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THE FY 2016 BUDGET REQUEST: ASSESSING U.S. FOREIGN ASSISTANCE EFFECTIVENESS

HEARING

BEFORE THE

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THE FY 2016 BUDGET REQUEST: ASSESSING U.S. FOREIGN ASSISTANCE EFFECTIVENESS

TUESDAY, MARCH 17, 2015

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The committee met, pursuant to notice, at 10 o'clock a.m., in room 2172 Rayburn House Office Building, Hon. Edward Royce (chairman of the committee) presiding.

Chairman ROYCE. This hearing will come to order and I will ask the members if they will take their seats.

Today, we review the budget requests of the U.S. Agency for International Development and the Millennium Challenge Corporation, and when thinking about your effectiveness the ultimate objective must be to see countries graduate from foreign assistance.

Countries that respect individual rights and respect property rights, clearly, are more likely to enjoy stability. They are more likely to have economic growth. Both are essential to overcoming poverty than those countries that do not.

So when it comes to development, the right policies matter, far more than the dollars and cents and that is why the Millennium Challenge Corporation is so important and that is why the right focus on what USAID does is so important.

So these are the principles that this committee has promoted in the past. For example, if you look at the African Growth and Opportunity Act, which I helped write 15 years ago, that was a plan to help these countries develop and we are going to have to reauthorize that this year.

AGOA, as we call it, is up for reauthorization. These are the principles that guided the founding also, as I say, of the MCC and by working with poor but relatively well-governed countries; by recognizing sound policies; by committing to the principles of transparency and accountability, MCC is putting countries on the path toward graduation.

So today MCC is requesting the ability to enter into compacts that would advance regional economic integration and regional trade, and I am pleased to be working with Karen Bass—Congresswoman Bass—on this issue.

And MCC, at the end of the day, must stay true to its roots and not dilute its rigorous selection criteria and that is a constant concern because that is what gives the leverage to keep moving these countries toward the proper governance.

Meanwhile, USAID has established itself as a global leader. In humanitarian assistance, in disaster relief; from the devastating earthquake in Gujarat to the deadly Ebola epidemic in West Africa, USAID typically is the first to respond.

In the Philippines, I saw firsthand Typhoon Haiyan's devastation there and USAID knew that it would take 3 weeks for U.S. food aid stored in Sri Lanka to arrive, 12 weeks if they had to ship that food from the United States. So what they did was they bought the food locally. They saved lives as a result.

I was pleased to see the administration renew its request to exempt a quarter of the Food for Peace budget from costly, outdated and inefficient U.S. purchase and shipping requirements. But the President should have asked for more. This is timid reform.

Still, I will work with the administration and my colleagues so that our food aid reaches more people in less time for less money, and that is the nature of the reforms that we have pushed in this committee in the past.

Despite strong performance in the area of disaster relief, USAID has historically struggled to perform in other areas. Its poor performance in Haiti led this committee to pass successful legislation last Congress to step up oversight of the lagging aid effort in Haiti, and reports of waste continue to come out of Afghanistan.

To its credit, USAID has been working to redefine itself over the past 5 years. In many areas it is putting MCC principles into practice. The agency is focusing on results and innovation while tapping the expertise and capital of the private sector.

USAID also is becoming more transparent. The agency has begun implementing a number of the transparency reforms that this committee has demanded and that Mr. Poe on the committee has advanced.

What isn't commendable is the administration's failure to nominate an inspector general, which has left USAID and MCC without a top cop for over 1,200 days.

Ranking Member Engel and I have encouraged the President to get the second longest IG vacancy filled now, and I am demanding that USAID sort out its policy with the Government Accountability Office so it can once again gain complete, timely access to the information that the Government Accountability Office requires to execute its congressionally mandated oversight role.

This is in keeping with the USAID new commitment to transparency as well as in keeping with the former administrator's personal pledge to me. As you know, Director Shaw changed this policy and now we look forward to its implementation.

So there is no shortage of challenges on your plate and at under 2 percent of the total annual budget, the International Affairs Budget has had to punch above its weight and that won't be changing anytime soon, meaning a focus on efficient and effective programs has to be a continuum here.

So I look forward to working with you, Ambassador Lenhardt and Ms. Hyde, to address these challenges and these opportunities over the coming year, and I will turn to Mr. Eliot Engel of New York, our ranking member, for his opening statement.

Mr. ENGEL. Mr. Chairman, thank you very much for holding this important hearing. I have always been very fond of USAID and the wonderful work that USAID does.

Ambassador Lenhardt, Ms. Hyde, thank you for testifying this morning. Thank you both for all your hard work and service to our country. As the chairman mentioned, compared to the entire Federal budget what we are discussing today represents a drop in the ocean. I have long felt that U.S. foreign aid should be increased.

But a lot of people don't realize that it is barely 1 percent of our budget. But it is a critical part of America's foreign policy. Our investments in foreign assistance pay huge dividends in terms of our country's security, prosperity and values.

Our efforts abroad save millions of lives, improve governance and promote economic opportunity around the world. The benefits of foreign assistance are clear. But, of course, every tax dollar must be spent wisely.

That is why this committee's oversight of USAID, the State Department, MCC and other foreign affairs agencies is so critical.

Ms. Hyde, your leadership of MCC has been outstanding, as far as I am concerned. For more than a decade, MCC has maintained an emphasis on data-driven, accountable and transparent development efforts. I look forward to continued progress to ensure that MCC maximizes the benefits of this approach.

I also want to thank you for MCC's work with my staff to help Kosovo compete fairly within the MCC framework. Thanks to this collaboration, we found a way to generate data on Kosovo that can be submitted to MCC and included on MCC's scorecard.

Ambassador Lenhardt, thank you for stepping into the role of acting administrator. Roger Shaw has big shoes to fill, as I am sure you know, but your distinguished record tells me that USAID is in good hands, remains in good hands. Your leadership comes in an especially challenging time.

As we face expanding needs due to conflict and instability around the world, our foreign assistance budget remains constrained.

I want to thank USAID for its incredible work in responding to the Ebola crisis in West Africa. After a very challenging year, our strategy is working but the situation remains critical in Sierra Leone and Guinea.

We need smart investments in sustainable health care systems. We need to help countries identify and contain infectious diseases and we need to help people live healthy productive lives.

We must also not forget that treatable diseases continue to kill millions of people every year. Last year alone, hundreds of thousands died from malaria and 1.5 million succumbed to tuberculosis.

I hope Congress will provide robust funding for our global health programs this year. Likewise, I am concerned that we will need more funding for humanitarian relief in the coming fiscal year to deal with crises in Syria, Ukraine, South Sudan, the Central African Republic and many other places.

Four years after the start of the horrendous conflict in Syria, the country continues to be a magnet for extremists. ISIL has spread across Syria and deep into Iraq. The Assad regime commits atrocities. I just heard of more gas atrocities this morning.

They commit atrocities with impunity and the humanitarian crisis has reached critical proportions. We must do more to help bring this conflict to an end and respond to the immense suffering it has caused.

On Ukraine, the President recently signed bipartisan legislation expanding assistance across a variety of sectors. Chairman Royce and I have worked in the collaborative process to help Ukraine as have the members of this committee.

Since USAID is the lead agency implementing much of this effort, I look forward to hearing your views on these new programs concerning Ukraine.

I am very pleased by the President's $1.1 billion proposal to address the root causes of child migration from Central America.

I also want to call to your attention to a bipartisan letter I sent you last week along with Ms. Ros-Lehtinen, Mr. Sires, Mr. Cicilline and others urging USAID to provide direct funding to LGBT human rights groups in Central America.

The level of violence against LGBT individuals in Honduras, Guatemala, and El Salvador is unacceptable. In Africa, increased trade and access to electricity are critical to economic growth and development.

USAID is leading with the Power Africa and Trade Africa initiatives. I hope Congress will complement those efforts by passing Electric by Africa and reauthorizing the African Growth and Opportunity Act.

And, again, the chairman has been a champion on this for many, many years. Both of these laws would bolster USAID's efforts and support innovative and enterprising Africans.

And finally, in Afghanistan and Pakistan the United States has spent billions of dollars on roads, agriculture, rule of law and capacity building.

I hope you will focus on how USAID plans to monitor projects in Afghanistan after the withdrawal of all American combat troops and assess the continuing value of our aid to Pakistan.

Ambassador Lenhardt and Ms. Hyde, thank you again for appearing here today and I look forward to your testimony.

Chairman ROYCE. And let me second, Mr. Engel, your remarks about former Director Shaw's work and on wishing you well, Ambassador, in your new position as acting Ambassador for the U.S. Agency for International Development.

Ambassador Lenhardt has continued in his service to this country. He served as the U.S. Ambassador of Tanzania from 2009 to 2013. He also served this nation as the 36th sergeant of arms of the United States Senate and in that service was the first African American to serve as an officer of the Congress.

Dana Hyde, prior to becoming chief executive officer of the Millennium Challenge Corporation, was the associate director at the Office of Management and Budget and previously worked at the State Department.

So we welcome them, and without objection the witnesses' full prepared statements will be made part of the record and members here will have 5 calendar days to submit any statements or questions to you or any extraneous material for the record.

