

**ASSESSING U.S. FOREIGN POLICY PRIORITIES AND  
NEEDS AMIDST ECONOMIC CHALLENGES IN  
SOUTH ASIA**

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**HEARING**  
BEFORE THE  
SUBCOMMITTEE ON  
THE MIDDLE EAST AND SOUTH ASIA  
OF THE  
COMMITTEE ON FOREIGN AFFAIRS  
HOUSE OF REPRESENTATIVES  
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## ASSESSING U.S. FOREIGN POLICY PRIORITIES AND NEEDS AMIDST ECONOMIC CHAL- LENGES IN SOUTH ASIA

TUESDAY, APRIL 5, 2011

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON THE MIDDLE EAST  
AND SOUTH ASIA,  
COMMITTEE ON FOREIGN AFFAIRS,  
*Washington, DC.*

The subcommittee met, pursuant to notice, at 2:20 p.m., in room 2172, Rayburn House Office Building, Hon. Steve Chabot (chairman of the subcommittee) presiding.

Mr. CHABOT. Good afternoon. I welcome all my colleagues to this hearing of the Subcommittee on the Middle East and South Asia. We will make opening statements, myself and the ranking member. Other members can make a 1-minute statement if they choose to do so.

There was an unidentified package in the subway from the Capitol building to this building, and that is why other members aren't here yet, because they are making their way various routes to this committee or they are going elsewhere and won't come. One or the other, I am not sure. But I think that is why there aren't more members here yet. Or they are suspects, as the ranking member suggests.

Anyway, this hearing was called with the intention of following up on Secretary of State Clinton's testimony at the full committee that we heard last month, but with an exclusive focus on South Asia. This will give members the opportunity to ask more specific questions both about the Fiscal Year 2012 proposed budget as well as U.S. strategy throughout the region.

South Asia continues to be the source of many of the most critical challenges to U.S. National security and will likely continue to be in the future. The most immediate challenge is the war in Afghanistan. At the NATO summit in Lisbon this past November, NATO members presented their plan to cease all combat operations in Afghanistan by 2014. The administration's strategy to meet this deadline relies on a vast number of complex variables, many of which are out of our control. At the center of this effort lies the mission to build the capacity of the Afghan National Security Forces.

Although we have seen significant gains within the Afghan National Army, the capabilities of the Afghan National Police lag behind. I would like to call the subcommittee's attention to the tragic

incident just yesterday in which two coalition soldiers were shot and killed by a man wearing an Afghan border policeman's uniform. While it is not yet clear whether this man was indeed a policeman or an insurgent masquerading as a policeman, incidents like this are, unfortunately, far too common. They raise significant concerns about how successful our efforts have been so far, how effective our screening process is, and whether our 2014 deadline is realistic. The most tragic outcome for this conflict would be to repeat the mistakes of the past by leaving Afghanistan before we have had the opportunity to solidify the gains that our troops have fought so hard for over the past decade.

The administration's policy also emphasizes the importance of reconciliation with the Taliban, which is an extremely thorny issue. Setting aside the question of whether it is even possible to achieve reconciliation, we are talking about allowing to return to power the same extremist thugs who terrorized women and ruled according to a radical interpretation of Islam that disregards basic human rights.

I hope the witnesses here today will elaborate on the administration's plans for the conduct of these negotiations as well as what exactly is considered negotiable. I hope they will also discuss how the administration is planning to balance the concerns that India and Pakistan may have surrounding both the negotiations process as well as how the Afghan Government that may emerge would affect the strategic balance of the region.

Afghanistan, however, is not our only concern in South Asia. Years of Pakistani mistrust of the U.S. has resulted in a relationship in which cooperation on certain issues is often accompanied by obstruction on others. The Enhanced Partnership With Pakistan Act of 2009, also known as the Kerry-Lugar-Berman legislation, was intended to change this by authorizing up to \$1.5 billion in civilian aid per year through 2014. Among other goals, the legislation is supposed to convey to Pakistan that the U.S. interest is in a strategic partnership and not just a transactional relationship.

Although we have seen improved cooperation with certain elements of the Pakistani Government, the positive benefits of Kerry-Lugar-Berman have not yet spilled over into other arenas, such as security, in any meaningful way. The fact remains that Pakistani and U.S. strategic interests diverge on certain issues, especially those concerning Islamist terrorist groups like Lashkar-e-Taiba, which the Pakistani

ISI continues to view as a strategic asset vis-à-vis India.

How, then, does the administration plan to address these critical issues that continue to warp our entire policy in the region? I would hope that as a strategic partner Pakistan would not merely cooperate with us when it suits their immediate interests.

Although I have focused almost exclusively on Afghanistan, Pakistan, and to some degree India, I hope some of our panelists will discuss our programs in the other countries of the region. But after all, I only have 5 minutes, so I have to keep mine relatively brief. You have all only get 5 minutes, too, unfortunately. Several examples include our programs to assist the Sri Lankans in their post-civil war reconciliation and our efforts to help the Nepalese Government continue its transition to democracy.

Without any further delay, I would like to recognize my good friend from New York, the ranking member, Mr. Ackerman, for 5 minutes.

Mr. ACKERMAN. Thank you very much, Mr. Chairman, and thank you for assembling this panel of superstars.

Mr. Chairman, the heart of our security dilemma in South Asia lies in a region that covers the northwest of Pakistan and the southeast of Afghanistan. Whatever the lines on the map may indicate, this cross-border area is where the focus of our concerns should lie. Here is where al-Qaeda has sought cover; here is where the Afghan Taliban is sustained; here is where the Pakistani Taliban is strongest. Here is where the Afghan warlords make their deals. Here is where the reach of the Pakistani state is weakest. Here is where the combination of cooperation and perfidy by the ISI is most stark. Here is where both the convergence and divergence between U.S., Pakistani, and Afghan interests are most clear.

This region is the chokepoint for much of the war materiel going into Afghanistan, both ours and theirs. This is the region where violence, radical Islamism, is most concentrated and secure. This region is the chief operating area for our drones because it is the area most saturated with high value targets.

Even though this broad scenario has been the same for years, we are always, always, always making progress, except we never seem to get anywhere. The number of attacks against our side continues to rise. The number of fighters on the other side never seems to drop. President Karzai is alleged to be a crook. President Zardari is alleged to be President Zardari. Pakistan is about to go broke or collapse or broke. Afghanistan's new government continues to plumb new depths in the practice of corruption.

The border is open to us. The border is open to them. The ISI is cooperating with us. The ISI is cooperating with them. The Afghan National Security Forces are always being trained and always melting away.

I know that our President in December 2010 announced, "We are seeing significant progress," he said, "against the core goal," and that al-Qaeda senior leadership are under more pressure and that, "we are clearing more areas from the Taliban control and more Afghans are reclaiming their communities," he said. I know that he questioned that, "The gains we have made are still fragile and reversible," said the President. I know that he affirmed the goal agreed to at the November 2010 Lisbon NATO summit to move toward what he said was a transition to full Afghan lead for security that will begin early next year—that is 2011—and will conclude in 2014, said the President.

Mr. Chairman, I know all that, but I can't see anything changing. The money keeps getting spent and the wounded and the dead keep coming home. Maybe from Washington the progress can't be discerned amid all of the conflicting data and narratives. I hope, indeed, I pray, that things are going to be better than they are from here. But after 10 years of hearing the same sales pitch, I tend to doubt it.

I doubt that our money is buying anything that is deep or durable. I doubt that these new trained security forces are going to take

the lead in weeks, much less years. I doubt the leaders in the Afghan Government and the Pakistani Government are going to do anything except pursue their own narrow, venal, self-interest. I doubt the ISI will ever stop working with us during the day and going to see their not-so-secret friends in the Lashkar-e-Taiba or Jaish-e-Mohammed, and other terrorist groups at night. Most of all, I doubt that we aren't being taken for suckers and that the massive expenditures and the terrible sacrifices of our troops will, in the end, be vindicated by anything that resembles success.

A few words about India and other South Asian States. The brightest light in South Asia's constellation and the strategic center of gravity for the region is India, which has been on a sustained path toward economic and political empowerment. As the world's largest democracy, India is a natural partner for the United States. And I am delighted by the way that our relations have blossomed ever since the Clinton administration.

My complaint here, however, is much the same as it has been for some time. Our relations with India are still too narrow and still too shallow. Some of the responsibility is ours, some is theirs. On the economic side, there is too much opportunity being lost to outdated rules, regulations and laws limiting the attractiveness of accessibility of India as a destination for business and investment. On the defense and security side, things are going well between our two defense establishments, and I have high hopes that he will go much further still. America makes the best defensive equipment in the world and India's security requirements are very, very real.

And here, the United States has failed India in that we have not used our diplomatic leadership and agenda for setting capability to focus global attention to the threat to India from Pakistan-based terrorists such as Lashkar-e-Taiba, that continue to raise money from all over the world. If there is, God forbid, another Mumbai-like strike, we will not be able to say that we did our utmost to prevent it, because in truth we haven't.

The ambitions of these terrorists have only grown and a full-fledged global campaign to crush these thugs still awaits, at our peril. The governments in Sri Lanka, Nepal, Bhutan, Bangladesh are in varying degrees transitional, and all face tough challenges in knitting together the social fabric of their nations. Some have faced revolutions, others civil war or conflict. Each faces the difficult task of providing a government that serves all of its people, that is bound by the law, and that is answerable ultimately to their publics.

American aid to these national efforts serves our national interest and reflects the values that we hold most dear. Partnership with these nations as well as our friends in the Maldives serves our national interest for very little relative cost and should be sustained even in these very difficult economic times.

You have described an agenda wherein a lot of ground has to be covered, Mr. Chairman, and I look forward to hearing from distinguished witnesses.

Mr. CHABOT. Thank you very much, Mr. Ackerman. Are there any other members of the committee who would like to make a 1-



minute opening statement? We will proceed with the introductions of our distinguished panel here this morning.

First, we have Ambassador Robert Blake, who was appointed Assistant Secretary of South and Central Asian Affairs in May 2009. He previously served as Ambassador to Sri Lanka and Maldives, and as Deputy Chief of Mission at the U.S. mission in New Delhi. He has also held a number of positions at the State Department in Washington, including Senior Desk Officer for Turkey; Deputy Executive Secretary and Executive Assistant to the Under Secretary for Political Affairs. We welcome you here, Ambassador.

Next, we have Nisha Desai Biswal, who currently serves as USAID's Assistant Administrator for Asia. Prior to her appointment, she served as the majority clerk for the State Department and Foreign Operations Subcommittee on the House Committee on Appropriations. She also previously served on the professional staff of the House International Relations Committee, where she was responsible for South and Central Asia policy as well as oversight of the State Department and USAID. We welcome you here, Ms. Biswal.

Next, we have Dan Feldman, who is one of the three deputies to the Special Representative for Afghanistan and Pakistan. His previous government experience includes serving as Director of Multilateral and Humanitarian Affairs at the National Security Council in the Clinton administration, where he was responsible for global human rights issues, and as counsel and communications adviser to the U.S. Senate Homeland Security and Governmental Affairs Committee. Thank you for being here Mr. Feldman.

Finally, last but not least is Larry Sampler, who is currently the Principal Deputy Assistant to the Administrator and Deputy Director of the Office of Afghanistan and Pakistan Affairs at USAID. Prior to this, he served as the Deputy Coordinator for Reconstruction and Stabilization at the Department of State and as the Chief of Staff for the United Nations Assistance Mission in Afghanistan. Mr. Sampler has also served in the Special Operations community of the U.S. Army, and we thank him for his service to our country. For 15 years I believe, Mr. Sampler, is that correct?

Mr. SAMPLER. That is right.

Mr. CHABOT. Thank you for your service, and thank you for all your services here in the different capacities.

Gerry, would you want to make a 1-minute statement? You are welcome to do so.

Mr. CONNOLLY. Mr. Chairman, I thank you very much. I am very interested in the testimony today. I do have a prepared statement. Without objection, I would ask it be inserted in the record.

Mr. CHABOT. Without objection, so ordered.

Mr. CONNOLLY. Let me just say, an issue, Mr. Chairman, that I think we on a bipartisan basis need to follow, and that is the whole CERP program, the Commanders' Emergency Response Program. It has grown enormously. It falls through the cracks. The intentions are all goods, but the amounts are not so big. It would make it one of the largest bilateral aid programs in the world, and we need to get our arms around it in terms of making sure it is efficacious and making sure that we have full auditing trails of such

large amounts of money. So I am interested in hearing our witnesses talk about that today, too.

Thank you, Mr. Chairman.

Mr. CHABOT. Thank you very much. We will remind the panel, as you probably know, we operate under the 5-minute rule, both for members up here and the panelists. As I say, we have a very distinguished panel here this afternoon. There should be a lighting system which should be functioning there to let you know how much of the 5 minutes are being used. A yellow light will come on when you have 1 minute to wrap up. The red light will come in, and you are supposed to stop then. If you didn't cooperate too much, I have tap the little gavel. And at some point I will bang it pretty loudly.

Your testimony in full, of course, will be taken for record, and we will get into things in questions as well.

Mr. Ambassador, you are our first witness. So we appreciate you being here. You have 5 minutes.

**STATEMENT OF THE HONORABLE ROBERT O. BLAKE, ASSISTANT SECRETARY OF STATE FOR SOUTH AND CENTRAL ASIAN AFFAIRS, U.S. DEPARTMENT OF STATE**

Mr. BLAKE. Thank you, Mr. Chairman and Mr. Ackerman, members of the committee. I am very pleased to be here today to speak with you about U.S. foreign policy priorities and needs in South Asia. I have submitted testimony about the countries under my purview, and I would just briefly summarize it now.

Mr. Chairman, South Asia holds more than 1.4 billion people, nearly a quarter of the world's population, and yet only 2.5 percent of the world's GDP. More than 50 percent of South Asians are under 25 and nearly three-quarters of them live on less than \$2 a day. This burgeoning, multi-ethnic region, anchored by the growing prosperity and global reach of India, plays an instrumental role in world affairs, international commerce, and global peace and security. Since 2008, democratically elected leaders govern all South Asian countries, an indication that India's democracy has served as a useful model in the region.

The United States and India enjoy a truly global strategic partnership now, thanks to President Obama's recent visit in November 2010. India's 8 percent growth rate makes it the world second fastest growing major economy today. During the President's visit he announced trade deals that exceeded \$14.9 billion in total value, with \$9.5 billion in U.S. export content, supporting almost 54,000 jobs.

India is also among the fastest growing sources of investment into the United States. In the last decade, investment capital coming from India to the United States grew at an annualized rate of 53 percent, reaching \$4.4 billion in 2009.

The strategic partnership with India will remain among our top foreign policy priorities. As the President told the Indian Parliament last year, with India assuming its rightful place in the world, we have an historic opportunity to make this relationship between our countries a defining partnership for the century ahead.

I would like to take note of the recent resumption of talks between India and Pakistan and the demonstration of goodwill by both sides. Both countries made important strides during Home Secretary talks last week by agreeing to set up a hotline between their two governments to share information about the threats of terrorism and to share and facilitate the work of commissions investigating terrorist attacks.

Turning to Bangladesh, it is a democratic and moderate Muslim country of 160 million people with a rapidly growing economy. It is a country with which the United States has a strong interest in maintaining close relations. Since Prime Minister Hasina was elected in December 2008, Bangladesh has denied space to terrorist, captured several key leaders of violent insurgent groups, and prioritized improving relations with India.

When I went to Bangladesh 2 weeks ago, Mr. Chairman, I pressed the government to protect the integrity of civil society and the autonomy of Grameen Bank. I warned that a failure to find a compromise that respects Dr. Yunus' global stature and maintains the integrity and effectiveness necessary of Grameen could affect our bilateral relations.

Off the coast of southern India lies Sri Lanka, still recovering from its 26-year conflict with the LTTE. Positioned directly on the shipping routes that carry petroleum products and other trade from the Gulf to East Asia, Sri Lanka remains a strategic interest to the United States. An important contributor to the global peacekeeping operation, it is poised to be a capable and willing partner to effectively combat violent extremist, trafficking, and piracy. But the government's worrying record on human rights, its weakening of democratic institutions and practices, and the way in which it conducted the final months of its conflict against the Tamil Tigers, hamper our ability to fully engage. We continue to stress the importance of reconciliation and accountability for the future stability and prosperity of that country.

Nepal is one of the poorest countries in Asia, but it continues its dramatic transformation from a caste-bound constitutional monarchy racked by a bloody Maoist insurgency to a Federal republic that represents and includes all minorities and ethnicities. Although numerous challenges remain, overall trends are positive. When Nepal's leadership demonstrates its readiness to move forward on the final elements of the peace process, we stand ready to provide limited supports for some aspects of that.

