in NPEs are better equipped to program, monitor and evaluate projects, as well as enhance attentiveness to staff care and security issues. Additional training and field guides are planned for 2016, contingent upon additional resources.

*Question.* How should USAID address corruption concerns in recipient countries?

*Answer.* Recognizing that corruption is a growing threat to the national security of the United States and its allies, President Obama announced the U.S. Global Anticorruption Agenda in 2014. For over two decades in numerous international fora, the United States has helped develop a strong global consensus that fighting corruption and supporting good governance are essential for the development of people, markets, and nations. It is now globally recognized—as confirmed by the 173 countries that have joined the United States as signatories of the United Nations Convention Against Corruption—that corruption undermines social cohesion, damages economic growth, distorts public services, weakens the rule of law, and erodes property rights.

If confirmed as Administrator, I will work with USAID leadership to strengthen our efforts to combat corruption and promote accountable, democratic governance, which will reduce conditions that allow conflict, organized crime, and other transnational threats to thrive. These efforts include adoption of rigorous fiduciary tools to ensure that funds are being well spent, such as the requirements set out by the Public Financial Management Risk Assessment Framework (PFMRAF). This framework helps ensure that USAID only works with partner governments that are equally committed to accountability and an empowered civil society. In addition, USAID continues to support long-term efforts to develop accountable and transparent institutions through anticorruption programs, which will ultimately contribute to broad-based, equitable growth.

I am pleased that the Quadrennial Diplomacy and Development Review highlighted successful global initiatives, such as the Open Government Partnership and the Extractive Industries Transparency Initiative, and if confirmed, I look forward to taking full advantage of our development resources to promote resilient, democratic societies free from corruption.

*On aid recipient nations*

*Question.* How do we encourage countries to take the lead in their own development and move them toward graduation from U.S. foreign assistance programs?

*Answer.* A core aid effectiveness principle is that every country is responsible for defining and promoting its own social and economic development. A second principle is that external donors provide assistance that supports country ownership and aligns with a country's development priorities. These aid effectiveness principles were initially articulated in the 2005 Paris Declaration and have been reaffirmed by the United States Government and every other major bilateral and multilateral donor several times since then.

It is my understanding that these aid effectiveness principles are a key factor in shaping the way that USAID develops its country-level strategic plans and specific development projects. I understand that an important part of developing a Country Development Cooperation Strategy (CDCS) is to consult with the partner government and other local stakeholders about development priorities and desired results.

USAID's approach also emphasizes the importance of developing the capacity of local actors and local systems responsible for achieving and sustaining development outcomes. I understand that the USAID 2014 policy document *Local Systems: A Framework for Supporting Sustained Development*, emphasizes this approach for reinforcing local capabilities to achieve and sustain the developmental benefits desired by local populations.

A commitment to moving countries toward graduation means that USAID needs to focus on fewer, higher impact programs and be more selective about countries and regions to ensure better and more sustainable results. Ultimately, this approach aims to help prepare countries for graduation, and ensure that progress is sustained even as assistance is phased out. If confirmed as Administrator, I will continue to emphasize focus and selectivity and support for local systems that can take the lead in local development, and hasten the day when countries can graduate from foreign assistance.

*Question.* Would you plan to continue successful efforts that promote country ownership of their own development?

- ◆ How would you invest to increase the impact of successful efforts like the Local Solutions initiative?

*Answer.* USAID is committed to creating the conditions whereby countries can lead, resource, and sustain their own development, a commitment that I share and will prioritize, if confirmed. I agree that country ownership—mutually agreed-upon priorities, direct implementation through local systems as the default choice, and domestic resourcing by local governments, civil society, and the private sector—should be at the core of how USAID does business. My understanding is that the Agency is delivering on this commitment through the following organizational and programmatic reforms, which I will prioritize if confirmed:

- ◆ The Agency has put in place policies and a program planning process that enable it to project results over a longer timeframe and align its staffing and resources accordingly.
- ◆ USAID is ensuring that its country strategies and project designs prioritize and measure sustainability through country ownership, regardless of the sector. This increasingly entails broad local stakeholder involvement in the Agency's planning processes. It also entails analysis (e.g., political economy analysis) and action (i.e., improved governance) on the constraints to sustainability, all of which may not be fully in the Agency's manageable control.
- ◆ The Agency has put in place the appropriate controls to prudently invest directly in local governments, civil society, and bolstering the private sector (as relevant) to ensure that those stakeholders are accountable, effective, and can sustain results on their own.