So we will ask you both to please summarize your remarks and, Ambassador, we will start with you.

STATEMENT OF THE HONORABLE ALFONSO E. LENHARDT, ACTING ADMINISTRATOR, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Ambassador LENHARDT. Thank you, Mr. Chairman, Ranking Member Engel and members of this committee for allowing me to discuss the Fiscal Year 2016 budget request for the United States Agency for International Development.

Thanks to strong interagency partners like Dana Hyde and bipartisan support in Congress, we are fortunate to have leaders throughout government who understand the importance of development to our nation's security and prosperity.

At USAID, we believe that by partnering to end extreme poverty and promote resilient democratic societies, we are helping developing countries transform into peaceful, open and flourishing partners for our own nation.

As I testify today, my colleagues at USAID are supporting that mission and representing our country in dynamic and challenging environments around the world.

We are rooting out threats before they reach our shores, unlocking flourishing markets for American businesses and connecting our young people and universities with global opportunities, all for less than 1 percent of the Federal budget.

This year's budget request advances our country's interest while responding to pressing national security priorities all over the world, from Nigeria to Honduras.

By leveraging public-private partnerships and harnessing innovation we are maximizing the value of each and every dollar that is entrusted to us.

At the same time, we are making difficult choices about where our work will have the greatest impact, shifting resources and personnel to better advance our mission of ending extreme poverty around the world.

These investments have delivered real measurable results on behalf of the American people. Our Feed the Future program has helped 7 million farmers boost their harvest with new technologies and improve nutrition for more than 12 million children.

Our Africa has mobilized $20 billion in private sector commitments and encourage countries to make critical reforms, and thanks to groundbreaking investment in child and maternal survival, we are on track to save the lives of up to 15 million children and nearly 600,000 women by the year 2020.

These efforts are at the core of a new way of doing business. After 5 years of reform, I am confident our agency is now a more accountable and effective enterprise.

Yet, I am equally humbled by the challenges before us and recognize that we have much more work to do. That is why my focus will be on one core discipline—management. I will focus our energy in all of our activities at the agency to be more innovative and strategic in our effort to get better every day.

Because while we may not have all the right answers, we are asking the right questions. Above all, I will ensure that we are good stewards of the precious resources that are entrusted to us.

Spending over 30 years in the Army and becoming a two-star general and later as an Ambassador to Tanzania may not be the typical path to a job in development. But even though my journey was different from the development professionals with whom I had the privilege to serve, my conclusion is the same.

America's investment in development is money well spent. Saving children from hunger and disease elevates our own moral strength.

Empowering entrepreneurs to innovate and create new markets advances our own prosperity. Strengthening civil society not only gives a voice to the oppressed but also makes our own citizens more secure.

Through our work, we are opening up new paths to opportunity, energizing the global economy and reducing the root causes of insecurity throughout the world. In doing so, we are advancing the values that unite the American people and the people throughout the world.

As we work to tackle these global challenges, we will value your counsel on how we can become even more effective and, certainly, accountable.

I thank you for your kind attention. I look forward to answering your questions.

[The prepared statement of Ambassador Lenhardt follows:]

Testimony of Alfonso E. Lenhardt,
Acting Administrator, U.S. Agency for International Development,
House Committee on Foreign Affairs
March 17, 2015

Thank you Chairman Royce, Ranking Member Engel, and Members of the Committee. I am pleased to join you to discuss President Obama's fiscal year 2016 budget request for the United States Agency for International Development (USAID).

Thanks to bipartisan support in Congress and from the American people, USAID is responding to unprecedented development challenges, including some of the most pressing events unfolding on the world stage today. By partnering to end extreme poverty, reduce state fragility, and promote resilient democratic societies, we help developing countries transform into peaceful, open, and flourishing partners for our nation.

In West Africa—where the Ebola epidemic threatened tens of thousands of families—we continue to lead an international coalition to tackle the outbreak with a strategy driven by evidence, innovation, and data. Led by our Disaster Assistance Response Team, we worked with the Department of Defense and the Centers for Disease Control and Prevention to mount the largest U.S. response to a global health crisis in history—coordinating thousands of U.S. Government personnel working across the region. We helped our partners recruit, train, and equip hundreds of frontline healthcare workers. We created a pipeline of critical supplies, such as protective suits and generators, and set up data systems to report precise information on new cases in real time. And we launched aggressive local information campaigns, educating vulnerable communities on how to prevent infection. In Liberia—once the heart of the epidemic—new cases have been reduced from more than 50 per day at the peak to zero new reported cases in the last two weeks. In Guinea and Sierra Leone, we are continuing to fight the epidemic with a focus on building local capacity.

In Central America—where countless children flee their homes to escape gangs, violence, and bleak economic opportunities—we are building the foundation for safe and vibrant communities. We are now deepening our partnerships with local governments, companies, and civil society in the Northern Triangle countries of El Salvador, Honduras, and Guatemala, and we are leveraging new resources and partnerships to amplify our assistance. As set forth in the Strategy for U.S. Engagement in Central America, we are reducing violence, lowering youth unemployment, and spurring broad-based economic growth in fragile towns across the region. We are also focusing on fostering public sector accountability, transparency, and effectiveness, which will ensure that our gains are sustainable.

In Syria and Iraq—where the world's most pressing humanitarian crisis rages on—we are helping millions of displaced people regain a sense of security. Today, we are providing life-saving aid by opening schools, building shelters, and providing nutritious meals. We are also working hand-in-hand with the international community to root out instability, monitor emerging conflicts, and ensure the safety of civilians caught in conflict.

In Ukraine—where citizens are working to establish a stable and sovereign democracy—we are supporting constitutional reforms and citizen dialogues with local authorities that can lead to a more transparent and responsive government. We are also bolstering Ukraine's fragile economy, particularly by improving energy efficiency, strengthening trade, and fighting corruption.

In the Philippines—where recent typhoons have devastated communities—we are building resilience to natural disasters. Instead of simply responding to crises by alleviating suffering and providing food in an emergency, we are shifting our focus to help prevent widespread devastation in the first place. In the wake of Typhoon Haiyan, we not only reached nearly three million people with emergency food aid, but also built response systems that will protect against future shocks. When Typhoon Hagupit hit a year later, towns quickly deployed stockpiles of fuel and chemicals for water treatment—ensuring that damaged communities stayed safe from water-borne diseases.

For less than one percent of the federal budget, the foreign assistance request by President Obama drives strategic engagement in the Middle East and North Africa, as well as across Asia-Pacific and Latin America. It preserves the gains we have made in Afghanistan, building upon the heroic efforts of our Nation's frontline civilians and service members. And it helps vulnerable communities from Ecuador to Ethiopia develop and strengthen their resilience to conflict and natural disasters.

USAID's approach is embodied in our mission statement: *We partner to end extreme poverty and promote resilient, democratic societies while advancing our security and prosperity.* It emphasizes our commitment to helping the world's most vulnerable people move from dependency to self-sufficiency while strengthening U.S. national security.

FOCUSING ON ACCOUNTABILITY AND RESULTS THROUGH A NEW MODEL

The FY 2016 budget request for USAID managed or partially managed accounts is $22.3 billion, seven percent above the FY 2015 enacted funding for these accounts.

We are focused on maximizing the value of every dollar. Over the past five years, we have made difficult choices about where our work will have the greatest impact—shifting resources and personnel to better advance our mission of ending extreme poverty around the world.

Since 2010, USAID Missions have reduced the number of program areas from nearly 800 to 512 in this budget—or by 35 percent. USAID global health program areas have been phased out of 23 countries. In 2010, the Feed the Future portfolio had 56 countries, it currently has reduced the total number of countries by 25 to 31.

Under USAID Forward, we have transformed our Agency into a more efficient, nimble, and accountable enterprise. We revitalized our policy and budget capacity; strengthened monitoring, evaluation, and accountability; and embraced science, technology, and public-private partnerships across our programs.

These reforms are at the core of our new way of doing business—one that has a relentless focus on delivering real, measurable results on behalf of the American people.

Despite progress made, we have a ways to go. So we are working to be more efficient and effective as a learning organization. Today, our major programs are independently evaluated, and those evaluations—both positive and negative—are available right now online, with many accessible via an iPhone app. At least half of these evaluations have led to mid-course corrections. Through evaluations in Haiti, for example, we have harnessed data to target community vaccination drives and nutrition supplements in the most vulnerable neighborhoods. According to Haiti's latest Demographic and Health Survey—the gold standard for tracking public health progress—these efforts have helped drive under-5 child mortality down by more than 20 percent over the past 15 years, despite the earthquake.

We have taken concrete steps to ensure that our Missions are generating reliable and current data on our performance—which improves accountability, increases our impact, and cuts costs. We also created robust platforms and training seminars to ensure our data is held to the highest standards of precision, timeliness, and validity, even as we work in remote and restrictive environments.

At the same time, we created contractor compliance systems that have already executed over 230 suspension and debarment actions—25 times the number the Agency executed just a few years ago. In Afghanistan, we have kept over $645 million from being awarded to those who did not meet our vetting requirements.

At a time when great ideas and inspirational leadership come from every corner of the world, we are supporting innovative solutions that will lead to sustainable development. Today, we are embracing direct partnerships with change-agents who have invaluable in-country knowledge, networks, and expertise.