Mr. Chairman, in conclusion, South Asia is one of the most vital regions of the world for the United States, and its importance will only grow. The recent histories of Bangladesh, Sri Lanka, Nepal, Bhutan, and Maldives show they are joining India in consolidating democracy and contributing to the peace and security of the larger world. They may seem small, but they understand the need to think big and the importance of working with us.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Blake follows:]

TESTIMONY BEFORE THE HOUSE FOREIGN AFFAIRS  
COMMITTEE, SUBCOMMITTEE ON THE MIDDLE EAST AND SOUTH  
ASIA  
ROBERT O. BLAKE, JR.  
ASSISTANT SECRETARY OF STATE  
BUREAU OF SOUTH AND CENTRAL ASIAN AFFAIRS  
APRIL 5, 2011

Chairman Chabot, members of the committee: Thank you for inviting me here to speak with you today about U.S. foreign policy priorities and needs in South Asia. I welcome this opportunity to share with you the breadth and importance of our strategic engagement in this ever-crucial part of the world.

The South Asia region that I cover consists of India, Nepal, Bangladesh, Sri Lanka, Bhutan and Maldives; Special Representative for Afghanistan and Pakistan Marc Grossman has primary responsibility for those two critical countries.

South Asia holds more than 1.4 billion people, nearly a quarter of the world's population, and yet only about 2.5 percent of the world's GDP. More than 50 percent of South Asians are under 25, and nearly three-quarters of them live on less than \$2 per day.

This burgeoning, multi-ethnic, multi-religious region, anchored by the growing prosperity and global reach of India, plays an instrumental role in world affairs, international commerce, and global peace and security. Moreover, since 2008, democratically elected leaders govern all South Asian countries, an indication that India's thriving democracy has served as a useful model in the region.

The United States seeks to deepen its strategic partnership with India, highlighted by President Obama's recent visit to Mumbai and New Delhi in November 2010. Mirroring India's economic and political dynamism, the entire region is in the midst of a positive trajectory towards prosperity and peace. The United States aims to bolster this regional progress by promoting greater integration, which can build ties that will reinforce democratic institutions, build economies, and enhance security.

I will first discuss our strategic partnership with India. I will then delve into India's neighbors: Bangladesh's economic and social growth, Sri Lanka's recovery

from a devastating civil war, Nepal's attempt to bring its ongoing peace process to a successful conclusion, and the peaceful democratic transitions in Maldives and Bhutan.

### **India**

The United States and India enjoy a strong global strategic partnership, highlighted by President Obama's recent visit to Mumbai and New Delhi in November 2010. India shares our commitment to pluralism, religious liberty, human rights, universal education and the promotion of innovation and free enterprise. Indeed our mutual commitment to these freedoms animates our global strategic partnership and provides us with the energy and the courage to build a better world together.

With the fulcrum of geopolitics shifting quickly to Asia, India plays an increasingly critical role in our strategic thinking. Given the significance of Asia, I'd like to take this opportunity to describe how a strategy of sustained, multi-faceted engagement with India contributes to stability and security in the United States, the South Asia region, and the world.

India's 8 percent growth rate makes India the world's second fastest-growing major economy today. It is projected to become the world's third largest economy in the year 2025. India's growth is driven by balanced, sustainable domestic demand. It is worth noting that the first Cabinet-level visit to India after the President was by Commerce Secretary Locke, who led a successful trade mission to India earlier this year.

The rise of India is in our best interest, and its growth redounds with benefits to our own economy. For instance, during the President's historic visit to India in November, he announced commercial deals that exceeded \$14.9 billion in total value with \$9.5 billion in U.S. export content, supporting an estimated 53,670 jobs. These deals reflect a snapshot in what is a growing continuum of mutually beneficial private sector and government deals between our robust, open, democratically-driven societies.

Despite the global economic recession, recently-released goods trade data for 2010 show record goods trade with India. U.S. exports to India rose by 17 percent; U.S. imports from India rose by 40 percent. We will continue to actively engage the Indian government to expand trade and investment opportunities for our businesses.

Given India's demography, burgeoning economy, and projected needs, we expect our export numbers to India to continue rising dramatically. We estimate that India's infrastructure needs alone – for sea ports, airports, roads, bridges, energy, hospitals, and the like – will reach a staggering \$1.7 trillion. We will facilitate increased economic engagement to take advantage of this opportunity.

India also is among the fastest growing sources of investment into the United States. Investment from India already contributes to the growth of the American economy and to the creation of jobs in the United States. In fact, in the last decade the stock of foreign direct investment into the United States that originated in India grew at an annualized rate of 53 percent reaching an estimated \$4.4 billion in 2009.

As a sign of India's global development and economic leadership, we have also started to collaborate on assistance activities, such as women's empowerment and capacity building activities in Afghanistan, and food security in Africa.

We have also embarked on a far-reaching dialogue on agricultural cooperation. In addition to the food security activities that the U.S. and India will initiate in Africa, we also discuss farm-to-market linkages and weather and crop forecasting. In fact, the National Oceanic and Atmospheric Administration has established a "monsoon desk" to coordinate the use of data to craft models and simulations, which will assist Indian farmers in planting and harvesting. Bolstering Indian food security would help the entire region feed its burgeoning population, and thereby lower global food prices.

One core facet of the U.S-India global strategic partnership – and one that will reap extraordinary dividends both in economic and security terms – is our increasing defense ties.

Our two militaries enjoy a robust series of exchanges, visits, and exercises that create critical linkages between personnel and further deepen habits of cooperation. From counter-piracy to disaster relief, our two militaries have much to gain from each other especially in light of the similar challenges we both face in the Indian Ocean and Asia Pacific region.

I also want to touch upon U.S. defense sales to India, which have skyrocketed over the last decade. The value of these sales is not just the dollar figure – they both represent and strengthen deeper levels of cooperation between our two militaries

and facilitate building people-to-people ties. India has purchased more than \$4 billion of U.S. defense hardware over the last decade.

The Indian government is also in the final stages of finalizing a \$4.1 billion sale for ten C-17 Globemaster heavy-lift transport aircraft – a deal announced during the President’s recent visit. This deal will double U.S.-India defense trade and support more than 20,000 U.S. jobs. Once all these aircrafts have been delivered, India will have the second largest C-17 fleet in the world, behind that of the United States, providing the Indian Air Force with a strategic airlift and humanitarian response capability unique in the region.

Two American aircraft, the F/A 18 Super Hornet and F-16IN Viper, are among the contenders for the Medium Multi-Role Combat Aircraft (MMRCA) competition, an \$11 billion tender which we hope will further enhance strategic, military, and economic ties between the U.S. and India. And with India expected to spend more than \$45 billion on military modernization over the next five years, we hope the merits of American technology will continue to outshine the competition.

The global strategic partnership with India will remain among our top foreign policy priorities. As the President told the Indian Parliament last November, “with India assuming its rightful place in the world, we have an historic opportunity to make the relationship between our two countries a defining partnership of the century ahead.”

### **Bangladesh**

On India’s eastern flank is Bangladesh. As a democratic and moderate Muslim majority nation of 160 million people, Bangladesh is a country with which the United States has a vested interest in maintaining close relations. Bangladesh has recently emerged as a strategically important regional player.

Like India, the growing economy of Bangladesh is attracting increased levels of U.S. foreign investment. Bangladesh relies on U.S. companies such as Chevron -- one of the largest foreign investors in the country -- to develop its energy resources and fuel its economic growth.

The Government of Bangladesh, despite recent questions surrounding its domestic governance, has cooperated with the U.S. on some of the most pressing issues of our time, including counterterrorism, food security, global health, and climate change, all which have far reaching implications beyond its borders. Since the

Prime Minister Hasina was elected in December 2008, Bangladesh has denied space to terrorists, capturing several key leaders of violent insurgent groups.

Prime Minister Hasina has also prioritized improving relations with India, which can help lead to regional solutions on energy shortages, water sharing, and security.

Bangladesh has achieved economic success in recent years, sustaining an annual growth rate of roughly 6 percent a year for past decade and well on track to meet most of the Millennium Development Goals by 2015. But Bangladesh still remains among the poorest countries in Asia. Its selection for all three of President Obama's global initiatives – the Global Health Initiative, Feed the Future, and Global Climate Change – could transform the development gains achieved so far into lasting, life-altering improvements.

Bangladesh is a secular democracy, with a history of religious and ethnic tolerance. It also can be proud of its vibrant and innovative civil society, which has produced such outstanding global citizens as Nobel Peace Laureate Dr. Muhammad Yunus, whose Grameen Bank was a pioneer of the concept of "microcredit" – providing small loans to tens of millions of Bangladeshis, especially women, who possess little or no collateral.

The Bangladesh government and Dr. Yunus have become embroiled in a struggle for control of Grameen Bank, which has implications for the health of Bangladesh's civil society. When I went to Bangladesh two weeks ago, Dr. James Wolfensohn and I pressed the Government of Bangladesh to protect the integrity of civil society and the autonomy of the Grameen Bank, and I warned that a failure to find a compromise that respects Dr. Yunus' global stature and maintains the integrity and effectiveness of Grameen could affect our bilateral relations. In the meantime, we intend to work with Bangladesh and its people to advance our common interests and help sustain the country's upward movement.

### **Sri Lanka**

Off the coast of southern India sits Sri Lanka, still recovering from the 26-year conflict with the LTTE.

Positioned directly on the shipping routes that carry petroleum products and other trade from the Gulf to East Asia, Sri Lanka remains of strategic interest to the U.S. An important contributor to global peacekeeping operations, Sri Lanka stands



poised to be a capable and willing partner to effectively combat violent extremism, trafficking and piracy, and thereby help to ensure the maritime security of the region.

But the Government's worrisome record on human rights, weakening of democratic institutions and practices, and the way in which it conducted the final months of its conflict against the Tamil Tigers hamper our ability to fully engage.

The Administration believes – and Congressional Appropriations language specifies – that our security cooperation, in many forms, should remain limited until progress has been made on fundamental human rights, democracy and governance issues, and the concrete steps necessary for a true and lasting national reconciliation.

The United States welcomed Sri Lanka's establishment of their Lessons Learnt and Reconciliation Commission and its implementing body – the Inter Agency Advisory Committee. Sri Lanka also has taken some steps forward on reconciliation such as resettling the vast majority of the nearly 300,000 internally displaced persons at the end of the conflict, demining 5 million square meters, reducing the reach of High Security Zones, and hiring 335 Tamil-speaking police, and beginning a dialogue with the Tamil National Alliance but more needs to be done. We have urged Sri Lanka to take credible and meaningful steps towards accountability and have warned that a failure to do so is likely to generate pressure for an international commission.

Our assistance programs aim to increase post-conflict stability in the North of Sri Lanka by promoting reconciliation, enhancing local governance, building civil society capacity, increasing economic opportunities to those affected by conflict, and assisting the continued resettlement and reintegration of displaced persons.

I will travel to Colombo tonight for a two-day visit, during which I will stress the importance of reconciliation and accountability to the future stability of the nation.

### **Nepal**

One of the poorest countries in Asia, Nepal continues its dramatic transformation from a caste-bound constitutional monarchy, wracked by a bloody Maoist insurgency from 1996-2006 that killed over 13,000 people, to a federal republic that represents and includes all minorities and ethnicities.

Although numerous challenges remain, overall trends are positive. Since resigning from government in 2009, the Maoists have remained engaged in parliamentary politics, and on March 4 agreed to join the government of newly elected Prime Minister Jhala Nath Khanal.

While the political parties remain divided on the form of government and state structure, the number of outstanding issues has narrowed significantly over the past few months, especially on crucial matters like the independence of the judiciary. Given a sufficient amount of political will from all sides – the government may meet the May 28 constitutional drafting deadline. Despite its sometimes halting pace, the peace process nonetheless remains intact, and we see no imminent threat of a return to armed violence.

As an indication of their resolve to move ahead, the Maoists transferred command of their combatants to a multi-party Special Committee this January that is overseeing the monitoring mechanism previously maintained by the UN.

With the formation of the new coalition government, we look forward to a re-energized commitment from all parties toward finalizing the rest of the peace process, especially the integration and rehabilitation of Maoist combatants along lines agreed to by consensus among the political parties.

In order to help move the political process forward, we have helped build the capacity of key democratic institutions like the Election Commission, the Nepalese Parliament, and political parties to become more democratic, inclusive, and effective through training and workshops.

As my colleague, the Assistant Administrator for Asia at USAID, Nisha Biswal will attest, a wide range of USAID activities – ranging from increasing farmers' incomes to providing vocational and literacy training to helping ensure sustainable, accessible quality basic healthcare throughout Nepal – have helped improve prospects for employment, education, or even just longevity across the country.

We similarly welcome the upcoming signing of a Trade and Investment Framework Agreement with Nepal, which will help strengthen the commercial relationship between the two countries and facilitate the sort of broad-based activity necessary for economic development.

When Nepal's political leadership demonstrates its readiness to move forward on the final elements of the peace process, we stand ready to provide limited support

for some aspects of rehabilitation such as vocational training or to help ease the transition of these young Nepalis back into civilian life.

### **Maldives**

While we seek to bolster the democracies in Nepal and Sri Lanka after devastating internal conflicts, we seek to reinforce the peaceful democratic transition that occurred in the Maldives in 2008. As a small, pro-American, majority Muslim nation in its third year of fledgling democracy, Maldives punches well above its weight globally. A good example of Maldives' willingness to stake out courageous and correct positions was its co-sponsorship of an Iran human rights resolution of the UN Human Rights Council in February.

We look to promote and enhance maritime security and law enforcement with Maldivian forces, who look after the security of more than 1200 islands. While they continue to demonstrate the effectiveness of their small, but very professional National Defense Force, Maldives is situated on the front lines of common threats including Somali piracy, narco-trafficking and the recruitment and training grounds of Al Qaeda and Lashkar-e-Taiba.

### **Bhutan**

Although Bhutan maintains a policy of not having official relations with any P-5 member, we continue to have warm interactions with this Himalayan Buddhist kingdom that also peacefully transitioned to a parliamentary democracy in 2008. We recently hosted the Chief Justice and several Supreme Court judges, who in a sign of judicial independence, recently ruled against the government in their first federal case, which, you might not be surprised to learn, involved taxes. Under Secretary for Global Affairs Maria Otero also traveled to Bhutan in February to discuss the possibility of repatriating Bhutanese refugees currently in Nepal.

### **Ensuring Regional Stability**

The key to knitting these diverse but important nations together lies with New Delhi. Indian Foreign Secretary Nirupama Rao put it well in a speech last fall, when she said that India's emergence as a global power requires "*a peaceful and stable neighborhood and external environment.*"

South Asia is one of the least regionally integrated regions in the world. Regional peace will allow South Asia to reach its full potential. Continued social and

economic integration throughout South Asia has at its core India's growing and emerging global leadership and the importance of improved ties between India and Pakistan. Prime Minister Singh's statesmanship, and his partnership with counterparts in Pakistan and Bangladesh, has proved crucial in leading regional integration efforts. It is worth repeating that a stable South Asia provides unquestionable benefits to the safety and security of the United States.

Finally, I'd like to take note of the recent resumption of talks between India and Pakistan and the demonstration of goodwill by both sides. Both countries made important strides during Home Secretary talks last week by agreeing, among other things, to set up a "hotline" between the two governments to share information about the threat of terrorism in real time; to examine how to streamline visa issues; and to share information and facilitate the work of an Indian Commission investigating the Mumbai terror attacks. By inviting Prime Minister Gilani of Pakistan to sit with him during last week's historic cricket match, Indian Prime Minister Manmohan Singh displayed brave leadership in reaching out to the majorities in both countries who have a more hopeful vision for India-Pakistan relations. We commend the Prime Minister's leadership, and feel that this is another very important opportunity for both governments to explore important items on their agendas. We hope that progress can be made.

### **Conclusion**

Mr. Chairman, in conclusion, South Asia is one of the most vital regions in the world for the United States and its importance will only grow. The recent histories of Bangladesh, Sri Lanka, Nepal, Bhutan, and Maldives show that they are joining India in consolidating democracy, on a path towards full human rights, and contributing to the peace and security of the larger world. They may seem small, but they understand the need to think big and the importance of working with the United States.

Thank you. I look forward to your questions.

Mr. CHABOT. Thank you very much, Mr. Ambassador. Your timing was impeccable.

Ms. Biswal, you are recognized for 5 minutes.