USAID has introduced new guidance and methodologies for monitoring and evaluating project performance. USAID programs are closely and actively monitored in-country—including through the use of objective, third-party evaluations—to track results at every level (input, output, outcome) and to make room for midcourse correction when changes are needed. In addition, through the use of rigorous methodologies the Agency is able to evaluate the impact of its programs and the extent to which outcomes can be attributed to USAID interventions.

The Agency has almost doubled its Foreign Service staffing to increase its ability to engage directly with local governments, civil society, and private sector; negotiate policy reforms; leverage the local private sector; build capacity; innovate; and manage its assistance programs.

USAID is promoting the mobilization of local resources in countries where it works through tax modernization; coinvestments and guarantees with the local private sector; budding philanthropy; and alternative business models such as social enterprises and social impact investment.

*Countering violent extremism*

*Question.* The White House summit on Countering Violent Extremism (CVE) devoted significant energy to community-based efforts to decrease radicalization and prevent youth and other groups from engaging in these movements. USAID is one of the only agencies with its own CVE strategy—dating back to 2011.

- ◆ What role do you see for USAID in the U.S. Government's increasing efforts to counter violent extremism?
- ◆ What kind of policy and resources would the agency need to be able to meaningfully contribute to a decrease in support for violent extremism among at-risk populations, particularly youth?

*Answer.* The White House Countering Violent Extremism (CVE) Summit and the regional summits have highlighted the value of USAID's approach to addressing violent extremism as part of a whole-of-government response to terrorist threats worldwide. The 2015 Quadrennial Diplomacy and Development Review (QDDR) also highlights USAID's role in countering violent extremism. This affirmation and elevation is linked to the recognition both in the CVE Summit agendas and the QDDR that to be effective, the response to violent extremism cannot focus just on security. It also must focus on many of USAID's core areas of work: education, economic opportunity, good governance, as well as empowering national and local governments, youth, women, community secular and religious leaders, civil society, and the private sector.

It is my belief that the United States needs a broad array of tools in its toolkit to counter violent extremism effectively. A key USAID role is to focus on the issues that drive people to violent extremism and address these problems early by disrupting the momentum and overturning the rationale behind violent extremist recruitment while reducing local sympathies and support for extremists. These efforts complement our Nation's ongoing efforts aimed at reducing the terrorist threat to ourselves and our partners.

I understand that USAID's approach was laid out in its 2011 agency-level policy, "The Development Response to Violent Extremism and Insurgency." The policy is drawn from best practices from several years of CVE programming, as well as from research on the factors that drive violent extremist recruitment and how development assistance can help mitigate these root causes. At its core, USAID's CVE approach is founded upon an understanding of the concerns of vulnerable populations in areas most at risk to violent extremism, which then allows us to work with local community organizations and government officials to address those concerns.

USAID's policy is based upon more than 10 years of experience, which demonstrates that flexible resources are required to address violent extremism. USAID's approach has concentrated on youth empowerment, social and economic inclusion, media and messaging, improved local governance and in some cases reconciliation and conflict mitigation. Activities are tailored to meet the specific threat levels, political environments, and material needs of each community. USAID's CVE efforts often target distinct populations, for example at-risk young men, and increasingly recognize the unique role of women in promoting peace and security. I understand that an evaluation of USAID programs in Chad, Niger, Mali, and Kenya has helped affirm both the positive role development tools can play in efforts to address violent extremism and USAID's approach. It found that these programs have made a measurable impact among local populations by undermining support for violent extremist rhetoric and activities.