This focus on small and local partners has delivered dramatic results. Last year, we worked with 1,150 local organizations in 74 countries—and our Agency partnered with more American small businesses than ever before. As a result of our partnerships, for example, a teaching hospital in Kenya hired a U.S. university to continue its HIV/AIDS research. And a farmers' association in Guatemala became our signature partner in strengthening food security for 32,000 families.

Through our Development Credit Authority (DCA), we are leveraging resources from the private sector to seed small businesses—$769 million in 2014 alone. Since 1999, DCA has unlocked $3.7 billion in private capital, with more than half of that in just the last four years. With 98 percent of all loans repaid, it is supporting a global community of entrepreneurs and unlocking new business opportunities for the United States.

To accelerate our momentum, other initiatives are leveraging DCA's unique capabilities. For instance, less than two years since the launch of Power Africa, USAID has mobilized over $170 million in financing for projects across the continent, ranging from hydro power systems to rooftop solar battery charging stations.

ACCELERATING DEVELOPMENT THROUGH SCIENCE, INNOVATION, AND PARTNERSHIP

In the past, we identified problems and designed solutions by ourselves. Under our new way of doing business, we are now throwing open the doors of development with a suite of open competitions, prizes, and partnerships to source, test, and scale proven solutions.

This past year, we launched the U.S. Global Development Lab—a groundbreaking investment in the power of science, technology, innovation, and partnerships to bend the curve of progress. It will generate, test, and scale breakthrough solutions to complex development challenges, while attracting private sector investment to improve the sustainability of our efforts.

With a diverse array of partners—from Cargill to Coca-Cola, Texas A&M to Johns Hopkins, CARE to Catholic Relief Services—the Lab is investing in high-impact innovations, like low-cost infant resuscitation devices and new personal protective suits for Ebola health care workers. In doing so, it accelerates success in areas where our progress has fallen short of our ambitions.

Our Development Innovation Ventures (DIV) program—established to find, seed, and scale cost-efficient innovations—has invested in more than 100 ideas across 35 countries, such as a $10 device that prevents the leading cause of maternal mortality. In East Africa, for instance, DIV is supporting an innovative chlorine dispenser system that is providing access to clean drinking water to approximately 3 million people across East Africa, with the goal of reaching 2 million more. In doing so, it will save 3,200 children from preventable deaths—all at just two percent of the cost of existing approaches.

We recently took this model to a new level by launching the Global Innovation Fund, an international impact investing partnership that will apply venture capital-style rigor to invest in high-potential development solutions. In addition, over the past four years, we have launched six Grand Challenges for Development competitions to generate game-changing ideas on issues including maternal and child health; clean energy for agriculture; childhood literacy; water for food production; and open government—with nearly half of the submissions coming from the developing world.

For example, we recently initiated a *Fighting Ebola* Grand Challenge for Development to generate new tools to help frontline health care workers provide better care. In just two months, USAID received more than 1,500 ideas from a global community of innovators—from re-engineered personal protective suits to lotions that repel the virus. One award nominee is Johns Hopkins University, which created a personal protective suit prototype with easy-to-open zippers and a built-in cooling fan that runs off a cell phone charger. While the old suits took 22 steps and 15 minutes to take off safely, these new ones come off in less than 60 seconds, all in one fluid motion.

Taken together, these initiatives have the potential to redefine the way we work around the world. Our Agency's open competitions have received more than 10,000 applicants, and nearly 70 percent of them have never worked with us before. Our staff is working hand-in-hand with new partners—epidemiologists, students, and engineers alike—to build a global community of humanitarians dedicated to our mission of ending extreme poverty.

Through our new way of doing business, we are tapping into talent everywhere to transform lives faster, and more efficiently, than ever before. In more than 70 countries, USAID is delivering extraordinary results across critical areas, from agriculture to power.

REDUCING HUNGER AND EXTREME POVERTY

In this request, $1.02 billion is devoted to Feed the Future, the U.S. Government's global hunger and food security initiative, of which $978 million is requested in USAID and State accounts. Built on decades of bipartisan support for U.S. foreign aid, Feed the Future has evolved into a global movement designed to end hunger and extreme poverty through business, science, and partnership.

Through Feed the Future, we have supported our partner countries to increase agricultural productivity, expand markets, and increase rural incomes. In 2013 alone, we reached nearly 7 million farmers with new technologies that boost harvests—and, working in concert with USAID's Global Health and Food for Peace efforts, we improved the nutrition of 12.5 million children.

These efforts are paying off in the form of increased yields, higher incomes, and more dynamic economies. In 2014, our efforts enabled smallholder farmers in targeted countries to earn more than $530 million in new sales of agriculture products—representing a three-fold increase over the previous year.

In Zambia, we improved access to better seeds and fertilizers, contributing to a record maize harvest that was 30 percent larger than the year before. In Ethiopia, we helped drive down stunting rates by 9 percent in just three years—resulting in 160,000 fewer children suffering from one of the most crippling effects of malnutrition. In Bangladesh, we contributed to an almost 15 percent reduction in stunting during the past three years across the two regions where Feed the Future is focused—resulting in an estimated 100,000 fewer stunted children.

Three years ago, President Obama elevated food security to the global stage, creating a landmark public-private partnership with the G8 called the New Alliance for Food Security and Nutrition. Representing a shared commitment among African leaders, donors, and private sector, the New Alliance has leveraged $10 billion in investment from 200 companies—the majority from local African firms, including farmer-owned businesses.

Feed the Future is also at the forefront of our Agency's effort to build resilience. Today, we are promoting cutting-edge technologies and management practices that increase crop and livestock production—even in the face of unpredictable conditions and shocks. In places like the Horn of Africa, we are using drought and flood-resistant seeds and better livestock management practices to protect harvests and preserve economic stability. Not only does this dramatically reduce widespread hunger and stunting, but it empowers local farmers and herders to invest in their assets, which helps them move from dependency to self-sufficiency.

ENDING PREVENTABLE DEATHS

Thanks to strong bipartisan support for our global health efforts, we are saving more lives than ever before. In this budget, USAID and the Department of State are requesting $8.2 billion in funding for global health to help realize goals that were once inconceivable: ending preventable maternal and child death, protecting communities from the spread of infectious diseases, and creating an AIDS-free generation. Of this total, the USAID Global Health account request is $2.8 billion and the State PEPFAR account request is $5.4 billion.

Instead of trying to work everywhere at once, we've already narrowed our focus to the 24 countries that account for more than 70 percent of maternal and child deaths globally. Last June, at our *Acting on the Call* summit, we released Action Plans for each of our priority countries and management scorecards that are all reviewed quarterly which will set the pathway to realize our vision of saving the lives of up to 15 million children and nearly 600,000 women by 2020.

We are harnessing this momentum by continuing to support an array of ambitious programs. Just last month, the United States committed $1 billion to Gavi, the Vaccine Alliance, over four years—subject to Congressional approval—to help immunize 300 million children and save at least 5 million lives by 2020. Over the past decade, the President's Malaria Initiative has contributed to dramatic reductions in childhood mortality rates in all of the original 15 PMI focus countries, ranging from 16 to 50 percent. And PEPFAR recently announced that it is now supporting life-saving antiretroviral treatment for 7.7 million men, women, and children—helping to cut new HIV cases by more than 50 percent since 2005.

INCREASING ACCESS TO POWER IN AFRICA

The FY 2016 budget request includes $76.7 million for Power Africa. Less than two years ago, President Obama launched Power Africa, a public-private partnership that aims to double access to power—and unlock American private sector investment—across sub-Saharan Africa. To do so, we are embracing a transaction-focused approach that mobilizes new sources of private capital, trains local entrepreneurs, and encourages countries to make energy sector reforms. As a result, it not only facilitates significantly larger pools of funding for energy projects; it also ensures that firms and countries alike abide by international rules to prevent corruption and adhere to internationally recognized social, labor and environmental standards.

As part of Power Africa, more than 4,000 megawatts (MW) worth of power projects have financially closed—mostly financed by private resources—and another 15,000 MW worth of transactions are in the planning stages. For every $1 the U.S. has committed, the private sector has committed almost $3. To date, over 90 private sector partners have stepped forward with more than $20 billion in commitments.

At the recent U.S.-Africa Leaders Summit, President Obama announced that the United States is tripling its goal for Power Africa to 30,000 MW of new electricity generation and bringing at least 60 million household and business connections online.

In Ethiopia, Power Africa is supporting the nation's first private power project—a geothermal energy facility that has the potential for upwards of 1,000 megawatts worth of clean energy capacity. In Nigeria, we're partnering with a local university to build a renewable, off-grid hydropower plant—expected to provide electricity to more than 10,000 rural students, professors, and community members.

BUILDING RESILIENCE TO CLIMATE CHANGE

The Global Climate Change Initiative (GCCI) invests in climate-resilient, low-emission development that is critical to sustainable global economic growth and stability. The USAID request of $348.5 million for bilateral programs will strengthen resilience to the impacts of climate change, increase access to clean energy, and reduce emissions from deforestation and land use. These bilateral investments complement the President's commitment to the Green Climate Fund.