### **STATEMENT OF THE HONORABLE NISHA DESAI BISWAL, ASSISTANT ADMINISTRATOR FOR ASIA, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT**

Ms. BISWAL. Thank you, Mr. Chairman. Chairman Chabot, Ranking Member Ackerman, and members of the committee, thank you very much for the invitation to testify today on behalf of President Obama's Fiscal Year 2012 budget for USAID programs in South Asia. It is a particular honor for me to appear before this committee after having served here as professional staff, and I am also very pleased to be here with my colleagues, Bob Blake, Dan Feldman, and Larry Sampler.

Mr. Chairman, USAID's development programs in Bangladesh, India, Nepal, and Sri Lanka are addressing critical development challenges and advancing critical American interests. With nearly one-fourth of the global population, a third of which still lives in poverty, South Asia continues to experience significant development challenges. At the same time it is a region of strong economic growth and impressive progress. The American people can take pride in the role that the United States has played in this progress, whether it be the Green Revolution of the sixties and seventies, which saved millions of lives by increasing agricultural productivity, or the strides that we are making today on reducing infant and maternal deaths and improving other health outcomes.

Our investments in South Asia have also benefited the American people. For example, in the last decade, U.S. Exports to India have quadrupled and Indian investment in the United States has grown significantly. In fact, globally U.S. exports to developing countries overall has grown six times faster than our exports to major economies.

USAID Administrator Rajiv Shah has talked about the need for the United States to reach out to the 2–3 billion people who are currently at the bottom of the economic pyramid who have the potential to rise to the middle class. A large portion of the bottom billion reside in South Asia. By establishing links to them today with these future consumers, we can effectively position American companies for marketing to them in the future.

To improve our own efficiency, USAID is reforming the way that we do business, streamlining our procurement processes, broadening our partner base, employing the strategic use of science and technology to create more innovative solutions and strengthening our evaluation capability to better assess when the programs are working and when they should be replicated.

USAID missions in South Asia are applying these lessons to focus our resources in this very densely populated region of profound poverty, chronic food insecurity, and environmental vulnerability.

Across the region, USAID devotes about 50 percent of our 2012 request toward improving health outcomes. Nepal, India, and Bangladesh are all USAID focus countries for the Global Health Initiative. Our investments in the health sector in South Asia have been highly effective, resulting in improved maternal and child health, slowed rates of population growth, and virtually eradicating polio and other childhood disease. In the past two decades, India has reduced its infant mortality by 27 percent, Nepal by 39 percent, and Bangladesh by 37 percent.

About 20 percent of the request is for improving food security and agriculture in South Asia. Despite the advances of the Green Revolution, the region has once again become food insecure. So in Bangladesh our programs focus on improving production outputs of rice, maize, and fisheries, and supporting research for saline-resistant rice that can grow in the country's flood plains, which are becoming increasingly more saline.

In Nepal, the program targets the southern Terai, the breadbasket region of Nepal, which has stalled agricultural productivity because of the violent conflict of recent years.

In India, the U.S. has embarked on a strategic partnership with the Government of India to harness the capabilities of both the United States and India in addressing poverty and hunger in India, as well as tackling these challenges globally. President Obama and Prime Minister Singh announced the Partnership for an Evergreen Revolution in November during that historic visit.

Mr. Chairman, South Asia also faces strong and unique environmental vulnerabilities that challenge its growth. Changing water supply caused by shifting glaciers and monsoon patterns threaten economic growth, health, and security. So we are working with scientific communities, other U.S. Government agencies, and private sector, to help communities manage these dwindling resources and to address the consequences on health and social issues.

We are also focusing on disaster risk reduction. Because the region is so prone to cyclones, monsoon floods, and earthquakes, as we saw this week the minor earthquake in northern India, we are launching an effort to mainstream disaster risk reduction into our development programs, working with other donors, including the World Bank, so that we can minimize the impact of disasters in this region.

Finally, because we know that strengthening weak governance and improving transparency and accountability is critical to everything that we do, we are building these good governance programs into every sector of work that we do in South Asia, including expanding the democratic space in post-conflict transitions in Sri Lanka and Nepal, strengthening weak institutions in Bangladesh, and tackling corruption throughout the region.

Mr. Chairman, thank you very much for the opportunity to testify. I look forward to any questions you may have.

[The prepared statement of Ms. Biswal follows:]

**Statement of Nisha Biswal  
Assistant Administrator Bureau for Asia  
U.S. Agency for International Development  
House Committee on Foreign Affairs  
Sub-Committee on Middle East and South Asia**

*Assessing U.S. Foreign Policy Priorities and Needs in South Asia Amidst Economic Challenges*

**April 5, 2011**

Chairman Chabot, Ranking Member Ackerman and distinguished Members of the Committee:

Thank you for the invitation to testify today on the role of the U.S. Agency for International Development in addressing U.S. Foreign Policy priorities and needs in South Asia during this period of economic challenge. It is a particular honor for me to appear before this committee after having previously served as professional staff on the committee.

This afternoon, I want to share with you my perspective on the vital role of U.S. foreign assistance in this region and how USAID's development programs in Bangladesh, India, Nepal, Sri Lanka and the Maldives address regional challenges and advance American interests. I also hope to get a better sense of the Committee's priorities in the region, and what USAID can do to answer questions and address concerns you may have.

As you may know, USAID is marking its 50<sup>th</sup> anniversary this year. But U.S. assistance to South Asia dates back 60 years, before there was even an AID agency for the U.S. government. The importance of South Asia to our national interest was evident back then and is even more compelling today.

With nearly one fourth of the global population, a third of which is living in poverty, South Asia continues to experience significant development challenges. At the same time, it is also a region of strong growth and impressive progress. The American people can take pride in the role that the United States has played in this progress, whether it be the role that USAID and our Department of Agriculture played in the green revolution of the sixties and seventies, which saved millions of lives by increasing agricultural productivity and putting an end to famines on the subcontinent, or the strides that are currently being made in improving maternal and child health, reducing infant mortality and maternal deaths in Bangladesh and Nepal.

The stable and steady growth in South Asia, led by India's strong economy, has also benefitted America as an important market for U.S. exports. The last decade has witnessed a quadrupling of U.S. exports to India and a significant growth in Indian investment in the United States. In fact, U.S. exports to developing countries overall have grown six times faster than exports to major economies, and today they represent roughly half of all goods and services that the United States markets abroad.

In 2009, we exported over half-a-trillion dollars in American goods and services to those emerging market countries – and 97% of those export revenues went to small-and-medium sized U.S. companies.

At USAID, we want to accelerate the economic growth of tomorrow's trade partners, ensuring those countries grow peacefully and sustainably.

USAID's administrator has talked about the need for the United States to reach out to the bottom billion - the 2-3 billion people currently at the bottom of the pyramid who have the potential to rise above the poverty line. A large portion of these bottom billions reside in Asia, particularly South Asia. By establishing links to these future consumers today, we can effectively position American companies to sell them goods tomorrow.

Whether it is working with a strategic partner like India to identify local solutions and leverage Indian resources to solve development challenges, or strengthening fragile democracies or helping greatly impoverished and vulnerable populations emerging from conflict, USAID programs in South Asia are smart, strategic and they fundamentally advance American interests in the region.

And, under the leadership of Dr. Shah, USAID is reforming the way we do business. We are broadening our partner base and making it easier for small businesses and organizations to partner with us. We are employing the strategic use of science and technology and seeking out innovations that can have a game-changing impact. And we are strengthening our evaluation capability so that we can assess when something is working and replicate it, or determine when a program is not delivering results and should be discontinued.

USAID missions in South Asia have embraced these reform principles and are working to ensure that our programs are based on thorough assessments of needs on the ground and oriented toward achieving measurable results. We are applying the lessons learned to focus our resources where they will do the most good in this densely populated region of profound poverty, chronic food insecurity and environmental vulnerability.

And finally, we are using our investments to leverage resources from other donors and the private sector as well as from host governments. For example, in India, we are able to leverage \$4 dollars of private and other donor funding for every dollar USAID invests in these alliances. Furthermore, the Indian government is investing in USAID-supported innovations for national or statewide replication at an impressive ratio of 34 to 1 for every dollar invested.

#### **U.S. Focus**

U.S. assistance in South Asia focuses heavily on helping countries address challenges in health, food security, environment and governance.

**Health** - Across the region, USAID will devote nearly 50% of the FY 2012 request to improving **health outcomes**. Three countries - Nepal, India and Bangladesh - are USAID focus countries for the Global Health Initiative. U.S. investments in the health sector in South Asia have been highly effective, and have resulted in significant gains in maternal and child health, slowed the rate of population growth in the region, and have virtually eradicated polio and other childhood diseases. Smart investments like mass use of inexpensive Oral Rehydration Therapy, which was pioneered in Bangladesh with U.S. and other donor support, and of Vitamin A supplementation



have greatly reduced childhood deaths in South Asia. In the past two decades, India has reduced its infant mortality by 27%, Nepal by 39% and Bangladesh by 37%. Fertility rates have declined or stabilized through the increased availability of family planning services and contraceptives. The average Bangladeshi woman now bears fewer than three children in her lifetime, down from more than six children in the 1970s. Yet the prevalence of infectious diseases, particularly drug resistant strains of TB and Malaria and HIV are of mounting concern and an increasing focus of USAID programs in the region.

**Food Security and Agriculture** – Approximately 20% of our request is for improving food security and agriculture in South Asia. The Green Revolution of the 1960's resulted from U.S. collaboration in agriculture in Asia, especially in the South Asian countries of Bangladesh, Nepal and India, that led to new advances that saved millions of people from starvation. However, the region has once again become food insecure as agricultural productivity has not kept pace with the growing population, especially in light of changing environmental conditions and a stagnation in agricultural research. After decades of under-investing in agriculture programs, USAID has reinvigorated its focus on food security under the leadership of Presidents Bush and Obama.

Growing food prices are a continuing cause for concern throughout Asia. USAID is working with governments in India, Bangladesh and Nepal, as well as with other international donors and the private sector to develop comprehensive country strategies and investment plans that create a blue print for improving food security in the long-term as well as better responses to avert crises in the short-term.

The Bangladesh Feed the Future (FTF) program focuses on improving production outputs of rice, maize and fisheries. The program will support applied research to develop saline resistant strains of rice that can grow throughout the country's southern flood plains despite rising sea levels. In Nepal, the South Asian country with the lowest per capita income, USAID's FTF program will target populations in the southern Terai region of the country that were hardest hit by violent conflict during that country's civil war.

In India, the United States has embarked on a strategic partnership with the government of India to harness the capabilities of both countries to address poverty and hunger in India and around the world. This *Partnership for an Evergreen Revolution*, launched by President Obama and Prime Minister Singh, leverages U.S. and Indian government resources with private sector contributions to identify and invest in solutions such as climate resilient crops and information technology-enabled extension services that can transform agricultural systems in India and be adapted for application to food insecure countries around the world, particularly Africa. The new U.S.-India partnership will cooperatively adapt innovations to address food security challenges in neighboring countries and in Africa, starting with cooperation in Liberia, Malawi and Kenya.

**Environment** – Among South Asia's environmental vulnerabilities that threaten economic growth, health and security of the region, are changes in future water supplies due to shifting glacier dynamics and monsoon patterns. The Indus River, which serves the 200 million South Asian people living in its basin, is among the most vulnerable water sources in the region: melting glacier ice contributes about one-third of the Indus River's water flow. USAID is

investing in scientific research in South Asia that will inform local planning on how to conserve and manage dwindling water supplies, mitigate glacier retreat and address the health and social consequences of changing water supplies. USAID is also partnering with other USG agencies, the private sector and the U.S. and Asian scientific community to broaden the research and impact of these investments.

As regional economies grow, use of energy can be expected to increase as well. To meet its energy demand, South Asia currently depends on stores of coal, which threatens the environment with serious and potentially irreversible damage that, in turn, will threaten economic gains. USAID is working with countries in South Asia to help them meet energy demands, while protecting their valuable resources for the future.

**Governance** - Strengthening weak governance and improving transparency and accountability is a key focus of our programs in every sector and integral to the way we do business. USAID supports programs that advance the rule of law and improve human rights, strengthen governance, and expand democratic space in the post conflict transitions in Sri Lanka and Nepal, strengthen weak democratic institutions in Bangladesh and tackle corruption through out the region.

For example, in Nepal, USAID programs are building the capacity of key democratic institutions such as the Election Commission, Parliament/Legislature and political parties to become more democratic, inclusive and effective. Complementing these national level activities, USAID also focuses efforts at the local level, helping communities to effectively participate in development and building strong linkages between citizens and local government units.

In Sri Lanka, USAID's programs focus on consolidating peace, stability and economic prosperity in the conflict-affected regions of the east and north, addressing key drivers of conflict. Our assistance strengthens rule of law, encourages reform of local government agencies and improves access to justice for minority and marginalized populations. USAID programs have improved economic conditions in the conflict-torn North and East of Sri Lanka by helping local businesses create economic opportunities, leveraging direct private sector contributions of \$45 million for these efforts.

**Disaster Risk Reduction** – The South Asia region's vulnerability to natural disasters is well known. Every country suffers from devastating monsoon floods, catastrophic cyclones frequently strike Bangladesh, and Nepal's location along a seismic fault places it at high risk from earthquakes. Over the years, USAID assistance has helped governments to improve their disaster response capabilities to good effect – for example, a network of cyclone shelters saved thousands of lives in Bangladesh in 2007. But, in the wake of the recent earthquake in Japan and in Haiti not long ago, USAID is re-doubling its disaster preparedness efforts and will launch, in partnership with the World Bank and other donors, a global effort to mainstream Disaster Risk Reduction (DRR) into long term development programs. Beginning in Asia, the DRR effort will build on regional examples, such as in Nepal, where private and government sectors have mobilized campaigns to promote awareness and action to integrate DRR at national, regional and local levels. Moving forward, USAID's front end commitment to DRR is not only going to save lives when a disaster strikes, it is a smart economic investment, which can minimize more costly relief and reconstruction needs on the back end of a disaster.

**Closing**

Mr. Chairman, the evidence is clear: development saves lives, strengthens democracies and expands opportunity around the world. It also keeps our country safe and strengthens our own economy. Nowhere is this more prominent than in the countries of South Asia, where the economic benefits to the United States are so compelling and the potential threats to our security are so concerning.

The President's budget request and USAID's programs are a smart investment in our own prosperity and security.

I appreciate the opportunity to share what USAID is doing in South Asia and I am eager to hear your advice and counsel. I welcome any questions you may have.

Mr. CHABOT. Thank you very much. We appreciate your testimony.

Mr. Feldman, you are recognized for 5 minutes.

**STATEMENT OF MR. DANIEL FELDMAN, DEPUTY SPECIAL REPRESENTATIVE FOR AFGHANISTAN AND PAKISTAN, U.S. DEPARTMENT OF STATE**

Mr. FELDMAN. Chairman Chabot, Ranking Member Ackerman, members of the committee, thank you for inviting me here today to discuss U.S. policy in Afghanistan and Pakistan. I have submitted my written remarks for the record and will briefly highlight some key points.

The President's Fiscal Year 2012 budget outlines the resources required to build on hard-won security and civilian gains that we have achieved through the sacrifice of our military and civilian personnel serving in Afghanistan and Pakistan. Today, I want to briefly frame the way forward and explain how we intend to utilize the resources the President requested to reinforce the progress of the military and civilian surges while also launching a political process aimed at splitting the Taliban from al-Qaeda. This diplomatic surge, as Secretary Clinton outlined in her recent speech, would bring the Afghan conflict to an end, further our core goal of disrupting, dismantling, and defeating al-Qaeda, and help to stabilize the region.

First, Afghanistan, where alongside our military more than 1,100 civilians are working to bolster the Afghan Government and lay a foundation for sustainable economic growth that will undercut the insurgency. Assisting us is a broad international coalition—46 nations, one-third of them Muslim majority, form the international contact group which met recently in Jeddah, Saudi Arabia, hosted by the Organization of the Islamic Conference.

We are at the high water mark of the military effort, and as President Karzai announced on March 22, we are preparing to transition provinces and districts to an Afghan lead that encompass roughly 25 percent of Afghanistan's population. This will advance the transition plan agreed to at the Lisbon summit in November and which President Obama reaffirmed in his December policy review. We look forward to combat troop reductions starting in July, and continuing, based on conditions on the ground, with transition to Afghanistan security being completed by 2014. As we have long said, the Afghans must take responsibility for their own future.

With our allies and partners, the United States will realign our civilian and military resources in these provinces to support the Afghan Government's increasing responsibility for security and the delivery of other essential services to its citizens. Our civilians will continue to support the stabilization mission, but will also focus increasingly on developing the capacity of critical Afghan Government institutions.