USAID provides funding for CVE programs out of its current budget streams, including Economic Support Funds (ESF), Transition Initiatives, Development Assistance (DA), and ESF/Overseas Contingency Operations (OCO). In the FY 2016 budget request, the administration requested \$390 million for the Counterterrorism Partnerships Fund (CTPF), which would create a specific funding stream for CVE programs to help build on existing efforts. As outlined in the administration's FY 2016 budget request, having additional funds that can be utilized in a flexible manner is critical to meaningfully address the local drivers of extremism and contribute to a decrease in support for violent extremism among at-risk populations, particularly youth. Reaching individuals and communities before they are radicalized is a key component in effectively reducing violent extremism. With the flexible funds that the administration requested, our assistance programs would be better positioned to program more effectively in these fragile communities.



*Democracy, rights, governance*

*Question.* As highlighted in the Department of State's 2015 Quadrennial Diplomacy and Development Review, efforts to strengthen global capacity for good governance and credible elections underpin the potential impact of all other types of aid (transparent and open democracies can better respond to pandemics, economic challenges, food insecurity, gender inequality, and peacekeeping operations).

- ◆ As USAID Administrator, how would you improve support to vital democracy and governance programming? I share your commitment to promoting democracy, human rights and governance (DRG). I believe that it is central to development, and an integral part of the U.S. national security strategy.

*Answer.* USAID recently issued a new strategy on democracy, human rights, and governance, which codifies a more holistic approach to our programming in this sector by focusing on participation, inclusion, and accountability, while elevating human rights and integration of programming across economic and social sectors.

With respect to funding for these programs, I am pleased that the President's FY 2016 request includes a 20-percent increase in democracy, human rights, and governance for USAID. If confirmed, I will make this area one of my priorities, and I look forward to working with Congress to ensure appropriate resources are available for this critical area.

It is important for USAID to be innovative in supporting islands of reform—pockets of greater participation and accountability—in countries that have yet to break through in implanting democratic values, institutions, and processes. It is in these countries that our efforts in poverty reduction, human rights and democratic governance need to be further joined and more tightly integrated. Our programs in health, food security, climate change, economic growth all need to have components of citizen participation and government accountability.

If confirmed, I will ensure that USAID continues to develop the evidence base needed to demonstrate successes of these approaches. This includes improving measurements and evaluating impact as well as improving practices by conducting cross-sector roundtables; creating practice guides; and providing funding guidance to the field to enhance integrated programming.

*Microfinance*

*Question.* I understand that the E3 Bureau has been reorganized and the Office of Microenterprise and Private Enterprise (MPEP) at USAID has been renamed and refocused on investment.

- ◆ Is USAID still committed to supporting microfinance and microenterprise?
- ◆ Particularly, how will USAID continue to reach vulnerable groups, including women with support for microenterprise?

Congress has repeatedly encouraged USAID to ensure microfinance activities target the extreme poor.

With the reorganize of the MPEP office, who will be in charge of ensuring USAID continues to target those most in need?

If confirmed, as the Administrator, how would you prioritize microfinance within USAID?

*Answer.* Microenterprise development has become deeply integrated throughout USAID's programming and the Agency remains committed to support microenterprise. I understand that the realignment and renaming of the Microenterprise and Private Enterprise Promotion (MPEP) Office in the E3 Bureau is still underway and will have no impact on microenterprise programming.

I understand USAID has been pivotal in shaping the microfinance industry, particularly by transforming it into a market-driven model that attracts private capital, which has dramatically lessened reliance on donor support and has expanded access to financial services for millions of poor households in the developing world. It is a prime example of USAID partnering with the private sector to find market-driven solutions to end extreme poverty.

It is my understanding that while USAID once developed stand-alone microenterprise and microfinance projects, these efforts are now integrated into other USAID programs in order to advance key initiatives, such as Feed the Future, and PEPFAR. I understand that the majority of microenterprise activity takes place through USAID Mission-level obligations, and that during the past year, the vast majority of USAID Missions reported involvement in microenterprise development.