These efforts help to address a significant challenge to our national security and economic prosperity. According to leading reinsurance company Munich Re, over the past decade, natural disasters have cost the world an average of 106,000 lives and $184 billion per year. More than three-quarters of global disasters are weather-related events—such as droughts, floods, storms and heat waves—that are expected to become more intense, less predictable, and increasingly frequent with climate change.

While we cannot prevent these types of shocks from happening, we can work more strategically to ensure these disasters do not devastate families or set back hard-won development gains.

This spring, we launched the Global Resilience Partnership with the Rockefeller Foundation and the Swedish International Development Cooperation Agency. The partnership will focus on regions known for recurring crises, particularly the Horn of Africa, the Sahel, and South and Southeast Asia. Through a network of regional hubs, the Global Resilience Partnership will source, test, and scale innovative solutions that are tailored to local needs—like crowd-sourced data collection tools and cutting-edge storm warning systems.

In Africa—home to some of the world's fastest-growing economies—we have reduced risk of disasters for more than 27 million people by harnessing innovative tools, like underground water mapping. And from Brazil to Indonesia, we are partnering with the Consumer Goods Forum—representing 400 companies and $3 trillion in annual sales—to support the Tropical Forest Alliance 2020, which works to green supply chains and end tropical deforestation.

Recognizing that the adverse impacts of climate change can exacerbate instability, we are exploring new kinds of partnerships, research, and technologies. This past year, we conducted a groundbreaking exercise with U.S. Special Operations Command to map security threats against human deprivation in the Sahel, home to resurgent extremist groups. What we found was startlingly clear: the migration of people, arms, and illicit drugs mapped clearly to areas with food insecurity and water shortages. Today, we are using the results from this recent exercise as the foundation for joint civilian-military planning in other areas of crisis.

EXPANDING ACCESS TO QUALITY EDUCATION

With our commitment to accountability, innovation, and local leadership, our education programs are making a critical difference in fragile communities across the globe. Our request for Basic Education is $600 million, an increase of 12.4 percent over our FY 2015 request.

Since we launched our Education Strategy in 2011, we have designed or realigned over 100 programs. Thanks to a relentless focus on making evidence-based investments and delivering measurable results, we have reached more than 30 million individual children over the past four years alone. These efforts have given some of the world's most vulnerable children a rare chance to realize their potential.

In a year of unprecedented global crises, we have targeted our efforts to children whose schooling has been disrupted. After nearly 300 schoolgirls were kidnapped in Nigeria, we moved rapidly to put in place an education crisis response program to expand quality education opportunities for displaced and out-of-school children in conflict-affected northeast Nigeria. In Jordan, we are supporting local officials to provide education through the public school system to more than 100,000 child refugees—including 60,000 girls—who have been forced to flee violence. And when the Ebola epidemic shut down schools for months in Liberia, we used community radio stations to broadcast education programming into half of the entire country, every morning and night. Today, we are supporting local officials as they transition millions of children back into the classroom.

We are also harnessing the power of innovation to not only educate more children, but support more local teachers. Last month, we released a new round of grants through our *All Children Reading* Grand Challenge—a competition to create scalable, low-cost education technologies. In Zambia, for instance, we are supporting an online training platform for early-grade reading teachers.

At the same time, we are supporting whole-of-government initiatives like *Let Girls Learn*, which will improve access to quality education for adolescent girls in the face of various barriers. Following the historic U.S.-Africa Leaders Summit, we are expanding the Young African Leaders Initiative across the continent. Today, we are establishing four Regional Leadership Centers that will help thousands of African students enroll in local universities and receive vocational training.

By investing in the skills and self-sufficiency of vulnerable children, we can brighten the future for millions of communities shackled by extreme poverty and conflict. With widespread illiteracy estimated to cost the global economy more than one trillion dollars this year alone, these programs not only advance America's standing as the world's development leader in education, but also energize the global economy.

INCREASING ACCESS TO CLEAN WATER AND SANITATION

Today, more than 750 million people lack access to clean water. Over 840,000 die each year from a water-related disease—more than the entire population of San Francisco.

With a budget request of $228 million, we will continue the implementation of our first-ever Water and Development Strategy, which lays out a precise plan to enhance access to water for health and water for food. Over the next four years, we will sustainably improve the water supply for 10 million people, and reach 6 million people with access to improved sanitation. To reach these ambitious goals, we are leveraging new resources and tapping into the unique capabilities of local leaders.

In Indonesia, we are on track to improve sanitation and water services for over two million people. In Ghana, we partnered with the Coca-Cola Company, Rotary International, and local organizations to build wells and pipe systems that gave more than more than 112,000 people access to clean water for the first time. And with more than 17 million people in Kenya lacking access to safe water, we partnered with local banks to extend loans towards local water and sanitation projects. This past year, we leveraged the largest commercial loan for the water and sanitation sector in Kenya's history. With it, nearly 75,000 people have access to better water services.

RESPONDING TO HUMANITARIAN CRISES

Today, we face unprecedented humanitarian crises that challenge us to work even harder—and move even faster—to save as many lives as possible.

Last year was the first time in our Agency's history that we were called on to manage four large-scale emergencies simultaneously, in addition to the Ebola epidemic: Iraq, Syria, South Sudan, and the Central African Republic. In 2014 alone, our Office of U.S. Foreign Disaster Assistance responded to 49 disasters in 42 countries. The willingness of our staff and partners to head into the heart of a crisis to save lives—regardless of danger or difficulty—is one of the most profound expressions of who we are as Americans.

Syria remains the world's most devastating humanitarian crisis. There are now more than 7.6 million displaced people inside Syria—and approximately 3.8 million refugees now live in neighboring countries, placing unprecedented stresses on an already fragile region. Despite the dangers inside Syria, we have supported nearly 300 field hospitals, clinics, and medical points that have treated more than 2 million patients. Emergency food assistance, programmed through the office of Food for Peace, has reached more than 3.2 million people both inside Syria and refugees in neighboring countries.

In Iraq, we are working hand-in-hand with local, military, and non-profit partners to assist vulnerable communities under assault from the Islamic State of Iraq and the Levant. For example, as militants threatened to starve thousands of families trapped on Mount Sinjar, we worked alongside the U.S. military to air-drop 128,000 ready-to-eat meals and nearly 134,000 liters of safe drinking water to the besieged victims.

In South Sudan, more than half of the population is in need of humanitarian assistance. This year, over 2.5 million people are experiencing acute levels of food insecurity, and tens of thousands of children are at risk of severe malnutrition. We are leading the international

community to bring critical assistance to communities on the brink of famine—delivering life-saving food, water, and medicine to families trapped by endemic conflict.

As we face this array of complex crises, our investments will complement President Obama's plan for food aid reform, which ensures that we can deliver life-saving assistance to more hungry people—in less time, and with the same resources. That is why this budget calls for the flexibility to use up to 25 percent of P.L. 480 Title II for lifesaving tools, like food vouchers and local procurement—in addition to U.S. commodities—which will allow us to reach two million more people. Most food aid will remain sourced from the U.S., sustaining the unique partnership between American food producers, the maritime community, and humanitarians— all united in an effort to save families in their greatest hour of need. We look forward to working with Congress this year to enact this historic proposal.

ADVANCING DEMOCRACY, HUMAN RIGHTS, AND GOVERNANCE

But as we respond to urgent crises, we also continue to build the foundation for enduring peace and prosperity in fragile environments. That is why this budget provides $2.4 billion for democracy, human rights, and governance programs—a 19 percent increase from the FY 2015 request. With this investment, we will protect freedom of expression, improve accountability, and expand equality in fragile democracies. But doing so does not just mean monitoring elections. It also means fighting corruption and protecting the rights of all citizens.

In Afghanistan, for instance, we created a $175 million incentive fund using FY 2012 and FY 2013 funds to hold the Government of Afghanistan accountable for long-term development goals—including advancing support for women and girls, fighting corruption, and establishing an improved electoral framework. The FY 2016 budget request includes significant additional funding to support a similar approach focused on conditions based incentives. In Ukraine, we are supporting anti-corruption reforms that can lead to a more transparent, stable, and responsive government. And in eight countries—from Tanzania to Bangladesh—we launched the SPRING Initiative, which will seed and scale new technologies to improve the economic outcomes of up to 200,000 girls over the next five years.

We also continue to support democratic transitions through the Open Government Partnership—an innovative international partnership between governments and civil society to encourage transparent, effective, and accountable governance. Launched by President Obama and seven other heads of state in 2011, 65 countries are now part of the Open Government Partnership. Our modest annual contributions of $350,000 to support the secretariat have yielded more than 2,000 national commitments to improve governance in 65 countries that are home to more than two billion people.

REGIONAL FOCUS

Afghanistan

This request is tailored to support Afghanistan's continued progress even while international assistance levels begin gradually declining—particularly by maintaining gains in health,

education, and gender equality; promoting economic growth; and improving stability by supporting more accountable and effective Afghan governance.

Our assistance in Afghanistan has helped produce remarkable gains. Back in 2001, Afghanistan had virtually no girls—and only 900,000 boys—enrolled in school. Today, more than 8 million children are enrolled in school, and over a third are girls. 40,000 Afghan women attend universities, training to be the doctors, engineers, and educators who will propel the country towards a more peaceful and prosperous future. This past year in Kabul, we officially launched Promote—the largest program in our Agency's history focused on empowering women. It will help 75,000 women achieve leadership roles in all parts of society, from business to academia to politics.