As General Petraeus testified, retreating from our surge in Afghanistan with our troops still in the field and the handoff to Afghanistan security will be just getting underway would be a grave mistake. During transition, State, USAID, and our civilians from eight other agencies will shoulder increased responsibilities. With-

out a fully resourced State and USAID role in Afghanistan, hard-earned progress by our troops and civilians will be put at risk.

Equally important is our civilian assistance to Pakistan, a nuclear-armed nation with deep ties and strong interests in Afghanistan. We are broadening our partnership and focusing on shared threats as well as addressing Pakistan's political and economic challenges. Since 2009, we have worked with the Pakistani Government and the Pakistani people, including through our enhanced strategic dialogue process, which met last year three times at the ministerial level. This has helped better focus assistance on Pakistan's urgent energy and economic needs and coordinate our efforts against violent extremist organizations.

Even as we have had serious challenges to our relationship, some of which have made headlines, we have continued civilian and military efforts throughout the country and even expanded our cooperation. Challenges must still be overcome in our relationship with Pakistan as distrust lingers on both sides. And as recent events underscore, we need to work together carefully to prevent misunderstandings and disagreements from derailing progress. But it is critical that we remain engaged in Pakistan and help its democratically elected leaders as they work to address the myriad of domestic challenges they face, whether on religious freedoms or economic policy.

We believe that the gains of the past 2 years on both sides of the border have created space for an Afghan-led reconciliation effort settlement aimed at achieving a political settlement of the conflict that will isolate al-Qaeda and enhance regional stability. The U.S. supports this Afghan effort. Over the last 2 years we have laid out our unambiguous redlines for reconciliation with the insurgents. They must renounce violence, they must abandon their alliance with al-Qaeda, and they must abide by the Constitution of Afghanistan, including its protections for the rights of women and minorities. Those are necessary outcomes of any negotiation. Insurgents now face a clear choice—disown al-Qaeda and enter into a political process under Afghanistan's Constitution, or continue to face military pressure.

All of Afghanistan's neighbors, including Pakistan, have legitimate concerns that should be understood and addressed by the Afghan Government in any reconciliation process with steps that provide transparency and reassurance. They also have responsibilities, including respecting Afghan sovereignty, which means agreeing not to play out their rivalries within its borders and working with Kabul to improve regional stability.

We are encouraged by a resumption of dialogue between Pakistan and India and the positive steps taken by Prime Ministers Singh and Gilani last week as a part of cricket diplomacy. We look to them and all of Afghanistan's neighbors to help ensure that al-Qaeda and the syndicate of terrorism is denied safe haven everywhere.

Let me conclude by reiterating that the President's Fiscal Year 2012 budget request for Afghanistan and Pakistan is critical to the success of our military efforts. The success of counterinsurgency is based largely on the ability of civilian institutions and law enforcement governance and development to replace military forces as

soon as security is restored. While tackling corruption is a challenge, we are working with our Afghan and Pakistani partners to ensure that U.S. tax dollars are utilized effectively and efficiently.

Enduring partnerships with Afghanistan and Pakistan are vital to U.S. national interests and stability in South and Central Asia. There have been points in our history when we have disengaged from Pakistan and Afghanistan, with disastrous results. We cannot afford to make that mistake again.

Thank you for your time, and I look forward to answering questions.

[The prepared statement of Mr. Feldman follows:]

**TESTIMONY BEFORE THE HOUSE FOREIGN AFFAIRS COMMITTEE,  
SUBCOMMITTEE ON THE MIDDLE EAST AND SOUTH ASIA  
DANIEL F. FELDMAN  
DEPUTY SPECIAL REPRESENTATIVE  
FOR AFGHANISTAN AND PAKISTAN  
U.S. DEPARTMENT OF STATE**

**April 5, 2011**

Chairman Chabot, Ranking Member Ackerman, Members of the Committee, thank you for inviting me here today to discuss U.S. policy in Afghanistan and Pakistan. I serve as a Deputy to Ambassador Marc Grossman, the Special Representative for Afghanistan and Pakistan who was appointed last month. I am also happy to appear today with Assistant Secretary Bob Blake, and my colleagues from USAID with whom SRAP works closely on our whole-of-government effort.

We face grave threats to our vital interests in Afghanistan and Pakistan. However, as a result of the significant civilian and military resources that President Obama requested and Congress approved since 2009, al-Qaeda's core leadership in the Afghanistan-Pakistan border region is under pressure as never before, the Taliban's momentum has been reversed in Afghanistan's south, and the Pakistani government is increasingly exerting control over its territory.

The President's FY 2012 budget outlines the resources required to build on these gains, achieved through the sacrifice of our military and civilian personnel serving in Afghanistan and Pakistan. Today I want to briefly frame the way forward, and explain how we intend to utilize the resources the President requested to reinforce the progress of the military and civilian surges, while also launching a political process aimed at splitting the Taliban from al-Qaeda. This "diplomatic surge," would bring the Afghan conflict to an end, further our core goal of disrupting, dismantling, and defeating al-Qaeda, and help stabilize the region.

First Afghanistan, where alongside our military, more than 1,100 civilians are working to bolster the Afghan government and lay a foundation for sustainable economic growth that will undercut the insurgency. Assisting us is a broad coalition, including 46 Muslim and non-Muslim nations that form the International Contact Group, which met with the Organization of the Islamic Conference on March 3, 2011 in Jeddah, Saudi Arabia. We are at the high water mark of the military effort and, as President Karzai announced on March 22, we are preparing to transition provinces and districts to an Afghan lead that include roughly 25

percent of Afghanistan's population. This will advance the transition plan agreed to at the Lisbon Summit in November and that President Obama reaffirmed in his December policy review. We look forward to combat troop reductions starting in July and continuing based on conditions on the ground, with transition to Afghan security lead completed by the end of 2014. As we have long said, the Afghans must take responsibility for their own future.

With our Allies and partners, the United States will realign our civilian and military resources in these provinces to support the Afghan government's increasing responsibility for security and the delivery of other essential services to its citizens. Our civilians will continue to support the stabilization mission, but will also focus increasingly on developing the capacity of critical Afghan government institutions. As General Petraeus testified, retreating from our civilian surge in Afghanistan—with our troops still in the field and the hand-off to Afghan security lead just getting underway—would be a grave mistake. During transition, State, USAID, and our civilians from eight other agencies will shoulder increased responsibilities. Without a fully resourced State and USAID role in Afghanistan, hard-earned progress by our troops and civilians will be put at risk.

Equally important is our civilian assistance to Pakistan, a nuclear-armed nation with deep ties and strong interests in Afghanistan. We are broadening our partnership and focusing on shared threats, as well as addressing Pakistan's political and economic challenges. Since 2009, we have worked with the Pakistani government and the Pakistani people, including through our enhanced Strategic Dialogue process, which met last year three times at the Ministerial level. This has refocused assistance on Pakistan's urgent energy and economic needs and coordinated our efforts against violent extremist organizations. Even as we've had serious challenges to the relationship, some of which have made headlines, we've continued civilian and military efforts throughout the country and even expanded our cooperation.

Some of these significant challenges must still be overcome in our relationship with Pakistan, as distrust lingers on both sides. As recent events underscore, we need to work together carefully to prevent misunderstandings and disagreements from derailing progress. But it is critical that we remain engaged in Pakistan and help its democratically-elected leaders as they work to address the myriad of domestic challenges they face, whether on religious freedom or economic policy.

So far, Pakistan's leaders have taken some steps to address these problems, including enacting economic reforms. But the test will be in how these reforms are



implemented. Additionally, Pakistan's leaders still have to reduce corruption, to rebuild from last summer's floods, and to keep making progress in eliminating extremists and their sanctuaries. So we are focused on getting the Strategic Dialogue with Pakistan back on track.

We believe that the gains of the past two years on both sides of the border have created space for an Afghan-led reconciliation effort aimed at achieving a political settlement of the conflict that will isolate al-Qaeda and enhance regional stability. The United States supports this Afghan effort. Over the past two years, we have laid out our unambiguous red lines for reconciliation with the insurgents: They must renounce violence; they must abandon their alliance with al-Qaeda; and they must abide by the constitution of Afghanistan — including its protections for the rights of women. Those are necessary outcomes of any negotiation. Insurgents now face a clear choice — disown al-Qaeda and enter into a political process under Afghanistan's constitution or continue to face military pressure.

Our support for Afghan-led reconciliation reflects our core belief that the conflict will not be resolved through military means alone. President Karzai made a good start by convening a broad-based Peace Jirga in June 2010 that set out a framework for national reconciliation. He then formed a High Peace Council that includes men and women from across Afghanistan. Special Representative Marc Grossman is spearheading our support for this effort, including by conducting extensive regional and international consultations to build support for Karzai's outreach. We believe that all of Afghanistan's neighbors and near-neighbors — India and Iran, Russia and China, the Central Asian states — stand to benefit from a responsible political settlement in Afghanistan and also an end to al-Qaeda safe havens in the border areas and the export of extremism into their countries. That would reduce the terrorist and narcotics threat to their citizens, create new opportunities for commerce, and ease the free flow of energy and resources throughout the region. It could also help move other regional conflicts toward peaceful resolution.

All of Afghanistan's neighbors — including Pakistan, have legitimate concerns that should be understood and addressed by the Afghan government in any reconciliation process, with steps that provide transparency and reassurance. But they also have responsibilities, including respecting Afghan sovereignty — which means agreeing not to play out their rivalries within its borders — and working with Kabul to improve regional stability. Despite historic mistrust, we know cooperation between Afghanistan and Pakistan is possible, as they recently demonstrated by concluding a Transit Trade Agreement that had been in

negotiation since the 1960s. The agreement will boost economic opportunity on both sides of the border by opening new markets and trade routes for their goods.

Similarly, we are encouraged by resumption of dialogue between Pakistan and India and the positive steps taken by Prime Ministers Singh and Gilani last week as a part of cricket diplomacy. We look to them – and all of Afghanistan’s neighbors – to help ensure that al-Qaeda and the syndicate of terrorism is denied safe haven everywhere.

Even as we support Afghan-led reconciliation and the transition process, the United States will relentlessly pursue al-Qaeda and Taliban who refuse to renounce violence. We have also launched negotiations on a new Strategic Partnership Declaration with Afghanistan. It will help Afghanistan improve cooperation with its neighbors, and provide a long-term framework for our bilateral cooperation in the areas of security, economic and social development, and institution building. This strengthened partnership will complement our Strategic Dialogue with Pakistan. The development of these relationships, along with our deepening engagement with key neighbors, is crucial to providing stability and confidence in the region.

Let me conclude by reiterating that the President’s FY2012 budget request for Afghanistan and Pakistan is critical to the success of our military efforts. The success of counterinsurgency is based largely on the ability of civilian institutions – law enforcement, governance, development – to replace military forces as soon as security is restored. While tackling corruption is a challenge, we are working with our Afghan and Pakistani partners to ensure that U.S. tax dollars are utilized effectively and efficiently.

The Afghanistan request supports immediate stabilization programs – for example, the Afghanistan Vouchers for Increased Production in Afghanistan (AVIPA) program – as well as investments in infrastructure that are key to sustained economic growth and ensuring that the transition to Afghan-lead is irreversible. The Pakistan request reflects Congress’ commitment to providing a long-term commitment to enhance Pakistan’s stability by expanding the availability of electricity, stimulating economic opportunity, and improving provision of social services for the Pakistani people. Since passage of the Enhanced Partnership for Pakistan Act in October 2009, we have disbursed over \$1.5 billion in civilian assistance to Pakistan. This includes over \$500 million in emergency and flood assistance, and about \$1 billion for economic development. Among the high-impact, high visibility projects funded in recent months is renovations at the Gomal

Zam dam, which will increase energy production. Meanwhile, our security assistance request provides significant capital support for Pakistani military forces. It also funds the largest military-to-military exchange program in the world, and the Pakistan Counterinsurgency Capabilities Fund (PCCF), which helps Pakistan combat insurgents.

Enduring partnerships with Afghanistan and Pakistan are vital to U.S. national interests and stability in South and Central Asia. There have been points in our history when we have disengaged from Pakistan and Afghanistan with disastrous results; we cannot afford to make that mistake again.

Thank you for your time. I look forward to answering your questions

**Dan Feldman** is one of three Deputies to the Special Representative for Afghanistan and Pakistan. He previously served as a partner in the international Corporate Social Responsibility ("CSR") group at the law firm Foley Hoag LLP, the only CSR legal practice in the U.S. His previous government experience includes serving as Director of Multilateral and Humanitarian Affairs at the National Security Council in the Clinton Administration, where he was responsible for global human rights issues, and as Counsel and Communications Adviser to the U.S. Senate Homeland Security and Governmental Affairs Committee. He acted as Senior Foreign Policy and National Security Advisor to the Kerry presidential campaign in 2004, and also as communications advisor to the Gore campaign in 2000. He helped to found, and subsequently served on the board of, the National Security Network. He has been appointed a White House Fellow and a Henry Luce Scholar, and was a law clerk on the U.S. Court of Appeals for the Ninth Circuit and on the South African Supreme (Constitutional) Court. He is a graduate of Tufts University, Columbia Law School, and Princeton University's Woodrow Wilson School.

Mr. CHABOT. Thank you. Mr. Sampler, you are recognized for 5 minutes.

**STATEMENT OF MR. DONALD SAMPLER, DEPUTY DIRECTOR,  
OFFICE OF AFGHANISTAN AND PAKISTAN AFFAIRS, U.S.  
AGENCY FOR INTERNATIONAL DEVELOPMENT**

Mr. SAMPLER. It is a pleasure to be here today to talk about the Afghanistan and Pakistan portion of the Fiscal Year 2012 budget request and how it contributes to U.S. national security interests

in the whole of South Asia. My full written statement has been entered into the hearing record, and for purposes of opening remarks I would like to just highlight a few key points from that statement.

With respect to national security, U.S. foreign assistance is an inseparable part of U.S. And global security. As Secretary Gates, Admiral Mullen, and General Petraeus have all emphasized to the Congress, we need a fully engaged and fully funded national security presence, to include the core components of our Nation's civilian power, the State Department and USAID.

In the most dangerous areas of Afghanistan and Pakistan today, USAID works side by side with our military and civilian colleagues, participating in the shape, clear, hold, build, and transfer efforts, administering development projects, playing a critical role in stabilizing districts, building responsive local governance, improving the lives of ordinary citizens, and ultimately helping to prepare the way for American troops to return home.

With respect to oversight and accountability, we must be good stewards of the taxpayers' dollars. We understand this. Central to all of our efforts in Afghanistan and Pakistan is an understanding of the critical importance of oversight and accountability. These are areas on which USAID's leadership has focused intensely as they represent key parts of our agency's reform agenda and our team's approach in both countries. I will be happy to discuss this if asked.

With respect to sustainability, one element of the value that USAID adds to the whole-of-government approach is our expertise at integrating the urgent and immediate needs of stabilization work with the important and lasting benefits of more traditional assistance. In Afghanistan, guided by the Afghanistan-Pakistan Review conducted last December, USAID'S 2012 budget request supports two priorities of national security in Afghanistan—attaining stabilization goals and establishing the basic conditions that make investments sustainable. Towards the first, our focus will be to focus and establish the conditions that will support stability through programs that generate employment, resolve disputes, involve the population and their local governance, and provide services in key population centers.

Toward the second priority, our focus will be on foundational investments that help maintain stability while enabling growth and sustaining legitimate governance. Highlights of these investments include the strategic reprioritization of resources in the energy sector; continued support in the areas of gender, education, and health; and increasing the capacity of public and private institutions to generate revenues, generate economic growth, and sustained development efforts.

In Pakistan, U.S. civilian assistance is critical to maintaining and deepening a long-term strategic partnership that the United States is forging with the people and the Government of Pakistan. Our budget request for fiscal 2012 reflects a sustained commitment to cooperation based on mutual goals and values, which include building a more secure, prosperous, and democratic Pakistan. In support of this commitment we will focus U.S. efforts and resources on the following four priority sectors: Energy; economic growth, focusing on agriculture; stabilization; and the social sector, specifically education and health.

In conclusion, we recognize fully the challenges we face in Afghanistan and Pakistan. Problems of limited capacity, corruption, narco activities and their corrosive effect on government all exist. For our part, there are issues related to limited resources, the pending military drawdown, contracting oversight, and the placement and protection of our civilian staff in the field. But these are calls to exercise care and due diligence and to explore ways to do better with fewer resources. These are not reasons to abandon our vital national security interest nor the hard work and sacrifices made thus far.

Finally, in closing, I know that some of the committee are military veterans, and I thank you also for your service. But I also would like to recognize and thank the hundreds of civilians who are serving or have served in frontline countries on the other side of the world as part of our whole-of-government approach to national security. Many of them lived and worked side by side with fellow Americans in the military, sharing the same hardships, the same separations from loved ones, and the same risks. These young men and women, all of them, whether they are in uniform or not, deserve the best that our Government and our agency can do to support them as they do their job, which is to represent the very best of America to the rest of the world.