I understand microfinance is now integrated throughout the Agency as a means to achieve broader goals, including food security, value chain development, improved health and nutrition, access to housing, and enterprise development. If confirmed, I will ensure the reorganized office will continue these efforts.

The reorganized office must also provide thought leadership for the Agency on effectively engaging and leveraging private capital for development? enhance collaboration within USAID and among U.S. Government agencies and donor partners; and provide advisory support to USAID Missions and Bureaus. Congress will receive notification of this realignment before any changes are finalized in the Agency.

If confirmed, I will ensure the office will continue to fulfill all congressional requirements for Microenterprise programming and ensure programming targets the extreme poor. I will also ensure that USAID will have an office for microenterprise development with a Director, and the Office will continue to oversee an annual data call on microenterprise obligations, prepare the annual Microenterprise Results Report, and maintain a help desk to assist partners in the monitoring of their activities. For FY 2015, I understand that USAID's Microenterprise Results Report will showcase the continuing role of USAID's microenterprise and financial inclusion activities as pathways to ending extreme poverty, increasing food security, and building resilient households and communities.

#### *Prevention*

*Question.* Of any of our recent Administrators you would have some of the most valuable experience to share on how to ensure we are preventing conflicts in Africa and other parts of the world.

♦ How do you envision reforming USAID to better focus on conflict prevention?

*Answer.* As the 2015 Quadrennial Diplomacy and Development Review (QDDR) makes clear, development plays a critical role in preventing, mitigating, and responding to threats such as instability, armed conflict, and the spread of violent extremism in both stable and fragile countries. Effective conflict prevention and mitigation is essential to avoid the destructive potential of armed conflict to reverse development investments.

Since the September 11 attacks in 2001, USAID has worked to develop a sound capacity for assessing and addressing the causes and consequences of conflict. I understand that, as the Agency looks forward to delivering on the vision set by the 2015 National Security Strategy and the QDDR, it will be mindful about how this capacity will need to evolve and be strengthened to address new needs and priorities.

I understand that USAID is also seeking opportunities to strengthen funding for conflict and atrocity prevention through funding streams such as the Complex Crises Fund and the Transition Initiatives account. Doing so gives USAID the flexibility to respond quickly in crises and to devote resources where they can have the greatest impact.

Armed conflicts emerge in fragile states, where long-standing challenges to legitimacy and effectiveness weaken state institutions and the relationship of people with their governments. One of the primary challenges of conflict prevention and mitigation is a long-term one—tackling the sources of fragility in countries that are vulnerable to conflict. The approach for upstream conflict prevention works to build strong, legitimate institutions and political processes in fragile countries that are capable of managing internal tensions and transnational threats.

If confirmed, I am committed to ensuring that USAID continues to work with counterpart agencies and departments to implement a framework for more effective engagement with fragile states. We will work to ensure that analysis of root causes is applied to decisionmaking processes, and provide guidance on how to achieve results in these challenging environments.

If confirmed, I will also support and promote the New Deal for Engagement in Fragile States. The New Deal, endorsed by the United States and nearly 40 countries and multilateral organizations in 2011, establishes peace and state-building goals and action plans, all of which sets a long-term approach to enable countries' transition out of conflict. The New Deal focuses on proven areas of need and impact, such as inclusive politics, enabling effective and equitable service delivery, reforming security and rule of law sectors, and combating corruption.

*Question.* Under your leadership, would the FY 2017 budget better reflect the importance of conflict prevention and include an increase in this important type of programming?