Central America

Building on our strong legacy of progress in Latin America and the Caribbean, we are tackling the biggest drivers of instability by focusing on harnessing innovation, spurring economic growth, and strengthening democracy.

Last summer, thousands of Central American children left their homes to seek a better life. To address the root causes of instability, the President has requested $1 billion for a new whole-of-government strategy for the region. In doing so, we will support a more democratic, secure, and economically integrated Central America—one that protects the safety of all citizens, provides greater economic opportunity, and has accountable public institutions. With a focus on embracing local leadership, the President's strategy will also align with the region's own plan, called the Alliance for Prosperity in the Northern Triangle.

We will target the underlying factors behind increased migration. In particular, we will support evidence-based initiatives that advance broad-based economic growth, accelerate rural development, and strengthen resilience across the region. For instance, we are partnering with companies like Chevron, Hanes, Cisco, Intel, and Microsoft to improve education and workforce training for at-risk youth across the region. In doing so, we can help thousands of vulnerable young people find jobs, return to school, or start their own businesses. We will also promote reforms that protect the rule of law, improve local governance, and strengthen citizen security in fragile communities. At the same time, we will closely evaluate human rights violations and the performance of the justice sector—ensuring that all citizens have access to basic services and protections.

Asia

We continue to support the Asia-Pacific Rebalance through an array of robust initiatives that foster inclusive growth; protect universal rights; boost regional trade; strengthen democracy and governance; and improve access to education and healthcare.

In India, we are supporting a partnership with the Indian government, business and development organizations to improve clean water and sanitation services for millions of vulnerable people. In

Vietnam, we are partnering with Coca-Cola to launch a micro-finance and training program for women entrepreneurs. In Bangladesh, we are deploying an innovation in fertilizer called deep urea placement that has transformed over 600,000 hectares of land—leading to the first-ever rice surplus in the country's poorest state. And through the U.S. government's New Silk Road initiative, we are helping to strengthen connectivity between Afghanistan and its neighbors across Central and South Asia—by reducing trade barriers, building up regional energy markets, and improving infrastructure like roads, railways, and border crossings.

ADVANCING AN EFFECTIVE MANAGEMENT AGENDA

The FY 2016 USAID request of $1.7 billion for all Administrative Expenses enables the investments and successes outlined here.

With these investments, we will ensure that our staff is protected as they perform oversight in unpredictable and dangerous environments. We will ensure that our Missions are generating reliable data—which improves accountability, increases our impact, and cuts costs. And we will ensure that we are continuing to reform operations, improve management processes, and generate significant cost savings.

Yet, even at a time when USAID teams are on the frontlines of conflict in Ukraine, upheaval in Yemen, and an epidemic in West Africa, our request represents just 7 percent of our total resources—underscoring our relentless focus on efficiency and optimizing the use of taxpayer funding.

CONCLUSION

Ultimately, our investment in development represents the vanguard of our economic strength, moral leadership, and national security. At the same time, it advances an unprecedented global fight to end extreme poverty.

Since the dawn of humanity, extreme poverty has crowded at the heels of progress—stifling hopes and undermining growth across the centuries. But today, we stand within reach of a world that was simply once unimaginable: a world without extreme poverty and its most devastating consequences, including chronic hunger and child death.

As President Obama said at the United Nations General Assembly, "America is committed to a development agenda that eradicates extreme poverty by 2030. We will do our part to help people feed themselves, power their economies, strengthen their policies, and care for their sick. If the world acts together, we can make sure that all of our children enjoy lives of opportunity and dignity."

Through our work, we are opening up new paths to prosperity, energizing the global economy, and reducing root causes of fragility and insecurity. In doing so, we are advancing the values that unite the American people and people throughout the world: a belief in the freedom, equality, dignity, and the potential of every individual.

Chairman ROYCE. Thank you, Ambassador.

Ms. Hyde.

STATEMENT OF THE HONORABLE DANA J. HYDE, CHIEF EXECUTIVE OFFICER, MILLENNIUM CHALLENGE CORPORATION

Ms. HYDE. Thank you. Thank you, Chairman Royce, Ranking Member Engel, members of the committee. I am delighted to be here today with Ambassador Lenhardt to discuss the Millennium Challenge Corporation's Fiscal Year 2016 budget request.

Just over 10 years ago, Congress created MCC as a competitive and incentive-based model——

Chairman ROYCE. Ms. Hyde, let us make sure that that button is pushed. There we go. Thank you. Keep going. That mic may not be working. Let us try that one more time.

Ms. HYDE. Are we good?

Chairman ROYCE. Now we are good.

Ms. HYDE. Now we are good. There we go.

MCC was given a singular mission—reducing poverty through economic growth—and it was grounded in three core principles—good governance, country ownership, and accountability for results.

Over the past decade, we have seen the power of these principles in action. MCC creates incentives for countries to do the right thing. Our investments support democracy, help fight corruption and promote American values of economic freedom and good governance.

Our work across the globe has created measurable improvements in the lives of the poor. And our partnerships have proven that poor countries will deliver on the promise of prosperity—when given the right incentives and the right support.

As we look to Fiscal Year 2016 and beyond, MCC will build on this model of success. The President's budget request of $1.25 billion will help unlock MCC's own potential to advance America's interests in three important ways.

First, by enabling new and deeper partnerships in critically important regions; second, by supporting efforts to drive transparency and improve data across the development community; and third, by leveraging private sector investments to widen impact and create trade and investment opportunities for American businesses.

Let me expand just briefly on each of these points. Partnerships—over the past decade the majority of MCC's partnerships have been in Africa. Roughly 65 percent of the agency's portfolio has been invested on the continent, mostly in large scale infrastructure—roads, ports, power lines, water systems—projects that are designed to unlock impediments to economic growth.

MCC is playing a key role in advancing the administration's Power Africa initiative. We have made a $1 billion commitment to Power Africa and we intend to commit roughly another $1 billion to energy-focused compacts in sub-Saharan Africa.

The MCC brand in Africa is strong and the continent holds tremendous promise for MCC to deepen its impact. In Fiscal Year 2016, MCC will continue its bedrock commitment to Africa with investments in two of the countries hardest hit by Ebola—Liberia and Sierra Leone.

We will also focus on Niger, one of the poorest democracies in the world and a critical ally in the fight against violent extremism. And MCC will fund a new threshold program in Cote d'Ivoire, a country that reformed its entire family code to provide women equal rights as part of its effort to gain our assistance.

While Africa will remain a core focus, MCC is also developing its first ever compact in South Asia with Nepal, one of the poorest countries in the region and now a committed democracy. And the board recently approved new compacts with the Philippines and Mongolia.

Those countries present important opportunities to leverage our impact on poverty reduction and support U.S. interests in the region. In each of these partnerships, MCC will commit itself to evidence-based decision making and accountability for results.

But what we have learned and what we know is that economies do not act in isolation. Markets are regional and if we seek to truly turn the dial on economic growth, we must think and act regionally.

That is why we are requesting the operational flexibility to explore regional investments in appropriate circumstances and on a targeted basis. Examples could include linking transportation infrastructure within Central America or enhancing access to power in West Africa or in South Asia.

Such investments offer the potential of fighting poverty on a wider scale, with higher economic returns and greater economies of scale. And they are squarely aligned with MCC's mission and its decade of experience in infrastructure development and incentive-based reforms.

I am grateful to Chairman Royce for his support of regional investments and to Representative Bass for her sponsorship of such legislation.

Second, data and transparency are built into everything we do at MCC. Indeed, in 2013 MCC was named the most transparent aid agency in the world. That leadership will continue as we release detailed geospatial and gender data on our investments and as we work with the consortium of organizations to collect even better data on governance.

Finally, catalyzing private investment is at the core of our work. At the heart of the MCC model is investments that overcome barriers to growth, reform key sectors and create opportunities. The recent Ghana Power Compact serves as a model in this regard.

MCC's $498 million investment in Ghana is expected to attract over $4 billion in U.S. private sector funding by transforming the country's power sector. In all of these areas, MCC punches above its weight.

Our impact reaches beyond the specific projects that we fund. By helping to reform policies and revamp institutions, we help put our partner countries on the road to self-sufficiency and a future without aid.

I know your constituents expect their money to be well spent, with clear metrics for success and a solid rate of return. That is why MCC treats foreign assistance like a business, making decisions based on hard data and rigorous analysis.

That is why we closely monitor results on the ground and hold country partners accountable, and that is why I can assure you that in MCC, American taxpayers are getting a good return on their investment.

On behalf of the agency, I would like to thank the committee for its support and guidance over the past decade. I look forward to our continued collaboration and to helping to build a more secure and prosperous future here at home and abroad. Thank you. I would be happy to answer your questions.

[The prepared statement of Ms. Hyde follows:]

Testimony of Dana J. Hyde
Chief Executive Officer
Millennium Challenge Corporation
House Committee on Foreign Affairs
"The FY 2016 Budget Request:
Assessing U.S. Foreign Assistance Effectiveness"
March 17, 2015

Thank you, Chairman Royce, Ranking Member Engel and members of the Committee. I am delighted to be here this morning with Acting Administrator Lenhardt to discuss the Millennium Challenge Corporation's (MCC) fiscal year (FY) 2016 budget request.