I am truly honored to be here today, and look forward to answering your questions. Thank you.

[The prepared statement of Mr. Sampler follows:]

Testimony for the Record

Donald Sampler, Principal Deputy Assistant to the Administrator & Deputy Director of the Office of Afghanistan & Pakistan Affairs (OAPA) at the United States Agency for International Development

House Committee Foreign Affairs, Subcommittee on the Middle East and South Asia: "Assessing U.S. Foreign Policy Priorities and Needs Amidst Economic Challenges in South Asia"

April 5, 2011

Chairman Chabot and Ranking Member Ackerman, it is a pleasure to be here before you today to discuss the Afghanistan and Pakistan portion of the Fiscal Year 2012 budget request and how it seeks to advance United States National Security interests in the whole of South Asia. My name is Larry Sampler and I am the Principal Deputy Assistant to the Administrator & Deputy Director of the Office of Afghanistan & Pakistan Affairs (OAPA) at USAID. For the purposes of this testimony I would like to focus my remarks on: the vital link between development and national security; the oversight protocols USAID in Afghanistan and Pakistan have instituted in order to carry out the President's foreign policy goals; and, how this Fiscal Year 2012 request seeks to build upon existing work in these countries in order to ensure the sustainability of our efforts.

**NATIONAL SECURITY**

By improving global stability, our foreign assistance helps keep America safe. As Secretary of Defense Gates, Joint Chiefs Chairman Admiral Mullen, and General Petraeus have all emphasized to the Congress, we need a fully engaged and fully funded national security presence, including the core components of our nation's civilian power: the State Department and USAID.

This year, for the first time, the President's budget designates a portion of USAID funding for Afghanistan to a separate account called the Overseas Contingency Operation Account. This transparent approach distinguishes between temporary war costs and our enduring budget in an effort to consolidate Defense, State, and USAID war costs.

In the most volatile regions of Afghanistan, USAID works side-by-side with the military, playing a critical role in stabilizing districts, building responsive local governance, improving the lives of ordinary Afghans, and ultimately helping to pave the way for American troops to return home.

For example, we're helping to improve agricultural yields in the Arghandab Valley to provide real alternatives to poppy production. As a result, farmers shipped the first agricultural exports out of Kandahar in 40 years. The USG also supported Afghan traders in exporting agricultural produce to new markets with improved shipping methods. In FY 2010, for the first time in Afghan history, fresh grapes were transported overland to Delhi using refrigerated containers. Pomegranates are now exported to Dubai directly from Kandahar airfield. In addition, 40 tons of raisins were exported to the European market under the "exceptional fair trade" status, and pomegranates again using refrigerated containers were for sale in Tajikistan, India, Canada, Holland and Germany.

In Northwest Pakistan, a stronghold for Al Qaeda and the Pakistani Taliban, USAID staff and partners undertake enormous personal risk administering over 1,400 small scale development projects. In the Malakand province, they are helping rebuild 150 schools so children there can become productive members of their economy.

#### **OVERSIGHT AND ACCOUNTABILITY**

Central to all of our efforts in Afghanistan and Pakistan is an understanding of the critical importance of oversight and accountability. These are areas on which USAID's leadership has focused intensively, as they represent key parts of our Agency's reform agenda and our team's approach in both countries. Accountability in the provision of development assistance must continue to be among USAID's highest priorities in Afghanistan and Pakistan. We recognize that we face formidable challenges in both countries as we strive to meet the highest standards of accountability. Let me give you examples of key initiatives we have put into place this year:

##### *Afghanistan:*

USAID has developed the Accountable Assistance for Afghanistan initiative (A<sup>3</sup>) to ensure that proper procedures are in place to help protect assistance dollars from waste and fraud, or otherwise being diverted from their development purpose. This includes investigating unsubstantiated reports that a portion of USAID's development funds in Afghanistan is being extorted by the Taliban. As a result, USAID is enhancing its safeguards for development assistance in the following five categories:

- Award Mechanisms – Utilize assistance awards that provide the most visibility on projects costs, such as cost-reimbursable contracts, and limited layers of subcontracts..
- Partner Vetting – Conduct background investigations on non-U.S. companies and key personnel working on USAID projects.
- Financial Controls – Enhance controls on project funds, such as electronic funds transfers and audits of locally incurred costs.
- Project Oversight – Perform additional project oversight in high-risk areas, utilizing multiple monitoring techniques and delegating more oversight authority to USAID field staff.

Concurrent to these efforts, we are addressing oversight and accountability through our ongoing efforts to increase our civilian footprint and to revise our contracting practices. Over the last 18 months, USAID has increased our staffing footprint throughout Afghanistan to approximately 305 Americans and 170 Afghans as of December 2010. Of that number, approximately 60 percent of our American staff are located outside of Kabul, as are many of our Foreign Service National personnel, who represent increased Afghan capacity and the continuity of USAID's mission.

Our field staff serve on Provincial Reconstruction Teams (PRTs), District Support Teams (DSTs), and in Regional Platforms, bringing with them a wide variety of skills, including backgrounds in law, financial management, auditing, and contracting. Despite high levels of insecurity, we are taking steps to ensure that our staff gets out frequently to assess performance against a set of established targets. Being based in the field allows these personnel to monitor and oversee USAID interventions in their regions and keep activities aligned with Afghan priorities. We are grateful for the Congress' support in appropriating the resources necessary to increase our presence on the ground to ensure better oversight and accountability.

Consistent with the Agency's broader procurement reform agenda, we are working to decrease our reliance on large, multi-year agreements and are instead shifting to implement an increased number of smaller and more flexible agreements that are often shorter in duration. In many instances, these smaller agreements are managed outside of Kabul by our field-based staff who are closer to the actual implementation and provide a higher degree of monitoring and oversight to project progress as well as the use of funds.

In an effort to make projects more manageable and to improve program oversight, in some cases we have moved from larger contracts to smaller contracts, which are more focused programmatically as well as regionally based. For example, one five-year IQC signed in 2006 with a ceiling of \$1.4 billion for infrastructure covered roads, power, and vertical structures. This has now been broken into three separate programmatic areas (dams, transportation, and vertical structures) with up to 12 possible IQC award holders. We intend to do similar in upcoming stabilization programs. Finally, I think it is important to note that through a Mission Order in September 2010, USAID/Afghanistan has re-delegated programmatic and administrative authorities to the field. This enables USAID to improve its oversight capacity and place project managers closer to where projects operate.

Pakistan:

Given the many challenges present in Pakistan today, USAID/Pakistan vets all applicants for assistance for technical capacity, risks of financial misconduct, and terrorist financing before awarding funding. USAID also conducts pre-award assessments of government and non-governmental organizations that do not have a proven track record managing USG funds. Our pre-award assessments examine their organizational and management structures to determine if systems are in place that will lead to the transparent and accountable use of USG funds. Where weaknesses are found, USAID helps them meet accountability requirements before funds are released.

In USAID/Pakistan we also have put in place a solid monitoring and evaluation structure, in order to track progress and measure results. Still, recognizing that there can never be enough oversight in an environment marked by internal strife and displacement, natural disasters, terrorist activity and corruption, the Mission has worked to increase staffing levels and institutional support to strengthen monitoring and evaluation, auditing, contracting, and financial management oversight capabilities of local implementing partners.



Vetting: USAID/Pakistan carries out reviews and vets all potential recipients of USAID funding for technical capacity, quality, cost effectiveness, and applicability to USG objectives. In addition, prior to awarding a grant or contract, the agreement or contracting officer makes a “responsibility” determination as to whether the recipient of the funds meets required business and ethical standards. The pre-award assessments, discussed in more detail below, are important parts of the responsibility determination for local awards. USAID/Pakistan checks all contract and grant recipients issued by the Mission against the USG Excluded Parties Listing System (EPLS) and the list of suspected terrorists designated as “Specially Designated Nationals and Blocked Persons” by the Office of Foreign Asset Control (OFAC) of the Department of Treasury. Further, many grants and contract instruments provide USAID/Pakistan with the authority to approve sub-recipient awards. Such provisions allow the Mission to make responsibility determinations and vet the sub-grantees and sub-contractors that are often the ultimate recipients of USG funds. Finally, all agreements and contracts include provisions that prohibit the funding of terrorism.

Pre-award Assessments: USAID/Pakistan continues to use a number of additional tools to ensure proper monitoring and evaluation of USG assistance, including conducting pre-award assessments of Pakistani organizations. The assessments examine organizational and management structure, accounting, financial management systems, internal controls, technical capabilities, and quality assurance capabilities, as well as the organizations’ policies, procedures, and practices for effective and efficient management of USG resources. If the results of these assessments show that there are mitigating risk factors, pre-disbursement and post-disbursement conditions are built into the awards and agreements made with these organizations, to ensure remediation of relevant issues and reduction of risk for USAID/Pakistan.

Since FY 2009, USAID/Pakistan has completed 81 pre-award assessments of Pakistani governmental and non-governmental organizations, and will undertake additional assessments as needed for future awards. USAID/Pakistan has also placed staff from private accounting firms (themselves separately vetted) with many of its implementing partners, in order to ensure successful implementation of financial policies and procedures.

Monitoring and Evaluation: USAID/Pakistan adheres to the following standard procedures in the monitoring of its activities to ensure proper use of US foreign assistance:

- Implementing partners are required to maintain accurate and constructive performance management plans (which identify goals and targets) from which they report quarterly on their progress.
- Activity managers and implementing partners perform spot checks of activities to monitor progress.
- USAID/Pakistan is using qualified third-party services to: provide verification of monitoring data reported by our implementers and Government of Pakistan partner entities; monitor projects in hard-to-reach remote and insecure areas; conduct baseline, midline and end-line surveys to capture information on program results; maintain and manage a mission-wide management

information system; and train implementing partners to enter all monitoring data into this system. An inventory of ongoing evaluations will be maintained, used for coordinating evaluation efforts, and timed to provide input into strategic planning decisions.

- In addition, USAID/Pakistan has established a Monitoring and Evaluation Working Group to help institutionalize performance management and use of evaluation for program design and strategic planning.

As exemplified by USAID's monitoring and evaluation of 2010 flood relief efforts, USAID/Pakistan employs a variety of methods to conduct oversight in this highly insecure environment. First, when the security environment permitted, USAID staff visited targeted flood relief project sites. USAID provincial teams in Peshawar, Karachi and Lahore also visited projects and assessed progress in their regions as much as security allowed. Finally, USAID used a third party monitoring effort for flood relief, working through trusted local Pakistani firms in Sindh, Balochistan, KP and Punjab to verify, monitor and document flood relief progress. These partnerships made it possible, in an extraordinary operating environment, for USAID to receive first-hand accounts of project challenges and successes.

Over the past 12 months, the Mission has increased staff levels to add activity, financial and contracts managers to meet the increasing management burden and to ensure adherence to a high standard monitoring and evaluation responsibilities. The USAID Office of Inspector General established its office in Islamabad in 2010 and as of February 2011, has 12 staff. Currently, 62 staff in Pakistan are involved in auditing, contracting, and financial management oversight capabilities, the vast majority of which have been added within the last year.

#### **SUSTAINABILITY:**

##### *Afghanistan*

Guided by the Afghanistan/Pakistan Annual Review of December, USAID's FY 2012 budget request supports the two thrusts of U.S. national security objectives and transition in Afghanistan: 1) attaining stabilization goals; and 2) establishing the basic key conditions to make investments sustainable. Toward the first priority, in areas in which the security lead has not yet transitioned to Afghans, our focus will be to establish the conditions that will support stability through programs to generate employment, resolve disputes, involve the population in their local governance, and provide basic services in key population centers.

Toward the second priority, in locations where the security lead has transitioned to Afghans, our focus will be on foundational investments that can maintain stability while beginning to drive growth and sustain legitimate governance. Highlights of these investments include the strategic (re)prioritization of resources in the energy sector; continued support for education and health; and increasing the capacity of public and private institutions in Afghanistan to generate revenues, drive growth, and sustain development efforts.

I would like to take a moment to address each of these briefly:

- **Energy:** Our investments are working to develop a modern national energy grid and accompanying infrastructure to fuel productivity and economic growth. Efficient energy will: accelerate investment in the agricultural and extractive sectors; fuel private sector growth and productivity; and, facilitate value-chain production. All three of these outcomes will generate revenue and employment which will directly contribute to stability in the country.
- **Health:** Our investments in health directly support USAID stabilization goals and development objectives by increasing the share of the population that has access to social services, building human capital, and promoting a healthier population and workforce.
- **Education:** USAID's education programs work to assist the government to develop the human capital for economic growth. USAID's FY 2012 education assistance will continue to build Afghan educational and training capacity, as well as promote marketable skills training and community based education.
- **Capacity Building:** To build the capacity of GiRoA to manage finances effectively, deliver governance and essential basic services the Afghan people, and increasingly assume leadership for ongoing assistance, the 2012 budget request will continue expansion of on-budget assistance in pursuit of the U.S. and international community's goal of providing 50 percent of development assistance directly through the Government of Afghanistan.

#### Pakistan

U.S. civilian assistance to Pakistan is critical to maintaining and deepening a long-term strategic partnership that the U.S. is forging with the people and government of Pakistan. Our commitment to seek \$7.5 billion for civilian assistance to Pakistan over five years, FY 2010 – FY 2014, reflects a sustained commitment to cooperation based on our mutual goals and values, including building a more secure, prosperous, and democratic Pakistan for its people.

In December 2009, we submitted to Congress a Civilian Assistance Strategy that still guides U.S. assistance to Pakistan. Its key objectives included addressing the country's most critical infrastructure needs; helping the Pakistani government address basic needs and provide improved economic opportunities, especially in areas most vulnerable to extremism; and strengthening Pakistan's capacity to pursue economic and political reforms that reinforce stability.

Recently, USAID and the Department of State reaffirmed their commitment to the U.S. civilian assistance strategy in Pakistan, and further prioritized and focused efforts to streamline implementation and maximize effectiveness. Within the larger strategy, we will focus U.S. efforts and resources on the following four priority sectors: energy; economic growth including agriculture; stabilization; and the social sector (specifically education and health). While democracy and governance is not specifically included as a separate sector, the four priority sectors are built on a foundation of cross-cutting attention to inclusive and effective democratic governance.

The U.S. has adapted its assistance in Pakistan to strengthen partnership and build the capacity of local institutions. We accomplish this by consulting extensively with the Government of Pakistan on priorities

and channeling a portion of our resources directly through Pakistani institutions, putting in place robust accountability measures to ensure the proper use of the funds.

**CONCLUSION:**

We recognize fully the challenges we face in Afghanistan and Pakistan. Problems of limited capacity, corruption, narco-activities and their corrosive effect on governance exist. And for our part, there are issues related to diminishing resources, the pending military draw-down, contracting oversight, and the placement and protection of our civilian staff in the field. But these are calls to exercise care and diligence, and to explore ways to do better with fewer resources. They are not reasons to abandon our vital national security interests nor the hard work and sacrifices made thus far. We're not here only because we want to improve the lives of Afghans and Pakistanis.

Finally, in closing, I know that some among you are military veterans; and, as I do whenever I speak in public, let me thank you for your service. But I want to also recognize and thank the hundreds of civilians who have served and are currently serving in frontline countries on the other side of the world. Many of them live and work side-by-side with fellow countrymen in the military, sharing the same hardships, the same separations from loved ones, and the same risks. These young men and women – all of them, whether in uniform or not – deserve the best that our government and our agency can do to support them as they do their jobs to represent the best of America to the rest of the world.

It is indeed an honor to be able to share with you today a small glimpse of what USAID is doing in that regard. I look forward to answering any questions you may have.

Mr. CHABOT. Thank you very much, Mr. Sampler. We want to thank all the witnesses who have testified here this afternoon. Now the members here have 5 minutes to ask questions. I will begin with myself.

Mr. Feldman and Mr. Sampler, the latest quarterly report for the three inspector general offices charged with monitoring U.S. non-military aid programs in Pakistan set off a flurry of media coverage, all focusing on the stark assessment of the progress of the Pakistan program: "One year after the launch of the civilian assistance strategy in Pakistan, USAID has not been able to demonstrate measurable progress."

While many of us appreciate the challenges of implementing a substantial assistance package in the Pakistani environment, it remains unclear what the \$6 billion in civilian development and humanitarian aid over the last decade has done to overcome anti-American sentiment there. Additionally, the Kerry-Lugar-Berman legislation was to achieve this very objective. It was supposed to demonstrate to Islamabad that the U.S. wished to move beyond the transactional relationship that had fomented so much distrust.