*Answer.* Effective conflict mitigation and prevention requires policy tailored to each country context, careful program implementation in close coordination with our partners on the ground, and appropriate resourcing. While the administration is still formulating the FY17 budget request, I understand that USAID requested modest increases in FY16 (over FY15 enacted) in some of its core funding accounts. Specifically, I understand that this includes slight increases in the Bureau for Democracy, Conflict and Humanitarian Assistance (DCHA) core funding including for the

Complex Crises Fund (CCF), Transition Initiatives (TI), as well as the Office of Conflict Management and Mitigation (CMM), USAID's analytic shop that is shaping policy in this area. CCF, TI, and CMM initiatives will strengthen the response capacity of country missions to better address conflict, and the Agency anticipates additional funding (Economic Support Funds, Development Assistance funds, and other) will be directed toward programming that mitigates the causes and consequences of conflict.

Given the constrained budget environment, I will, if confirmed, recognize the need to be prudent and thoughtful in Agency budget requests. If confirmed, I look forward to working with Congress to ensure appropriate resources are available for this critical area.

#### *Resilience*

*Question.* Ms. Smith, you have been a leader in the administration pushing for better responses to humanitarian emergencies, including during the food crises in the Horn and the Sahel. We greatly appreciate the previous Administrator and your support for building the resilience of communities to withstand shocks and stresses like drought and conflict.

- ◆ What will you do as AID Administrator to ensure the important work on building resilience continues and is institutionalized within USAID?

*Answer.* In 2012, USAID launched its first-ever policy and program guidance on "Building Resilience to Recurrent Crisis," which commits USAID to put more development focus on the most vulnerable, to build the adaptive capacity of these populations, and to improve the ability of communities, countries, and systems to manage and mitigate risk. I understand that USAID has expanded upon its initial focused resilience efforts in Ethiopia, Kenya, Niger, and Burkina Faso and that similar efforts are now underway in Somalia, Uganda, Mali, and Nepal.

If confirmed, I will support the Agency's development of additional guidance later this year that reflects resilience challenges and opportunities in Asia. As part of the Country Development Cooperation Strategy planning processes, the Agency will work to embed resilience into overall assistance strategies for focus countries in Africa and Asia, as well as other countries where risk and vulnerability are prominent threats and undermine development gains. I also commit, if confirmed, to maintaining the Agency's long-term investments in resilience in the Horn of Africa and the Sahel.

I understand that USAID's resilience investments are supported by bureaus and offices across the agency, including Africa Bureau; Asia Bureau; Bureau for Food Security; Bureau for Democracy, Conflict, and Humanitarian Assistance; Bureau for Global Health; the General Counsel; and Bureau for Economic Growth, Education, and the Environment. If confirmed, I commit to sustaining this whole-of-agency effort to build resilience to recurrent crises.

#### *Tuberculosis*

*Question.* As we saw last year with the Ebola crisis, a disease in a remote part of the world can quickly become a global problem. Drug resistant tuberculosis (TB) has been referred to as "Ebola with wings." Drug resistant TB requires a strong U.S. response since it is spread simply by coughing, there is no effective vaccine, and the costs of treating it are enormous. The latest case to grab the headlines, of a young woman from India with XDR TB (Extensively Drug Resistant TB) who traveled to the United States, has alarmed the public. USAID's role is to help countries improve the quality of care and respond to drug resistance, but, for several years in a row, the Obama administration has proposed a large cut in USAID's TB budget. The White House has stated that it is drafting an Action Plan on drug resistant TB.

- ◆ Will this plan be comprehensive at the scale needed to get ahead of drug resistant TB?
- ◆ Under your watch, will USAID's TB program get full support?

*Answer.* I understand that the White House action plan on drug-resistant tuberculosis (DR-TB) is currently under development and will build on the current USAID TB portfolio and the Global Fund to Fight AIDS, Tuberculosis and Malaria TB grants. This will accelerate progress toward achieving the goals laid out in the USG TB Strategy and contribute to the global effort to end the pandemic.

I understand that USAID will be leading the international part of the plan. It will focus on the development and implementation of faster and better quality diagnostics and treatment regimens, prioritizing countries with the highest burdens of drug-resistant TB to maximize limited resources and end TB as a major cause of morbidity and mortality. The rollout of new drugs and regimens will be critical

to saving lives and preventing the development and transmission of deadly drug-resistant TB. I understand the next step in this fast-track process is a stakeholder forum to ensure input from a wide spectrum of partners.