Just over ten years ago Congress created MCC as a competitive and incentive-based model of foreign assistance. It was given a singular mission – reducing poverty through economic growth – and grounded in three core principles: good governance, country ownership, and accountability for results.

Over the past decade we have seen the power of these principles in action. MCC creates incentives for countries to do the right thing. Our investments support democracy, fight corruption, and promote American values of economic freedom and good governance. Our work across the globe has created measurable improvements in the lives of the poor. And our partnerships have proven that poor countries will deliver on the promise of prosperity – when given the right incentives and support.

As we look to FY 2016 and beyond, MCC will build on this model of success. The President's budget request of $1.25 billion will help unlock MCC's own potential to advance America's interests in three important ways: first, by enabling new and deeper partnerships in critically important regions; second, by supporting efforts to drive transparency and improve data across the development community; and third, by leveraging private sector investments to widen impact and create trade and investment opportunities for American businesses.

Let me expand briefly on each of these points.

Partnerships

Over the past decade the majority of MCC's partnerships have been in Africa. Roughly sixty-five percent of the agency's portfolio has been invested on the continent, mostly in large-scale infrastructure – roads, ports, power lines, water systems – projects designed to overcome barriers to growth. MCC is playing a key role in advancing the Administration's Power Africa initiative. We have made a $1 billion commitment to Power Africa and we intend to commit roughly another $1 billion for additional energy-focused compacts in sub-Saharan Africa. The MCC brand in Africa is strong – and the continent holds tremendous promise for MCC to deepen its impact.

In FY 2016, MCC will continue its bedrock commitment to Africa with investments in two of the countries hardest hit by the Ebola epidemic – Liberia and Sierra Leone. We will also focus on Niger, one of the poorest democracies in the world and a critical ally in the fight against violent extremism. And MCC will fund a new threshold program in Cote d'Ivoire, a country that reformed its entire family code to provide women equal rights as part of its efforts to qualify for our assistance.

While Africa will remain a core focus, MCC is also developing its first-ever compact in South Asia with Nepal, one of the poorest countries in the region and now a committed democracy. And the MCC Board recently approved developing new compacts with the Philippines and Mongolia. Those countries present important opportunities to leverage our impact on poverty reduction and support U.S. interests in the region.

In each of these bilateral partnerships MCC will commit itself to evidence-based decision-making and accountability for results. But what we've learned and know is that economies do not work in isolation. Markets are regional. If we seek to truly turn the dial on economic growth we must think and act regionally. That is why we are requesting the operational flexibility to explore regional investments—in appropriate circumstances and on a targeted basis. Examples could include linking transportation infrastructure within Central America or enhancing access to power within West Africa or South Asia. Such investments offer the potential of fighting poverty on a wider scale – with higher economic returns and greater economies of scale. And they are squarely aligned with MCC's mission and decade of experience in infrastructure development and incentive-based reforms.

I am grateful to Chairman Royce for his support of regional investments, and to Representative Bass for her sponsorship of such legislation.

Driving Data and Transparency

Data and transparency are built into everything we do at MCC. Indeed, in 2013 MCC was named the most transparent aid agency in the world. That leadership will continue, as we release detailed geospatial and gender data on our investments, and as we work with a consortium of organizations to collect better data on governance.

MCC will also work with partner countries to enhance how they use data and share it with their own citizens, a critical part of making governments more accountable to their people. Through our partnership with the President's Emergency Plan for AIDS Relief (PEPFAR) we will support country data hubs – both a physical and virtual presence that will serve as a clearinghouse of economic, health, and gender equality data. Through these and other initiatives, MCC will enhance aid effectiveness and share innovation across the U.S. Government and development community.

Attracting Private Sector Investment

Finally, catalyzing private investment is a core component of our work. At the heart of the MCC model is investments that overcome barriers to growth, reform key sectors and create opportunities for the private sector. The recent Ghana Power Compact serves as a model in this regard. MCC's $498 million investment is expected to attract over $4 billion in U.S. private sector funding by transforming the country's power sector.

Going forward, MCC will identify opportunities to fill financing gaps that inhibit private investment and help countries do a better job of designing public-private partnerships. We will also work to deepen the involvement of U.S. businesses in our compacts; later this year we will lead our first-ever trade and investment mission to Africa.

Lasting Results

In all of these areas, MCC punches above its weight. Our impact reaches beyond the specific projects we fund. By reforming policies and revamping institutions, MCC helps put our partner countries on the road to self-sufficiency and a future without aid.

I know your constituents expect their money to be well spent, with clear metrics for success and a solid rate of return. That is why MCC treats foreign assistance like a business, making decisions based on hard data and rigorous analysis. That is why we closely monitor results on the ground and hold partner countries accountable. And that is why I can assure you: in MCC, American taxpayers are getting a good return on their investment.

On behalf of the agency I would like to thank the Committee for its support and guidance over the past decade. I look forward to our continued collaboration as we work to build a more secure and prosperous future at home and abroad.

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Chairman ROYCE. Thank you, Ms. Hyde. Thank you very much.

I have got three questions that I want to ask and, Ambassador, I will just start with you.

Over the past year, the committee has become increasingly concerned as we have seen USAID inhibiting the congressional watchdog here, the GAO, from doing its job, and as you know I spoke with former Administrator Shaw about this after being contacted a number of times by the GAO. And he gave me a written assurance that this policy would be repealed and that the GAO would be provided with the information including unredacted documents that it needs.

And I was just going to ask you is this your commitment as well?

Ambassador LENHARDT. Thank you, Mr. Chairman. I thank you also for the many opportunities where you support our programs. Certainly, I give you that commitment.

Chairman ROYCE. That is fine. That is fine with me. That is good enough.

Ambassador LENHARDT. Okay.

Chairman ROYCE. We will see the policy is repealed and I will work with you on that and I appreciate it.

Ambassador LENHARDT. Thank you.

Chairman ROYCE. On food aid reform is another area where I worked with Director Shaw closely and I have been working with the ranking member and other members of this committee for 2 years now to try to make food aid—the program there—more efficient and more effective.

And we want to get more food sent to more people in need in real time here when these disasters hit and we can do this at a lesser cost if we—and we have made some progress in doing it.

But, Ambassador, how much does USAID spend annually on shipping food aid as a result of the U.S. cargo preference requirements and how would USAID's food aid program be affected if cargo preference was bumped back up to 75 percent as been—as was proposed by some last year?

And I follow that up with another question—how many U.S. shipping companies benefit from agricultural cargo preferences? Are they all wholly U.S.-owned and how many more people could be reached with 45 percent flexibility, assuming a budget of $1.4 billion? If I can kind of give you that outlay and get your feedback.

Ambassador LENHARDT. Thank you, Mr. Chairman.

In answer to the question how many—how much did we spend, about $175 million to ship food aid was spent in Fiscal Year 2013 with about $125 million spent on U.S. flag vessels to comply with cargo preference requirements.

There are, as you indicated or requested, there are three carriers—principal carriers—that account for about 85 percent of the food aid shipped in the past two fiscal years and we spend, as I said, $175 million.

The request for Fiscal Year 2016 is to give us a 25-percent leeway in that. That amount—that kind of flexibility would allow us to feed about 2 million more people around the world.

It would probably get us to a point where we would be able to cut maybe 11 to 14 weeks off of delivery and it would get food in

a timely fashion to those in need using a number of ways—voucher systems, cash vouchers, credit cards—to purchase local food items.

In general, it would create an environment where, certainly, we would be faster in our effort to get food around to those in need.

So I hope that was a—those responses addressed each of your questions.

Chairman ROYCE. Thank you, Ambassador.

The other issue I was going to raise is land tenure in the Philippines. As I noted in my opening statement, individual property and title transfer rights are really critical and we see this playing out all over the world.

It helped spark a revolution across North Africa and the Middle East, and in Haiti the inability to secure land title has really impeded our recovery efforts there.

In Cambodia and the Philippines, land grabbing routinely undermines U.S.-supported development efforts. So given the significance of U.S. investments in the Philippines, I have been pressing USAID and MCC to tackle the land grabbing issue there for years.

I have made several trips there and seen this first hand, been out to some of the areas where this has occurred. I very much appreciate your efforts but it is unclear to me how high this is on the Embassy's priority list and that is why I raise it.

Ambassador, what specifically is USAID doing to urge the Government of the Philippines to address the issue of land grabbing and have any of the corrupt local officials who are complicit in land grabbing been held accountable?

Ambassador LENHARDT. Thank you, Mr. Chairman.

Land tenure remains a key priority for USAID. The lack of formal access to land and natural resources is, in many ways, a major cause of poverty, certainly, conflict or, for that matter, prevention of a country from reaching its full development.

Since 2008, USAID has worked to improve regulatory requirements for the Philippines—the Government of the Philippines—and streamline land registration processes of one description or another.

I can tell you, Mr. Chairman, that in response to Typhoon Haiyan, many Philippine citizens lost their title as a result of that catastrophe and one of the things that we are doing specifically as your request is working with the Government of the Philippines as well as the city of Leyte to restore those deeds and titles to the people, farmers and other landholders.