As you state in your testimony, Mr. Feldman, \$1.5 billion has already been distributed. We are now discussing the budget for year 3 of this 5-year program and we have seen little, if any, progress on some of the most significant security issues. A couple of questions relative to that. What is your assessment of the success or lack thereof of our civilian and security assistance to date?

Secondly, more broadly, what are the trends in the relationship? Do you see evidence of any increasingly shared strategic outlook or, absent that, at least an improved ability to manage our strategic differences in Afghanistan and elsewhere.

Thirdly, alternatively, does the Davis case and other controversies point to growing bilateral tensions and increasing strategic divergence? Our efforts to date have focused overwhelmingly on highly visible projects like infrastructure assistance at the expense of democracy and governance programs. Why have these so-called high visible programs not led to warmer relations or improved public opinion concerning the U.S.?

Finally, why did legislative strengthening programs like the Provincial Assembly Program in Peshawar not get extended, and what specifically is SRAP doing to help facilitate the growth of political parties in Pakistan?

I know that is a lot to answer, but I have only got 5 minutes and if I ask them individually, I won't get to the third or fourth tier questions. So I will shut up and start listening.

Mr. FELDMAN. Thank you, Mr. Chairman. The relationship, as I tried to be very honest about in the opening statement, is a complex one. And I don't mean to sugarcoat it. Obviously, we have gone through a difficult time recently. But it is against the backdrop of real strides, very significant strides, in the overall bilateral relationship over the course of the last 2 years.

U.S. security assistance builds Pakistani capability and increases its willingness to engage in difficult fights. Last year, for the first time, Pakistan conducted major combat operations in five of the seven tribal areas, tribal agencies, at significant cost and sacrifice, as well as since 2009, in Malakand, which includes Swat Valley.

We rely on the Pakistan security institutions to prioritize counterinsurgency, to move to eliminate safe havens, to cooperate with us in deleting al-Qaeda and the Taliban.

I would say as the broadest frame a difficult partnership with Pakistan is far better than a hostile Pakistan and is vital to U.S. national security interests. If we were to have economic or political collapse in Pakistan, it would threaten our most critical national security interests.

In terms of our civilian assistance programs, I will defer in part to my colleague from USAID. But we have made great strides since Kerry-Lugar-Berman legislation was passed just 18 months ago or so. As I noted, \$1.5 billion has been spent since then. The GAO reports focus on the amount from Fiscal Year 2010 funding, the first year of Kerry-Lugar-Berman, so it looks like a smaller amount than has actually be spent altogether. And \$500 million of that \$1.5 billion was for flood relief and recovery efforts, and we are now moving into more flood reconstruction.

Many of those projects are given—the lead time to start many of these projects are just now getting underway. I think we will see much more significant expenditures in the months ahead. As Larry laid out, we have sought to focus and prioritize those projects in those four key sectors that are of most core national security interest not only to the Pakistanis but also to us. That is helping to ensure that there is energy and electricity, to help create jobs, there is a counter to extremism, and helping to promote education and health opportunities.

Mr. CHABOT. Thank you. My time has expired. So, Mr. Sampler, I will however let you respond however you would like to in a second round or maybe I can get the answers in writing or some point. The question is basically we spend all this money and they still hate us. What should we do about that. But I will let you get to it later.

I think, Mr. Ackerman, you are next for 5 minutes.

Mr. ACKERMAN. Thank you, Mr. Chairman. Since 2001, the amount of assistance, military and otherwise, that we have provided to Pakistan is pushing close, I think, to \$20 billion. That is a bunch of money. By anybody's reading of how popular the United States is in Pakistan, the numbers hardly measure on any type of meter. Our popularity could not be too much worse. For a country that is completely victimized by terrorists, with us being just about the sole—not quite the sole, but numerically pretty much there—protector of the people against the terrorists, at least in our efforts to do that, and the astonishing contrast to how we are regarded there gives one pause to say: What are we doing, how effective are we in getting our message across.

Of course, we do this in large measure for our own reasons, our own security reasons, besides the humanitarian reasons. But why hasn't all of this help and assistance demonstrated in a measurable way to the people of Pakistan that we are not the enemy?

Any volunteers? So if we gave another \$20 billion, I guess, would they like us in the morning as we loved them \$20 billion another night?

Mr. SAMPLER. Ranking Member, thank you for the question.

Mr. ACKERMAN. You don't mean that.

Mr. SAMPLER. With respect to the amounts of money and the return on investment in terms of popularity, it is at the moment in time not possible to make a direct correlation between amounts given and popularity.

Mr. ACKERMAN. I know you can't buy love, but a little like.

Mr. SAMPLER. I draw attention to surveys done after the earthquake and the flood relief. Those were opportunities where popular opinion in Pakistan were dramatically affected and pretty directly affected by the immediacy of the results and the immediacy of the relief that was provided. The continued assistance is in support of the strategic campaign we have with Pakistan to develop this partnership over time. I believe Secretary Clinton mentioned in her remarks at one point that there is now a communication strategy for how we take better advantage of the money that we are spending. Ambassador Munter is adamant that we brand the work we do in Pakistan as from the American people.

So there are steps being taken to make sure that we do get value for the investment where we can, but it would be inaccurate to state that the primary reason for the investment is for a momentary blip in popularity. We are in Pakistan and we are in a partnership with Pakistan for the long haul, and our investment is evidence of that.

Mr. ACKERMAN. Let me ask a different question, different subject. Help me play chess, which means we are going to do three moves at least instead of the usual what move is next. India suffered a huge catastrophe in Bhopal, a chemical spill. If you take a look at what is happening in Japan, it is absolutely frightening. We have helped in India with our 123 nuclear agreement to provide for nuclear energy. One of the thoughts in doing that was so that they are less reliant on the possibility of doing business with Iran and buying crude from Iran. If India decides to be as cautious as most countries are and slows down their nuclear and civilian energy projects, how likely is it that Iran will be higher on their radar for supplying the energy that they so voraciously need to consume?

Ambassador Blake, people are pointing to you.

Mr. BLAKE. Mr. Ranking Member, first of all, on the Japanese situation, I think it is really too early to say what effect Japan is going to have on India's nuclear program. I think India does remain very much committed to carrying out its nuclear program because it has such huge energy needs that are going to be needed for its growing economy and its growing population. So we continue to work very closely with our Indian friends to carry out the civil nuclear deal. I think they remain committed to it. We haven't received any indications of that.

In terms of India's continued reliance on Iran for oil and gas, India presently imports about 15 percent of its oil from Iran, and I think that actually our sanctions and the international sanctions have had some impact because Indian companies, big companies like Reliance, increasingly are reading the tea leaves and understand that they have to make a choice, they have to make a strategic choice between trading with Iran and trading with the United States and the broader world. Increasingly, they are moving toward us. I think that is a very, very positive signs. It also puts pressure

on the Iranians. So I actually think that the trends are good in this respect.

Mr. CHABOT. The gentleman's time has expired. Kind of the same question I think the ranking member and I are asking relative to Pakistan. I remember seeing a political cartoon some years ago, it has probably been 10 now, in which there was a Middle Eastern man who was looking, smiling at a bag that had been provided to them for an aid of some sort and had a flag on there, and it said, Food. The caption under there was: Those Americans are so thoughtful, food and a flag to burn.

It sort of, unfortunately, went to what many of us feel about our aid, how frustrating it is that the American taxpayer puts out so much money and unfortunately we are still despised in many places around the world, despite what the United States does and the American taxpayer.

The gentleman from California, Mr. Rohrabacher, is recognized for 5 minutes.

Mr. ROHRABACHER. Thank you very much, Mr. Chairman. I guess it comes down to fundamental approaches, and frankly, we have to admit and should admit that the fundamental approach that we have been taking to establishing stability and friendships in these parts of the worlds has failed. Failed. It is a failure. We are now in a situation where there is more turmoil and more anti-American hatred than before. Perhaps one of the fundamentals we are talking about is the idea that we can in some way build other people's nations for them.

I would agree with Mr. Sampler that when he just mentioned emergency and crisis assistance brings us good will. When people are most desperate and most vulnerable and we help with a helping hand and we help people with medicines and food and water at a time when their families are being threatened, we can win their friendship. And that should be, Mr. Chairman, the focus of America's efforts. The money that we are spending for nation building has been a waste. It has not built the ties that we thought it would build.

So as we go to cut our budgets and try to find the most effective way of spending our limited dollars overseas, Mr. Chairman, I would suggest that, from what I am hearing today and what I have been looking at over the last few years, that we need to change the fundamental of going from nation building uber alles to perhaps crisis and emergency assistance and being there when they need us.

I don't believe that any amount of nation building can change the fundamentals of another society unless of course we want to occupy that society for decades and decades and decades, which I don't believe Americans want to do that anywhere, especially Afghanistan.

I appreciate Mr. Feldman's optimism. His testimony has been very optimistic about Afghanistan. Let me just suggest that it runs contrary to everything the rest of us are seeing in Afghanistan. It is not becoming more stable. We have a situation now where the disruption of radical Islam now that we had driven out after 9/11, after the Northern Alliance drove the Taliban out of their country, with our help, the situation is actually a lot worse in terms of American security today.



I would suggest that perhaps this amount of spending—well, let me ask you this just straight out, Mr. Feldman. Can assistance basically succeed? Can our spending and our development projects succeed if the government structure that we have foisted upon the Afghanistan people is contrary to their basic culture? This is a culture of the most diversified and I would say the most bottoms-up culture in the world. This is a village culture. Eighty percent of the people live in villages. They believe in the tribal chief and the tribal alignments. Can we change that? Can we force them to accept the central government?

The structure we have tried to force upon them and are currently trying to force upon them is the most centralized system that I have identified in the world. You have Karzai, who is elected, and then he appoints the provincial leaders. Is that correct, Mr. Feldman? The provincial leaders are not elected. What kind of corruption would we have in this country if the President of the United States—oh, boy, he's elected, thus we have democracy—but he would appoint all the Governors and then the Governors would appoint the police chiefs and the heads of the education and everything all the way down the line would be, when it got to the people level, was associated with somebody in the capital city, who all they know has a brother who is engaged in the drug trafficking. Do you think we can succeed with that type of reality?

Go ahead, Mr. Feldman. Tell me I am wrong. Give me some reason for optimism. I am ready for it.

Mr. FELDMAN. Thank you. In terms of looking for a reason for optimism, I would first point to the Washington Post op ed from last week that says: Afghanistan's Reasons for Optimism, by Jim Dobbins and Craig Charney.

Mr. ROHRABACHER. I never get optimistic when I read the Washington Post.

Mr. FELDMAN. Again, I am not seeking to be Pollyannish in this, and we certainly recognize the vast difficulties here. But I think if you look back at the testimony by General Petraeus, by Secretary Gates, by Chairman Mullen in terms of significant military successes recently and how we are using that to leverage what we hope, and which we have always said that this cannot be resolved just on the battlefield and therefore this is the reason why we are seeking to move forward with this third—

Mr. ROHRABACHER. Are we asking for any structural changes? I was in Bonn when this whole system was created, we threatened Zahir Shah, the former king, to accept this and to accept Karzai, I might add. He wasn't Zahir Shah's pick. Is there any indication that we are willing to accept a change in what we forced on these people, this centralized structure? Because they are not going to accept it. These village chiefs, these village leaders are not going to accept mandates from a central government, especially when the guy up there is from a different tribe or whatever.

Mr. CHABOT. The gentleman's time has expired. If the gentleman would like to answer briefly the question or statement or like to make the gentleman optimistic up here.

Mr. FELDMAN. In citing some of this polling data released last week—and, again, I am not using it as the only framework to view this through. I am also dubious about some polling. According to

these polling numbers, 63 percent of Afghans said that they are better off than they were 5 years ago. Fifty-nine percent of Afghans think their country is moving in the right direction. Karzai's approval ratings were 62 percent. That is not a case for optimism, but it is a case of looking at what—I don't think you can accurately say we are foisting this upon them, by any means. This is the system, the legitimate, credible system of government that is in place now, and this is what we are working with.

But I think that per my opening statement the two key pieces here are, first of all, the transition announcement and the fact that we have now embarked on the real transition, including this announcement of seven provinces and districts encompassing 25 percent of the country's population, which was announced by President Karzai just a week or so ago, and the fact that the transition frame as announced in Lisbon, which will be completed by the end of 2014, has now started.

But second of all, trying to bring all the assets that we have to bear; not only the continuation of a very robust military and civilian surge, but also this diplomatic and political surge, which we are seeking to bring this to conclusion. But the military and civilian campaigns have to go hand in hand, and the Afghan Government, as you rightly note, has to build credibility with its own people. And that is what our assistance has gone to do, to try to ensure that there are alternatives presented to the Afghan people to the insurgency.

Mr. CHABOT. The gentleman's time has expired. The ranking member, Mr. Ackerman, had to go to the floor to offer an amendment on a bill that is being taken up on the floor so he is being now ably represented as the acting ranking member by the gentleman from Virginia, Mr. Connolly, who is recognized for 5 minutes.

Mr. CONNOLLY. Thank you, Mr. Chairman. Welcome to the panel.

I mentioned in my brief opening remarks my concern about CERP, the Commanders' Emergency Response Program. Since 2004, nearly \$2.64 billion has been appropriated for this program. I am concerned that there is little transparency and little accountability. And the amounts are now quite large.

Originally, maybe the intention of CERP was to augment the ability of a military commander to provide something other than guns and uniforms in a village or in a region so that he or she could respond quickly without a lot of bureaucracy in fixing a bridge or rebuilding a school or whatever it might be. This is now a very serious, large aid program. There was, for example, a special inspector general report in January that raised the question of whether all of programs we have invested in through this program might be at risk of waste because, oops, we forgot to build in a maintenance component.

So I would like to hear your view about CERP and whether there is sufficient accountability and transparency in what we are doing moving forward.

Mr. Feldman.

Mr. FELDMAN. I will defer to my colleague.

Mr. SAMPLER. Thank you. I am familiar with CERP actually from my time in the military service as well, and it is a valuable tool

because what we find is that there are times when the military is present in advance of USAID's ability to be present and do the work. So I appreciate your recognition that CERP had a place and has a time.

The discussion about how we use it now is a valid one. I will note that recently, to encourage the interaction between USAID and our military colleagues with respect to CERP, there is a manual that has been developed, a civilian guide to how CERP is being used. It allows and encourages and in fact in some cases strongly encourages the USAID development experts working at the PRT and even further down at the DST, where these military commanders are employing CERP, to engaged on how it should be done, how it is integrated into longer-term development projects.

What the nuances of the use of CERP are, the military perspective may be shaped by the winds through which they view the particular project and the context politically in the village. The USAID perspective will be different. One is not right and one wrong. What we have to do is learn to integrate them. So we are working quite closely at PRT and DST levels on coordinating and making sure that CERP is applied appropriately and an integration and smoothly harmonized with the development work that USAID is doing.

Mr. CONNOLLY. I would say to you, Mr. Sampler, when you get to \$1 billion a year, that is real money. And the military are not development experts. They are wonderful at all kinds of things, but that is not their mission. And that is what they are doing right now; they are running a development program through CERP. That is not their main expertise. And that is my concern; that with the best of intentions, you have to ask yourself what could go wrong with amounts that large. And are there mechanics in place to account for it in a transparent way. That continues to be a concern to me.

Let me ask you in the time I have left, Mr. Rohrabacher and the chairman really raised questions about the success of our efforts in Pakistan and Afghanistan. One measure of whether we are successful or not I guess is do they like us. Another might be more concrete metrics in terms of what got built or repaired or invested. I would be interested in hearing what are your metrics for success or failure and how do you think we are doing? What constitutes success in Pakistan, for example?

Mr. FELDMAN. Well, are you asking both Afghanistan and Pakistan?

Mr. CONNOLLY. Yes. I thought I would start with Pakistan. But you can pick either.

Mr. FELDMAN. If I have less than a minute, I will try to put them together, and that is I would go back to the President's December review and what he has laid out as the touchstone here, which is a region that is free from al-Qaeda; a stable, independent Afghanistan rid of insurgency and proxy conflicts fought by neighboring states. So it is political resolution to the conflict.