I also understand that USAID focuses TB resources through an evidence-based exercise that determines the best approach for continuation of TB funds based on burden of TB, drug-resistant TB, TB coinfection with HIV, and other contributing factors.

♦ Under your watch, will USAID's TB program get full support?

Answer. While I cannot guarantee future funding levels, I will, if confirmed, help to ensure that USAID continues its efforts to curb the epidemic by working closely with partners such as the Global Fund for AIDS, TB and Malaria, ensuring high quality TB programs that appropriately treat and cure patients of the disease, and prevent the emergence and spread of drug-resistant strains. I would support USAID's leadership role in its coordination of U.S. Government global TB efforts, support for global initiatives, and support to countries to ensure the further development of quality programs to address TB and DR-TB using the best tools and treatments available.

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ADMINISTRATOR-DESIGNATE SMITH'S RESPONSES  
TO QUESTIONS FROM SENATOR ISAKSON

*Question.* As you know, Sen. Casey and I introduced the Global Food Security Act which would formally authorize Feed the Future.

♦ What are the challenges that Feed the Future has currently and how will you make it stronger in your role as USAID Administrator?

Answer. First, let me thank you for your support of the Feed the Future initiative and the New Alliance for Food Security and Nutrition, which have together elevated food security on the global agenda, registered direct impact on reducing poverty and improving nutrition, and mobilized billions of dollars in direct assistance and private resources. In 2013 alone, Feed the Future reached more than 12.5 million children with nutrition interventions and helped more than 7 million farmers and food producers use new technologies and management practices on more than 4 million hectares of land.

Among the major challenge we face with respect to Feed the Future is closing the gender gap in agriculture. Women are the key players in the agricultural sector, but they own fewer assets and have less access to inputs (for example, seeds and fertilizer) and services. We have made considerable progress in this area, thanks in large part to USAID's development of a Women's Empowerment in Agriculture Index, a survey-based monitoring tool. If confirmed, I am committed to ensuring that FTF uses this data to identify the specific impediments to women's empowerment in agriculture (such as lack of control over productive assets or access to finance), to develop and implement new programs in our focus countries that better integrate women farmers into agricultural value chains, and give them greater access to credit, inputs, and services.

*Question.* Part of what we are trying to accomplish with the Global Food Security Act is to make the strategy and processes behind Feed the Future more transparent, so that we can more fully understand the effectiveness of our government's efforts.

♦ In the event that you are confirmed before the passage and enactment of the bill, will you commit to making the strategy and process for Feed the Future more transparent?

Answer. Yes, if confirmed, I will commit to build upon the accountability measures in place to make Feed the Future as transparent as possible. As you may know, this year FTF is conducting population-based surveys of 17 of its 19 focus countries, which will document our progress in poverty and child stunting reduction, as well as other high-level indicators across our geographic implementation zones. In addition, I understand that USAID is conducting more than 15 independent impact evaluations that help show whether positive changes—such as increases in farmer income or improvements in children's nutritional status—are caused specifically by U.S. assistance. If confirmed, I will ensure the reports and data sets from these evaluations are made publicly available, along with financial and annual country performance data. If confirmed, I will ensure that these data sets are provided to the Congress and made public. In addition, it is my understanding that in 2016, the Agency will conduct an independent external evaluation of FTF that will review all aspects of the initiative. If confirmed, I commit to making the results of

this evaluation public and to instituting any necessary course corrections to maximize the impact of this critically important work.

ADMINISTRATOR-DESIGNATE SMITH'S RESPONSES  
TO QUESTIONS FROM SENATOR PAUL

*Question.* In a recent GAO report on foreign aid (GAO-15-377), GAO recommended that USAID should strengthen accountability for government-to-government (G2G) assistance. If confirmed, what additional steps would you take as USAID Administrator to improve the accountability on this form of aid?