Again, as I think about this issue, the Philippines is certainly our focus but we are also looking at this across the globe.

My own experience in Tanzania was one where land tenure became such a critical issue that in some cases people did not seek out an opportunity to improve themselves simply because they were denied the opportunity for land.

And when we made it possible through encouraging the government's reform for people to use the land—farmers—they produced sufficient food items for themselves but also they produced items sufficient enough to sell on the market—the local markets.

And so they improved themselves. They sent their children to school as a result of the cash they were able to secure as result of

selling additional food items, and so this issue is a major consideration in development.

And so you have pressed on a very key issue that we certainly have taken to heart and we will continue to work with your—you and your committee as something that certainly we have to get resolved as quickly as we possibly can.

Chairman ROYCE. And one of the things that is happening is that very well-connected developers at the local level where there is local government corruption are basically blocking access to public roads.

I saw this myself driving out to one of these areas where this had happened, and roaring up on a motorcycle is, you know, one of the private guards employed. He produces a semi-automatic weapon and tells us we won't be able to access that public road. He has blocked that road.

What he is in the process of doing is taking the land of people on the other side of that road, or his employer is in the process of doing that, because they can no longer access that land.

And this is a process that, despite our effort to get it reversed, has not been reversed. At the Presidential level, the President—President Aquino—has tried to impact this.

But at the local level in the Philippines, USAID and MCC, despite all of their engagement there—and we have a $433 million compact with the Philippines that is going to be completed in May 2016. In December the board made the Philippines eligible to develop a second compact.

So I think the MCC agrees that the lack of enforceable property and land tenure rights in the Philippines constrains economic growth. I know what I have heard from the U.S.—Philippine-American investment community about their experiences there, their problems there.

Will you condition the second compact upon progress in this area to make sure that on these public roads the Federal Government in the Philippines keeps them open, keeps them public and you remove those well-placed—those, you know, well-connected developers who are out there blocking access so that people can get to their property?

And the other question I would ask is what—both of you—what else can we be doing to press the government to take this seriously?

Ms. HYDE. Thank you, Mr. Chairman.

In reference to the compact, well, first, let me say that MCC's experience has absolutely been the case that one of the key impediments to economic growth is insecure land tenure and the need for land reform.

So we have worked in those areas in many countries. We are working now in Cabo Verde. We are building a compact in Morocco that has land reform at the center of it.

We are, as you mentioned, looking at a second investment in the Philippines. We are in the very early stages of that. We will be guided, of course, by the economic analysis. But I commit to you that if land is an issue in the Philippines we will take a very careful look at it.

Chairman ROYCE. But wait a minute. We have been working on this for 3 years now. We have taken two trips down there. We have had this happen in the middle of the typhoon.

We have had this happen on an ongoing basis with respect to people's inability to access their property. Having already had this compact in place, my point is these are discussions—as I said, I don't know how high this is on the Embassy's list of things to do but the principal impediment to investment there is getting this process fixed so that people—and the other point I would make is it is a major issue in terms of people in the Philippines now who don't have the means of preventing well-connected people from routinely doing this.

As I say, nobody to my knowledge has been charged in this process and, frankly, to be on a public road and to hear about this and go out there and have a gun waved in your face is just an affirmation or an indication of what people are talking about is a huge problem that is not being confronted, not being reversed.

Anyway, I will leave you with that. I am out of time. I will go to Mr. Engel, and thank you very much.

Ms. HYDE. Thank you.

Mr. ENGEL. Thank you very much, Mr. Chairman.

Ambassador Lenhardt, I want to ask you a question about Ukraine. The chairman and I have gone to Ukraine together. A few weeks ago, Secretary Kerry was here before this committee and we talked to him about Ukraine. I, and many others, believe that we should be aiding Ukraine with—allowing them to have weapons to defend themselves.

But I want to talk about Ukraine's financial stability. The United States, along with the European Union, the IMF and the World Bank are helping Ukraine remain financially stable with rounds of loan guarantees.

What will the administration and USAID do to help Ukraine, including another round of loan guarantees or loans? Do we have anything in the—in the pipe now for them?

Ambassador LENHARDT. Thank you, Mr. Congressman.

Ukraine is, certainly, a country that we have spent a lot of time and, certainly, some of our resources because it is an important entity.

We are doing a lot of work now assisting Ukraine become stronger in terms of its government but also from the standpoint of supporting civil society and doing as many other things to bolster the country so that it is strengthened at a time when it is being threatened.

The loan guarantee specifically—we have secured one or at least supported one loan guarantee of $1 billion. Based upon the performance of Ukraine to date, it looks very favorable that a second billion-dollar loan might be in the offing.

But from all indications in terms of what Ukraine is doing, we feel encouraged by their efforts and, quite frankly, looking forward how we can help them become even stronger.

Mr. ENGEL. Thank you.

Let me ask you a similar question. We all know—I was driving in this morning and heard again the reports that Assad, who we

seem to be somewhat cozying up to—I don't know why—has apparently dropped some more poison gas on the civilian population.

So we know the crisis in Syria is just horrendous. It has displaced more than one half of Syria's population, created more than 3 million refugees, and while the United States is the single largest global donor of humanitarian assistance to help the victims of both Assad and ISIS, much work obviously still remains to be done.

So how will you assure that U.S. assistance gets to the Syrian refugees and the internally displaced people in Syria and is not intercepted by Assad or terrorist group?

Ambassador LENHARDT. Thank you, Congressman, for the question.

We are doing a lot of work in Syria. Currently, Syria citizens are internally displaced to the tune of about 8 million—nearly 8 million people, those who refugees in other countries—Jordan, Lebanon, Turkey—another nearly 4 million people.

And so the crisis is real. It is the most, at this point in time, probably the most significant humanitarian crisis that we have in the world. We are reaching out in major ways to help the Syrian people with food aid, health and in some cases we are providing, you know, learning opportunities for children.

Mr. ENGEL. Are they aware—are they aware that this aid comes from the United States? When there is food aid does the local population understand that we are the ones providing it for them?

Ambassador LENHARDT. Mr. Congressman, yes, they are, and I say that because although we don't mark it in a major way with our logos and, as many other, perhaps our flag because of the situation and the potential to put people in harm's way both from the standpoint of those recipient of the aid as well as those who are administering the aid, the beneficiaries certainly are aware of the fact that America has risen to the challenge of helping them.

The impression that we get from implementing partners is that people know where this aid comes from. They are told as the aid is being administered, as opposed to putting out big flashy sign, because in some cases with ISIL and their activities would certainly—there would be retaliation.

So from that standpoint, I think that the Syrian people who are receiving the aid know that America is there helping them.

Mr. ENGEL. Let me—let me ask you a quick question about health. Most of the world has been rightfully focused on Ebola in West Africa.

But I think it is also important to state and remember that millions of people around the world die each year from other terrible contagious but treatable diseases like tuberculosis and HIV/AIDS.

So I was disappointed when I looked through the administration's proposed budget. There's a proposal to cutting bilateral tuberculosis funding by $45 million, which is a 19-percent cut from Fiscal Year 2015.

Can you comment on that, and if this proposal moves forward can you elaborate on how this substantial cut in funding would be implemented?

Ambassador LENHARDT. Thank you, Mr. Chairman.

The request for 2016 is actually overall a plus-up of $66 million and so it becomes a matter of working within a constrained envi-

ronment, setting priorities as to how much we can do, and we have set as the principal focus for our global health preventing child and maternal deaths.

The second is to respond to infectious diseases and, certainly, a third priority would be figuring out how we can extend as much as possible our efforts around the globe. The point of TB it is—it is a disease, certainly, that is problematic but it is not something that we have forgotten.

The $66 million plus-up for global health is determined or at least aimed at helping as many opportunities as we can. Child and mother—maternal mortality can be reduced by as much as 13—saving 13 million children and saving 600,000 mothers.

And so my point is that we don't necessarily are neglecting the treatment of tuberculosis as much as we are putting the resources where they can do the most good, if that makes sense.

And I know I am a bit rambling on that but I am trying to get across the fact that constrained resources create an opportunity for us to prioritize.

Mr. ENGEL. Thank you. We can talk after the hearing or——

Ambassador LENHARDT. Sir, I would like to do that—come back to you.

Mr. ENGEL [continuing]. So I understand that. Thank you.

I just want to, before I go off, again, thank Ms. Hyde for her help with Kosovo. It is very important. And let me just say, the MCC was created to be a different type of foreign assistance model and complement other foreign assistance tools in the USG tool.

Could you tell us what—where you feel the future is for the MCC and what you feel you have done?

Ms. HYDE. Sure. Thank you for the question, Congressman.

I appreciate the question and I appreciate your remarks on Kosovo. We are committed to working with your team to get us to a place where Kosovo can be evaluated in tandem with other nations.

MCC was created as a different model of foreign assistance and it is unique in many ways. It is highly focused on select countries that are relatively well performing in governance.

It has, over the years, created what is known as an incentive effect—the MCC effect. What we see is that countries are changing their laws just in an effort to receive MCC assistance before any taxpayer money is spent. That sort of incentive structure is certainly true and we have seen many examples of that in Africa.