I think you can look at a variety of different metrics, depending on what you are seeking for success. As I noted in the Pakistan answer, in particular, and at least three or four members have now asked about the kind of popularity piece. Again, I don't put that much stock in polling numbers. I would note that they are not all,

again, against us. In polling that was through December of last year, so pre the most recent situation in Pakistan, we had gradually crept up kind of mid-teens to over 40 percent in terms of approval ratings by Pakistanis of the U.S. And I think that that goes to the fact that we were really addressing for the first time in many years this trust deficit which we had talked about quite a bit. We are seeking to move from a far more transactional relationship in Pakistan to a much broader and deeper one. That was crystallized by the strategic dialogue process that we have had hosted three times by the Secretary at a ministerial level year but, most importantly, which had 13 different substantive working groups, everything from security to water to energy and infrastructure, helping the Pakistani Government meet the needs of the Pakistani people, which is in our own national security interest as well as that of the Pakistanis.

So that is how I would look at success in Pakistan.

Mr. CHABOT. Than you. The gentleman's time has expired. The gentleman from Illinois, who is the chairman of the Foreign Affairs Subcommittee on Asia and the Pacific, Mr. Manzullo, is recognized. I should have also indicated Mr. Rohrabacher is the chairman of the Oversight and Investigations Subcommittee in Foreign Affairs as well.

Mr. Manzullo, you are recognized for 5 minutes.

Mr. MANZULLO. Thank you, Mr. Chairman. I have a statement for Ms. Biswal. I was wondering where I had seen you before. Then I remembered you had been part of Mr. Obey's staff.

Ms. BISWAL. Yes, sir, as well as on this committee prior to that.

Mr. MANZULLO. That is correct. That is correct. In your testimony you stated in the third paragraph, the last sentence: "I hope to get a better sense of the committee's priorities in the region what USAID can do answer questions and address concerns." Then, on the second page, the fourth paragraph, you say: "Under the leadership of Dr. Shah, USAID has reformed the way we do business. We are broadening our partner base to make it easier for small businesses, organizations, to partner with us. We are employing strategic use of science and technology and seeking out innovations that can have a game-changing impact."

Are you familiar with the development innovations ventures?

Ms. BISWAL. Yes, sir, I am.

Mr. MANZULLO. Were you here last week when I questioned Dr. Shah on the wisdom of that program?

Ms. BISWAL. I was not present, but I do understand the nature of your question.

Mr. MANZULLO. Well, this gives \$30 million in grants. It employs 10 new full-time employees of the State Department. A brand new program. It duplicates what other agencies are doing in the area of science and technology. It makes foreign companies as well as U.S. companies and individuals available for \$30 million for new innovations, we and are in the process of ending that program through various techniques.

I just find it extraordinarily difficult to believe that USAID would begin to expand its role into strategic use of science and technology. One in particular is spending money on fuel cell re-

search and there is already millions being spent in the private sector.

Can you tell me how you can justify expanding USAID's mission at a time when there is hardly enough money to take care of the original mission?

Ms. BISWAL. Mr. Chairman, I think it is a fair question. Let me explain to you my view of why I think this is an important area for us to expand into. USAID has funded a lot of very important work in improving health outcomes and in improving development outcomes. But we have not had the focus on innovation or the partnership with the private sector that I think can look at nontraditional ways of finding solutions that perhaps are not in our quiver of arrows right now but perhaps could have a much greater transformative impact. And so the idea here is to seek out what we don't know, what others are doing in the private sector, in academia that might have a game changing impact and invest in a very small amount initially to see if that—

Mr. MANZULLO. I understand. A \$30 million—hiring 10 brand new bureaucrats is not a small amount. And how would that help feed the most needy now?

Ms. BISWAL. For example, one program that we are looking at in India is for \$173,000 to look at mobile technology as a way of improving health care delivery in rural areas in India where you can through mobile technology—

Mr. MANZULLO. What is that? What is mobile technology?

Ms. BISWAL. From cell phones and smart phones. Because of the high prevalence of mobiles in the area—

Mr. MANZULLO. The problem with that is DIV, you don't check what our agencies are doing. You don't check with what NIST is doing, what the SBIR program is doing. You are adding arrows to your quiver when most agencies are taking arrows out of the quiver, to use your metaphor.

I am just suggesting to you that Americans are not in the mood for USAID or any other agency to expand, to increase its activities. You have got your hands full feeding the needy. And what I would like you to do is to furnish me within 10 days—and, Chairman, if you could make this in order—I want copies of all of the awards that were made, including the one on fuel cell technology. I don't want to have to get a subpoena. Can you give me your assurance at this hearing that you will furnish copies of the awards that were made under this program?

Ms. BISWAL. I will give you my assurance that we will comply with that request.

Mr. MANZULLO. That is good enough, and so I will leave you alone. Thank you. It is good to see you back.

Mr. CHABOT. Hot and cold. Thank you very much. We appreciate that very much. And we will go now to the gentleman from Florida if he has any questions, Mr. Bilirakis.

Mr. BILIRAKIS. Yes, thank you, Mr. Chairman. I appreciate it very much. For the panel I am alarmed by the killings and beheadings that took place this past weekend in Afghanistan as a result of the Koran burning that happened in my State of Florida. Though certainly it was within the pastor's constitutional rights to burn the Koran, I don't believe it was the right thing to do.

What is more alarming, however, is that it appears that more than just Taliban ties participated in this violent protest. The media has reported that students at Kabul University have been especially enthusiastic in calling for death to America. It makes me wonder if any of the tens of billions of dollars we are sending in development aid has really done anything to develop Afghanistan either civilly, politically, educationally, or economically.

Are we wasting our time over there? Are we wasting our time and money over there? I know the question has been asked several times. I would like to have an answer.

Mr. FELDMAN. I would just start with the fact that we obviously abhor the burning of a holy text, but nothing justifies the kind of violence that we saw in Mazar several days ago. I would note on the positive side that Afghan leaders, including Ulema leaders and President Karzai, are urging calm, that the situation seems to be getting calmer and more stable. The report that I saw today about protests the Kabul University were fairly small, a few hundred students and certainly not violent. And so hopefully the arc of this has wound down.

But I would certainly note that I think that the statement by the President, his second statement over the weekend, addressed this issue most specifically, I think, and eloquently when he said the desecration of any holy text, including the Koran, is an act of extreme intolerance and bigotry. But to attack and kill innocent people in response to that is outrageous and an affront to human decency and dignity.

I don't know if there is anything else my colleagues what to add.

Mr. SAMPLER. I will just add, and partly also in response to a previous question about nation building or state building, the investment is not going to prevent college students from protesting but it will build the capacity of the government to respond to protests and address them in ways that are more recognizable and acceptable to the rest of the world.

The focus in terms of the state assistance that we give to the Government of Afghanistan is focused on that. When these things happen, as they may, how will the state be able and capable to respond. In Mazar the response was inadequate. I would argue that in Kandahar the response was different, inadequate in different ways. What we need to be able to measure and to continue to apply resources and metrics to is the ability of the state to respond when things like this occur.

Mr. BILIRAKIS. I have one other question, Mr. Chairman. What is the capability for the Afghan state to harness its own resources to become as self-sufficient as possible and are there proper oversight and accountability requirements currently? What international bodies would be responsible for oversight and accountability as international forces transition and draw down? For the entire panel.

Mr. FELDMAN. Obviously the sustainability aspect here is one that we have been very, very focused on. Ambassador Holbrooke used to say frequently that agriculture was our chief nonsecurity priority in Afghanistan. Rebuilding the economic infrastructure has been at the core of what we have been seeking to do.

There is obviously much that we are continuing to look at to help Afghans find the resources to make it a more sustainable state. And USAID can perhaps speak about some of the extractive initiatives and others that are currently being looked at.

In terms of oversight this is something that we have tried to factor into every aspect of our relationship in both Afghanistan and Pakistan, and we have particularly focused resources on looking at our own contracting processes, subcontracting processes, and having many more civilians in the field to help to oversee that has aided that effort quite a bit.

Mr. SAMPLER. In the waning seconds, there is the now the High Office of Oversight that the Government of Afghanistan has created and we are working to build their indigenous capability with their own High Office of Oversight. In the meantime and in addition to that we have an initiative called A3, accountable assistance for Afghanistan, and the notion there is that we will assess ministries and provide technical assistance as required to bring them up to international standards, and we will provide continuing oversight. And we have a number of what we call host country contracts with specific ministries that have been quite successful at delivering the goods and services of governance through these mechanisms that were mentioned.

Mr. CHABOT. The gentleman's time has expired. The gentleman from Nebraska, Mr. Fortenberry, is recognized for 5 minutes.

Mr. FORTENBERRY. Thank you, Mr. Chairman, for calling this hearing. I am sorry I am late so I don't have the benefit of your earlier perspectives. So if this is a bit redundant, I apologize. But let's talk a little bit about what is happening across the Arab world and the potential there in terms of the Arab spring and a reaching for more democratic ideals as well as in South Asia, the ongoing interest in expanding democratic capability, capacity.

If you think about it, the concept of democracy really rests upon two pillars. The first is respect for the inherent dignity and therefore rights of all persons of a society and then, secondly, a responsibility for the rule of law. And in that regard, we have some things that are in dire conflict.

If you look at, for instance, the situation in Pakistan where the gentleman, the highest ranking Christian in the government, Mr. Shahbaz Bhatti, was assassinated about a month ago on the heels of others who had spoken out against the blasphemy laws. This is a very, very powerful setback for the notion of expanding democratic ideals and democratic capacity.

Throughout the Middle East as well there is a diaspora going on where its Christian populations are fleeing Iraq, they are under pressure in Egypt, Syria, Lebanon. And so I would like to hear some of your perspectives on how to heighten awareness of this as a U.S. Government and how societies who are striving to again achieve more democratic ideals have to reconcile themselves with the concept that all persons have dignity and therefore rights, and particularly if you lose the Christian communities throughout the Middle East you are losing a true leavening influence that has a rightful place to be there alongside other historic communities, a historic right as well as a right based upon the natural rights of man. You will lose the leavening influence and the buffering capac-

ity that those communities have historically had between differing factions.

This is also very important in the Israeli-Palestinian question. We like to talk about trying to resolve those differences between Jews and Muslims, but there are three legs to this stool. It is Jews, Christians, and Muslims. We are struggling as a government to figure out how to communicate that effectively and to raise it to the level that it needs to be raised, both in our bilateral relationships but also in our multilateral institutions such as the United Nations.

So I would like to hear your commentary on that, please.

Mr. BLAKE. Mr. Fortenberry, let me start and I will ask Dan to chime in. I would like to say that I think there is a very broad and encouraging trend in South Asia, which is that for the first time now in the history of that region there are democratically elected governments in every single South Asian country. The most recent entrants to that club were Bhutan, which was a monarchy and now has become an elected Parliament, and then the Maldives, which had for 30 years an autocrat and they had a very good, fair election in 2008. Bangladesh also in 2008 had its freest and fairest elections ever.

So the broad trends in South Asia are actually very positive, and I would submit that the United States has played a very important role through our assistance in helping many of those democratic transitions.

So let me just ask Dan to also chime in on the Afghanistan/Pakistan part.

Mr. FELDMAN. Sure. The assassinations of Governor Tazir and Mr. Bhatti were truly tragic. They were obviously very committed to tolerance and to education of Pakistan's future generations. We felt it very deeply. I went to the memorial service held here by the Embassy for Minister Bhatti. He had been in to see Secretary Clinton just a few weeks before his death.

It is an issue that our ambassadors, Ambassador Munter and Ambassador Eikenberry, raise frequently in terms of their ongoing concerns about discrimination.

Mr. FORTENBERRY. It is important to note that Shahbaz Bhatti, while being the highest ranking Christian in the Pakistani Government was also highly interested and effective in protecting other minority rights because he was a man compelled by this fundamental ideal of justice for all people.

Mr. FELDMAN. Yes, absolutely, and it is an issue that we raise frequently in our dialogues with the governments and in this case in particular with the Pakistani Government and have really put it as one centerpiece of those discussions. I know that in addition to Secretary Clinton's own meeting with Minister Bhatti, our Under Secretary for Global Affairs, our Assistant Secretary for Democracy and Human Rights and Labor all have been to Pakistan recently and raised this prominently in their issues, and it is something that we continue to be very, very committed to.

I would say on the rule of law front this is a cornerstone of some of our civilian assistance programs in Afghanistan, and Mr. Sampler can speak a little bit in more detail about some of those. But this is a hallmark of civil society, and it is in many ways why we



again tried within our strategic dialogue to really enhance and promote the role of civilian government and everything that a civilian government can and should stand for and its responsiveness and protection for his people.

Mr. CHABOT. The gentleman's time has expired. We will go into a second round here. We don't have to necessarily take up our full 5 minutes, but if the gentleman would like to do that, I will start off myself. I will not take 5 complete minutes.

The gentleman from Florida, Mr. Bilirakis, brought up something I also intended to bring up and that was the incident where this knucklehead burns a Koran and then a far in excess reaction occurs over in Afghanistan where literally people's lives are lost. And I was just wondering first of all with respect to the four Nepalese soldiers in particular, who were some of the victims here, do we know if—the different countries that are over there have different rules of engagement. Some are armed, some my understanding is may or may not have ammunition and different things. Do we know what the Nepalese were operating under at the time?

Mr. FELDMAN. For the rules of engagement, I think that would be per the UNAMAs mandate but I am not sure.

Mr. SAMPLER. I can't speak with authority to the UNAMAs mandate now, but when I was chief of staff the guards actually had a fairly liberal rule of engagement policy. They would not necessarily have to have been or to have allowed themselves to have been disarmed.

Mr. CHABOT. Some of the countries themselves have different restrictions on their own troops, don't they?

Mr. SAMPLER. Mr. Chairman, you may be speaking about the troop-contributing nations to ISAF in particular and you are certainly right, but that is way beyond my purview.

Mr. CHABOT. I would be interested to find out what they were operating under, first of all. And then second of all, do we have any insight or any intelligence or any feedback that we have gotten as to what the reaction has been in Nepal about such a horrific thing happening to their soldiers? Because they have been a pretty key part in different exercises around the world and have good troops as far as I understand. Have we heard anything about that?

Mr. BLAKE. Mr. Chairman, I actually called the Nepalese Ambassador when I heard about this and expressed my condolences. He actually wasn't aware of it at the time, but I think, as you say, the Nepalese have soldiers serving around the world. They have suffered casualties like this in the past. They are known for their bravery and their service, the Gurkhas in particular.

Mr. CHABOT. Do we know if they were Gurkhas or not?

Mr. BLAKE. I don't know about these particular ones.

Mr. CHABOT. That was the first thing that came to mind.

Mr. BLAKE. I don't think this is going to in any way impede their continued service in peacekeeping operations around the world. This is something that the Nepalese take great pride in. I think that will continue. I see no indication that that has changed.

Mr. CHABOT. If we could have some follow-up on the questions that I raised. And then secondly, relative to India, one of the things that I find particularly annoying as a Member of Congress and a representative of the taxpayers who send dollars to India—and let

me preface by saying that I consider India to be an important ally to the United States and important trading partner and even more so in the years to come hopefully—is that in the U.N. they have a history of not being particularly in sync with where the United States is.

I asked to have the most recent year available, which I think is 2009, the numbers how they were with the U.S., and I was informed that they were not particularly big, overall voting. They were with us 30 percent of the time, not counting a consensus vote. And on important votes they were with us 11 percent of the time. And one would hope that a strategic ally, a friend of the United States, would be with us a bit more than 11 percent.

Mr. Ambassador, did you want to comment on that? I met with the Ambassador from India on the same topic and expressed my concern about that. What would you have to say?

Mr. BLAKE. Mr. Chairman, this is something that we have had a long dialogue with our friends in India about. I would say that things are changing. India is now on a 2-year rotation, just started in January and will be on for the next 2 years. We have made it a point on very important votes to talk to them. And I would point to things like some of the recent IAEA votes over the last several years on Iran where India has similar interests to ours in terms of ensuring that there is not going to be another nuclear weapons state in the region and they have taken some very important votes with the United States and with the majority on the IAEA.

Mr. CHABOT. Not to interrupt, but what you said is when it is in their interest. So when our interests align, they are with us. Thanks a lot.

Mr. BLAKE. But I would say even on some of these things like human rights, where traditionally the Indians have not been willing to support country-specific resolutions, I think there has been an evolution and will continue to be an evolution. One of the most important trends in India over the last 10 years is they want to be a responsible global power. They want to help to manage the international system. So I think that we are going to see an evolution in their voting patterns, and I think we have already seen some evolution in their voting patterns and I expect that to continue.

Mr. CHABOT. I appreciate it, but again 11 percent is not very good on the important votes. And I would hope that they would be in line naturally more often and not only if it is just in their best interests.

Thank you very much, and my time has just expired. Gerry, we are going into a second round if you wanted to ask any questions.