*Answer.* It is my understanding that USAID has addressed the concerns raised in the Government Accountability Office (GAO) report regarding its government-to-government (G2G) assistance. I also understand that the GAO report commended USAID for completing detailed risk assessments and for using audits to further identify areas in which a partner country's public financial management practices could be strengthened to further ensure capacity to manage USAID funds.

If confirmed, I will ensure that the Agency continues its efforts to build upon the GAO report and its recommendations to strengthen accountability for G2G assistance. My understanding is that these efforts are focused on fully supporting a more efficient and effective enabling environment for USAID's overall Local Solutions initiative, including for G2G assistance, and consist of:

- ◆ Strengthening and simplifying policies, procedures, templates, and tools to improve accountability;
- ◆ Improving risk management techniques, procedures and tools for designing, implementing and monitoring G2G activities;
- ◆ Providing the needed support and resources to USAID staff in order to strengthen G2G capacity-building, accountability, and transparency;
- ◆ Continuing to improve implementation, timeliness and monitoring of annual financial audits of G2G funds in collaboration with USAID's Office of Inspector General and GAO; and
- ◆ Enhancing and coordinating development partner collaboration and harmonization.

*Question.* The U.S. taxpayers have given billions and billions of dollars to support aid work in Afghanistan over the last decade, yet there have been questions on both the accountability and the effectiveness of this money. For example, the Special Inspector General for Afghanistan Reconstruction (SIGAR) recently has called on USAID to respond to allegations that progress data related to Afghan education system was falsified.

- ◆ If confirmed, what are your top three priorities for improving the accountability and effectiveness for any aid to Afghanistan?

*Answer.* Regarding SIGAR's Letter of Inquiry related to data on education, I understand that USAID's formal response is due by June 30 and USAID will share its response with the committee when submitted.

If confirmed as Administrator, my top three priorities for enhancing accountability and aid effectiveness in Afghanistan will be: (1) working to ensure full implementation of the accountability and sustainability measures already put in place for assistance to Afghanistan; (2) working to ensure there is a regular review of our existing accountability and sustainability policies in order to regularly assess current policies and procedures, develop any new ones that may be necessary, implement any new ones that are necessary, and communicate those new policies and procedures internally in the agency and externally to Congress and others; and (3) working to ensure that USAID's culture empowers staff to alert leadership to any significant issues disclosed by the Agency's monitoring of projects in Afghanistan, or anywhere.

If confirmed, I will support USAID staff to take action when they identify projects in need of such measures.

USAID has learned important lessons over the course of its engagement in Afghanistan, and has drawn on experiences in other challenging environments—including Iraq, Pakistan, Yemen, Sudan, and Colombia—to put in place strong oversight of, and accountability for, U.S. assistance funds. Although there are inherent risks in doing business in a country like Afghanistan, the Agency prioritizes the effective and accountable use of taxpayer dollars and does not assume that there is any level of acceptable fraud, waste, or abuse in our programs. This means that oversight must be a process of continual reexamination of ongoing efforts, and that there must be flexibility to adjust to new circumstances as they arise.

Operationally, USAID has adjusted its implementation model to improve sustainability and meet the challenges presented by changes on the ground in Afghanistan, as follows:

- ◆ Developing a multitiered monitoring strategy to address reduced mobility and decreased field staff that, along with other monitoring and evaluation efforts, will continue to ensure appropriate oversight of projects;
  - ◆ Transforming USAID's approach in Afghanistan to one of mutual accountability that incentivizes Afghan reforms by conditioning an increasing percentage of our assistance to the government on progress on reforms and that continues to increase government involvement and ownership of development needs; and
  - ◆ Focusing on long-term sustainability through implementing three key principles of: (1) increasing Afghan ownership and capacity; (2) contributing to community stability and public confidence in the Government of Afghanistan; and (3) implementing effective and cost-efficient programming.
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