Mr. CONNOLLY. Thank you, Mr. Chairman. I wanted to ask you about the issue of corruption. Some economists have argued in the past that corruption can be an economic efficiency in being able to sort of hot wire around normal bureaucracy and get things done. But all of the stories one hears about the levels of corruption in this region, from Afghanistan to India, is that we have crossed a very different threshold and we are talking about huge impediments actually to economic development and the ability for some kind of regular business code and protocol.

I am wondering what your views are and how do we reconcile our foreign assistance and economic assistance programs in light of the obvious fact that massive corruption is occurring in some of these governments? What protections do we take for U.S. tax dollars?

Mr. BLAKE. We all have answers to that, but let me start on that with respect to India because I think it is important. First of all, as you rightly point out, Mr. Connolly, corruption is a huge issue right now in virtually every one of these states. In India the corruption issue has brought Parliament to a standstill for the last 6 months because they have been focused on particularly telecoms corruption. And I think it has also had a deterrent effect on investment, and most Indians would say that as well. So there are real costs to the problem of corruption.

But I also think that the government is committed to trying to deal with this. They have obviously a very open civil society and independent judiciary, a very free Parliament, all of whom are looking to address this.

The other thing that India has, which is really important is a right-to-information law, that they passed in 2005 where any Indian citizen can apply to find out how his or her tax money is being spent at any level of the government, and they have done so, so much so in fact people who have exercised this right have been threatened because they have been effective in asserting their rights.

So this is something where the United States has now started an open government initiative with India to try to promote open government, not just in India but in other parts of the world. And I think it is another sign of how, again, India wants to take a greater responsibility in the world and wants to promote some of the values that we both cherish.

So I think they certainly have problems, but they have their own institutions to deal with those problems and, most importantly, they are now ready to work with us to try to promote open government elsewhere in the world through things like rights to information.

Let me ask my colleagues in they want to—

Ms. BISWAL. Thank you very much. I wanted to add to that, maybe answer your question in three ways. One, what we are doing to protect taxpayer resources; two, what we are doing to build capacity in these countries to tackle corruption; and, three, where we are working with governments what steps we take to ensure that those resources are safeguarded.

And the vast majority of U.S. assistance does not go through government-to-government mechanisms but goes through nongovernmental organizations, and we take great care in ensuring proper oversight of that assistance, including through monitoring, through periodic audits. Whenever we do find an instance of wrongdoing, we try to take steps immediately to correct and curtail when any problems have occurred.

We do work on economic governance in a lot of countries specifically to address this issue of corruption to improve the rule of law, to enhance that country and society's ability to tackle corruption. And we are looking increasingly at what can we do to be building

these host country systems, the procurement systems in governments, the budgetary systems in governments. Most governments don't have the standards and meet the standards that we have for USAID in terms of entrusting funds into those governments. And so we conduct assessment of that government, independent audits of that government's financial system, where there might be weaknesses, and then recommend the steps that need to be put in place to strengthen that system before we put any resources through government mechanisms.

So it is an issue throughout the region. It is an issue that we are tackling both individually and in partnership with the countries in which we work.

Mr. FELDMAN. I will say just very quickly, obviously corruption is an enormous problem in Afghanistan; in particular, fighting fraud and waste is certainly one of our highest priorities. One of the major aspects of our civilian surge, tripling the number of civilians that we have in the field over the course of the last 2 years, has been expanding the presence in the field, allowing experts to get out and have more hands on oversight over development projects. And we have also had a very active collaboration with our military in terms of putting stronger controls on our contractors.

So within our Embassy, one of the resident ambassadors has been overseeing this with the military in terms of the various task forces, 2010, Shafafiyat and others, that look at the transparency and contracting process.

And lastly, as Mr. Sampler can say a little bit more about if he has time, on our government-to-government assistance in both Afghanistan and Pakistan, this is an area that we have particularly scrutinized in terms of pre-certification requirements, the vetting processes, and how we ensure that any money that goes government-to-government has a variety of mechanisms of oversight governing it.

Mr. CONNOLLY. Thank you. My time is up, Mr. Chairman.

Mr. CHABOT. Thank you. The gentleman's time has expired. The gentleman from California, the Foreign Affairs Committee chairman on the Oversight and Investigations Subcommittee, Mr. Rohrabacher is recognized for 5 minutes.

Mr. ROHRABACHER. I don't want to sound too pessimistic here, but I kind of get the idea that you folks are very optimistic about an area that I don't think we should be very optimistic about. Quite frankly, the one shining light in American foreign policy and perhaps in progress, diplomatic progress, that we have to show is India, and quite frankly, I think that reflects an evolution that has taken place in American policy since the end of the Cold War and also an evolution in India that also has taken place since the end of the Cold War. After the end of that stupid conflict that we were in for 4 to 5 decades, we now are hopefully readjusting to what would be the natural friendships in different countries, in Asia in particular.

I don't think that we have—the evolution in Russia should have been a lot further along, I believe, but we can talk about that in some other hearing. But even that, if you compare what we were 30 years ago with Russia, we were at each other's throats and now at least we can work together, and I would hope that 10 years from

now we could have evolved into a real solid friendship with the Russian people.

Well, that is the same with India. India during the Cold War was allied with the Russians. I don't believe necessarily that our policy toward India was what has caused this. This is a natural thing, and I would hope that we have the intelligence to work and to make sure that India is our best friend in that part of the world because they are demonstrating a commitment to democracy.

Pakistan, which is a hangover again from the Cold War, why were we so close to Pakistan? In order to balance off the Soviet Union. Pakistan isn't committed to democracy. I am sorry, Pakistan is committed—the people who run that society are committed to Islamic government. And the people who get in their way are being murdered. And it is an unfortunate thing there. And to the point that we have been able to take a look at what is going on in Pakistan, our aid programs and all of these things we are trying to do for Afghanistan and Pakistan, we haven't as much stabilized Afghanistan as we have destabilized Pakistan. And if they want to have their country and they want it to be a radical Muslim country, let them do it. And the fact is that Pakistan is committed to Islam. And they are dedicated people. They have every right to be dedicated to it.

I think India is dedicated to prosperity for their people. And that certainly leaves a lot more openness toward how who we can work with and who we can't in the future. And so I guess my—let's get back to government structure and to what we can do.

Should we have an India-based foreign policy in Asia and South Asia or should we be hanging on to this old tie with Pakistan that was established during the Cold War?

Mr. BLAKE. Mr. Rohrabacher, let me just start and just talk about our relationship with India, which is, as you know, the President made a very important trip to Asia last year because we really see Asia as fundamental to our security and economic goals.

Mr. ROHRABACHER. Mr. Chairman, I have one question that I would like to ask that is yes or no, because I am going to miss out on my time here.

Is the Pakistan Government still providing—is it still the major source of supplies and weapons for the Taliban and the radical elements that the American troops are fighting in Afghanistan? If not, where are those supplies coming from?

Mr. FELDMAN. That is a much longer than a yes-or-no question. But no, the Pakistan Government is not providing it. We have a very good and growing and strong relationship with the civilian and the military government.

Mr. ROHRABACHER. You include the ISI as within the Pakistan government or are you putting that as a separate entity?

Mr. FELDMAN. Writ large, we have tried to improve, and very successfully, our strategic relationship with all elements of the Pakistani Government. And as I noted from the very outset from my opening testimony, a difficult partnership with Pakistan is far better than having a hostile Pakistan. This is a country that is vital to our national security interests. We have to do this. We cannot make—

Mr. ROHRABACHER. I have been hearing that for 50 years, and I will tell you, a realistic relationship, rather than basing a relationship on wishful thinking, is what will bring about peace in that part of the world. And what we have had is wishful thinking and what I call irrational optimism.

There are ways of getting tough without getting belligerent with weapons, but we need to get tough and make sure that we are not looked at as patsies, and those people in Pakistan now look a lot us, as do several other groups of people, like we are patsies. They respect strength and they respect courage enough to stand up for one's own interest as we should respect their rights.

So anyway, I am sorry I have used up our time on this.

Mr. CHABOT. The gentleman's time has expired. The gentleman from Nebraska, Mr. Fortenberry, is recognized.

Mr. FORTENBERRY. I want to return to my previous line of thoughts and questioning. When we engage other countries we tend to do so with concepts that are measurable—security capacity, economic capacity, civil service capacities—in order to create stabilization and then potential opportunities. But if you have got an eroding philosophical underpinning that doesn't protect certain segments of society, how can the advances that we can do measure actually hold over time? The question becomes then—and this is not the United States' responsibility alone. It is an international community responsibility—how do you continue to heighten and elevate the need, the urgency to protect vulnerable minority communities, particularly in areas that are proclaiming a desire for the pursuit of democratic ideals?

Mr. Feldman, you appropriately went to the Embassy and expressed condolences for Shahbaz Bhatti's death, and that is a respectable thing to do and we will do things like that on a case-by-case basis as the horror of this kind of persecution presents itself in a most dramatic fashion.

But what about other ways in which we can collectively unify ourselves along with other countries and elevate these concepts of the principles of justice, the principles of democracy? And this has implications for places like Iran, where are the people of Iran, a certain segment anyway, are desiring a more just and moderate form of governance. If we focus intensely on these types of questions, I think it leads to outcomes that help in the long term develop real capacities and real vibrant democracies rather than just to focus on things that can collapse fairly rapidly.

I would like your thoughts on that. Not rather than; in addition to. Let me put it that way. In addition to focusing on that which we can measure.

Mr. FELDMAN. I believe Secretary Clinton when she testified perhaps to this committee also noted that this was not just an attack on a single man but on the values and tolerance and respect for people of all faiths and backgrounds. And she noted that had been championed, I would say in particular, as a rebuttal to Congressman Rohrabacher, that had been championed by Muhammad Ali Jenna, the founder of Pakistan. And this is very important. This is a civilian government that we strongly support. We work with them on a range of initiatives. And certainly a respect for tolerance and a broad-based growth of civil society is one of the core precepts

that we engage with them on across the board. And this is a part of all of our conversations at every level, from the working level to the most senior level, when we do have discussions like these.

On the civil society piece or—

Ms. BISWAL. Well, I would like to just maybe—because I think you ask a very thoughtful question that goes broader than this specific incident and it really does go to the core of our values on human rights, on human dignity and elevating those values.

Mr. FORTENBERRY. The incident is generalizable to the principle. It is a shocking incident that forces us to perhaps rethink some approaches here.

Ms. BISWAL. Absolutely, and it is not an easy answer, and it is not a yes-or-no or a 5-minutes. But it goes to the core of what we as a government stand for and the work that we do in trying to build democratic societies and strengthen civil society organizations in countries, because we know that these countries when they are true democracies and deep democracies and when they have strong and vibrant civil societies that there is a greater recognition of that value of human dignity, and when there is a transgression against that human dignity that there is greater accountability for it.

And so it is not an easy answer, but I think it is fundamental to why we are doing what we are doing around the world.

Mr. BLAKE. If I could just add that American diplomats around the world make it their business to promote religious freedom and the protection of religious minorities. I can tell you even in a democracy like India there are problems at the state level at places like Karnataka and Orissa and our consuls general and our ambassadors are quick to respond to those and make public statements and express our concerns and hopefully take steps to work with those governments to address the underlying problems.

And that is true—I can tell you for Central Asia, I am also responsible for Central Asia, I spend a lot of my time talking about religious freedom. It is an important part of the overall human rights equation and a really important part of developing responsive and responsible government that Secretary Clinton has talked over and over about. We spend a lot of our time, and I want to reassure you about that, this is a very high priority for all of us.

Mr. CHABOT. The gentleman's time has expired. I would like to thank all the witnesses for their testimony here this afternoon. I would like to remind members that they will have 5 legislative days in which to revise and extend their remarks and to include statements for the record.

If there is no further business to come before the committee, we are adjourned. Thank you.

[Whereupon, at 4:10 p.m., the subcommittee was adjourned.]





# A P P E N D I X



MATERIAL SUBMITTED FOR THE HEARING RECORD

**SUBCOMMITTEE HEARING NOTICE**  
**COMMITTEE ON FOREIGN AFFAIRS**  
*U.S. HOUSE OF REPRESENTATIVES*  
*WASHINGTON, D.C.*

**Subcommittee on the Middle East and South Asia**  
**Steve Chabot (R-OH), Chairman**

March 29, 2011

You are respectfully requested to attend an OPEN hearing of the Subcommittee on the Middle East and South Asia, to be held in Room 2172 of the Rayburn House Office Building **(and available live, via the WEBCAST link on the Committee website at <http://www.hcfa.house.gov>)**:

**DATE:** Tuesday, April 5, 2011

**TIME:** 2:00 p.m.

**SUBJECT:** Assessing U.S. Foreign Policy Priorities and Needs Amidst Economic Challenges in South Asia

**WITNESSES:** The Honorable Robert O. Blake  
Assistant Secretary of State for South and Central Asian Affairs  
U.S. Department of State

The Honorable Nisha Desai Biswal  
Assistant Administrator for Asia  
U.S. Agency for International Development

Mr. Daniel Feldman  
Deputy Special Representative for Afghanistan and Pakistan  
U.S. Department of State

Mr. Donald Sampler  
Deputy Director  
Office of Afghanistan and Pakistan Affairs  
U.S. Agency for International Development

**By Direction of the Chairman**

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.

COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF SUBCOMMITTEE ON MESA HEARING

Day Fri Date 4/15/11 Room 2172

Starting Time 2:30 Ending Time 4:15

Recesses  ( to ) ( to ) ( to ) ( to ) ( to ) ( to )

Presiding Member(s) CHABOT

Check all of the following that apply:

- Open Session
- Executive (closed) Session
- Televised
- Electronically Recorded (taped)
- Stenographic Record

TITLE OF HEARING: ASSESSING US FOREIGN POLICY PRIORITIES AND NEEDS AMONGST ECONOMIC CHALLENGES IN SOUTH ASIA

SUBCOMMITTEE MEMBERS PRESENT: CHABOT, ACKERMAN, BILIRAKIS, CONNOLLY, FORENBERG, MANZULLO, ROSENBAUMER, BUEARKE, ELLMER

NON-SUBCOMMITTEE MEMBERS PRESENT: (Mark with an \* if they are not members of full committee.)

HEARING WITNESSES: Name as meeting notice attached? Yes  No   
(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: (List any statements submitted for the record.)

TIME SCHEDULED TO RECONVENE or TIME ADJOURNED 4:10

[Signature]  
Subcommittee Staff Director

The Honorable Gerald E. Connolly (VA-11)

**HCFA Hearing Assessing U.S. Foreign Policy Priorities and Needs Amidst Economic Challenges in South Asia**  
**Tuesday, April 4, 2011**  
**2pm**

South Asia has rarely had a reputation for tranquility since the 1947 Partition, though the events of the past decade have exacerbated the volatility of the region. Territorial disputes, a nuclear rivalry, a slew of wars fought between India and Pakistan, and cross border terrorist attacks are some of the reasons why the subcontinent requires constant monitoring. U.S. involvement in Afghanistan has complicated the situation and demonstrated the existence of a hodgepodge of terrorist groups clamoring for influence in different parts of the region. The porous border between Afghanistan and Pakistan (commonly called "AfPak" in foreign policy circles) and the existence of more lawless areas in Pakistan like the Federally Administered Tribal Areas (FATA) present unique challenges.

The United States has repeatedly attempted to work with its allies on the subcontinent. India is the world's largest democracy and has presented unique business opportunities for American companies. And the militaries of Pakistan and the United States have worked together to pursue terrorists who use the porous border in the region to their advantage. The U.S. has certainly invested large sums of money in Pakistan in the hopes of gaining Pakistan as a useful ally. (This cooperation is nothing new, and goes back to the days of the Cold War when General Zia ul Haq ruled Pakistan).

In recent years, Pakistan has seen a significant increase in financial assistance from the United States, including the \$1.5 billion per year for five years in development aid passed in the last Congress (through the Enhanced Partnership with Pakistan Act of 2009). This is in addition to other sums of money that the U.S. provided Pakistan—specifically more than \$10.7 billion in over assistance since 2001, including about \$6 billion in development and humanitarian aid, and some \$4.4 billion for security-related programs. These sums do not include reimbursements for militarized counterterrorism efforts.

When discussing U.S. security interests in Pakistan, one must discuss Afghanistan as well. For all of FY2002-FY2010, the United States has provided about \$54.5 billion in assistance, including military "train and equip" funding for the Afghan National Army and Afghan National Police (which is about \$30 billion of these funds). I am interested in hearing how U.S. funding has shifted in preparation for the U.S. military drawdown in Afghanistan. An update on the effectiveness and oversight of this funding would be useful as well, including the status of the Commander's Emergency Response Program (CERP).

A long-term investment in South Asia is in our strategic interest, but such an investment should use every dollar in the most efficacious way possible. Thank you, Madam Chairman. I look forward to hearing from today's witnesses.