I mentioned one country in my testimony, Cote d'Ivoire, that changed its entire family code in an effort to pass the scorecard.

So the scorecard has been a powerful tool for incentivizing good governance and I think moving forward is something, as we look to go into regional work as the chairman mentioned, we absolutely have to be true to those eligibility requirements and to the model on which this is based.

It has also been a leader in data and transparency and taking the information and the decisions that we make, evaluating them strenuously and putting them out for all of us to learn, and we have learned lessons over the decade as to what investments were working and not working.

It is catalytic in the way that I think we mentioned around private investment. So MCC is looking, by definition, at what is the barrier to growth, with an economic team, and looking to invest to overcome those barriers.

We are also looking at the regulatory environment, the policy environment in particular sectors. Here, Ghana is an example. As part of our investment we are asking the Government of Ghana to undertake really hard reforms in the energy sector that will help make that sector more sustainable.

Chairman ROYCE. Okay. We are going to go to Ms. Ros-Lehtinen of Florida, chairman of the Subcommittee on Middle East and North Africa.

Ms. ROS-LEHTINEN. Thank you so much, Mr. Chairman. Welcome to you both.

Ambassador, the United States has contributed over $3.5 billion in humanitarian assistance since the start of the Syrian conflict and the President is now seeking an additional $1.6 billion for these efforts for Fiscal Year 2016 alone.

But we must ensure that we are being as efficient and as effective as possible with that aid. Seventy-two percent of that aid that we have provided thus far has been routed through U.N. agencies and U.N. initiatives.

My concern is that once this money goes to the U.N. we lose our oversight into what is actually being done with that assistance, which is why I was joined by Congressman Deutch, Mr. Connolly and Mr. DeSantis last month in requesting a GAO report on our Syria humanitarian assistance.

What mechanisms do we have in place to ensure that the aid that we send through the U.N. gets to the intended recipients and does the administration have a humanitarian response strategy that is distinct from the ISIL strategy, and if so what is it and if not, why not?

Moving to Afghanistan, sir, we learn from SIGAR's Supplemental Report released on February 27th that State and USAID only responded to three of SIGAR's 24 questions by the deadline that was December 29th, and as of the report's release 14 questions still have not been answered.

This isn't the first time that we have had an issue with State and USAID stalling or not getting answers to SIGAR as well as GAO. Where is State and USAID in answering these 14 questions and what would SIGAR and GAO say if we called them up right now for an assessment?

On the Palestinian issue—on April 1st, the Palestinians will officially be members of the International Criminal Court, the ICC, and in my view that has already triggered U.S. law to cut off funding.

While the administration has indicated that it does not believe that the PA's actions triggered the suspension of U.S. aid, it has said that a review of aid to the Palestinian Authority is underway.

What is the current status of the third tranche of outstanding aid to the PA and what is new with the review? And lastly, though, the President's budget request includes $20 million for democracy assistance to Cuba.

I worry that the administration's normalization effort might signal the end of our efforts to promote democracy and governance on the island and, indeed, throughout the Western Hemisphere.

I am concerned about the track USAID is taking with regard to closed societies, especially those impacting our region. In Venezuela, for example, many of us have been advocating for years that the people of Venezuela need more democracy and governance funds.

Yet, the administration still does not give Venezuela the attention it desperately needs. Can USAID provide the committee with a breakdown on how much aid in the Western Hemisphere is specifically going toward democracy and governance programs?

And then, lastly, for Ms. Hyde, MCC is in the middle of implementing a $277 million compact with El Salvador awarded because of that country's supposed commitment to political rights, to the rule of law, to control of corruption.

This is despite widespread concerns over El Salvador's March 1st election, the results of which have still not been announced. Will MCC suspend El Salvador's compact if elections there are determined not to have been free and fair? Ambassador?

Ambassador LENHARDT. Thank you, Congresswoman. You have given me quite an interesting plate here and see if I can take them in order.

To begin with, our support to various communities and refugees and other humanitarian programs around the world we continually assess those programs. We evaluate the effectiveness of those programs.

We have mechanisms in place to determine how well those programs are being carried out. We use a tiered effect and tiered operation opportunity to determine how effective the programs are on the ground. Personnel are implementing, partners provide feedback as to how the program is being executed.

We do so by third party independent contractors who go out and assess or, if we have the opportunity ourselves, using our Foreign Service officers, the civil servants, to see what is happening on the ground. And so there is a process by which we check on the effectiveness of various programs.

Chairman ROYCE. General, I am going to—I am going to make a suggestion here. It will make it easier on you, too.

Why don't we—why don't we respond in writing to those questions, and I think that would be the most efficient and I will remind members just to allow our panelists time to respond to their questions.

We will go to Mr. Gregory Meeks of New York, ranking member of the Subcommittee on Europe.

Mr. MEEKS. Thank you. Thank you, Mr. Chairman.

Mr. Ambassador, Ms. Hyde, thank you for your testimony. You know, I just came back from Asia and I am one who believes in the President's agenda with reference to TPP and the importance of international trade.

But one of my pet peeves has always been in any trade agreement is what are we doing with reference to trade capacity in development, particularly how does trade promotion and how can that assist the most vulnerable especially in developing countries

and where there is minority populations and Afro-Colombian communities.

So in this year's budget for the MCC and the USAID, is there any plan—what is planned for trade promotion and for the inclusion of these communities in trade benefits so that everyone can benefit from the bottom up and not just from the top down?

Ms. HYDE. Thank you, Congressman. I appreciate the question very much.

At MCC we do think trade capacity is a core component of economic growth and we have worked over the portfolio, over $10 billion, in a number of investments that are trade capacity—infrastructure investments, obviously, building roads, facilitating ports and the like, and depending upon the estimate one thinks roughly half are depending upon the definition of trade capacity, roughly half of our portfolio has been committed in that area. That said, we are looking forward to see what we can do more on trade capacity building and certainly see what we could do more to reach out to American businesses.

So later this year, we will be leading the MCC's first ever trade mission with business leaders to Africa. This came out of the AGOA Summit last summer.

We will be doing more of those to purposefully present the opportunities that our investments make themselves but in and around our investments if we are bolstering capacity.

We are also doing a second thing which is we start with a constraints to growth analysis—economic analysis. We are integrating into that analytical tool trade capacity specifically so that more of our investments will be oriented in that way.

Ambassador LENHARDT. Thank you, Congressman.

One of the efforts we have is a major program, Trade—in addition to Power Africa but it is also Trade Africa—focused on trade and how do we extend, how do we cause a proliferation of trade opportunities for American businesses.

This program is specifically in Africa but I would share with you that it is happening in other places around the world in terms of our focus on trade.

Trade becomes the one tool that anything we have the opportunity to connect with countries both for their own prosperity and security as well as our own and an opportunity for American businesses to certainly become available and use the technology that they offer to many of these countries.

I will give you an example in Tanzania. As the Ambassador to Tanzania, I was very active in encouraging American businesses to come to Tanzania and in fact we were able to bring about the necessary reforms in Tanzania where the government itself began to use the phraseology "Tanzania is open for business."

And in those countries—companies, rather, that came to Tanzania, they flourished. They did very well. Some of the companies—IBM, John Deere and as many others who came and, by the way, small businesses as well.

Mr. MEEKS. Well, on that let me—let me ask because of the small business. What has also played a significant role is micro finance——

Ambassador LENHARDT. Yes.

Mr. MEEKS [continuing]. In those areas and reducing poverty in these emerging economies, these micro—and often these small investments, you know, they leverage other opportunities in these communities.

So can you just tell me what USAID and then also in the time I have left I have another question that I guess I could ask and just have it—you respond to me.

The MCC proposal do you provide funding and support for these efforts and any new initiatives to reach vulnerable groups and attract other funds including American investment. And here I am specifically interested in efforts in Africa and USAID and MCC projects.

So if you could answer that, and then probably to answer I am also concerned about the lack of dollars and spending in regards to democracy promotion.

It has fallen by 38 percent since 2009, hit a low $1.4 billion in 2014 and furthermore the number of countries where USAID operates dedicated to a democracy program has fallen from 91 to 63.

So maybe in writing you can respond to me on that. But can you answer my second question in the 14 seconds I have left?

Ambassador LENHARDT. Thank you, Mr. Congressman.

I will conclude by saying that USAID has been pivotal in shaping the micro finance industry, particularly by transforming it into a market-driven model that attracts private investors, companies who bring to the table their own capital and so from that standpoint we are looking to see how we can explore, how we can do more.

Interestingly enough, in those cases where we are putting out micro financing, women do very well and, by the way, as my experience in Tanzania, not only did they bring about the activity that they were embarked on, farming generally, but they also paid back the loan.

Mr. MEEKS. Ambassador, I am out of time.

Ms. ROS-LEHTINEN. Thank you so much.

Mr. MEEKS. So I would love to get your response in writing and also let me talk to you about Haiti.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM THE HONORABLE ALFONSO E. LENHARDT TO QUESTION ASKED DURING THE HEARING BY THE HONORABLE GREGORY W. MEEKS

USAID has been a leader in the Democracy, Human Rights and Governance (DRG) sector for many years, defending human rights and civil society and strengthening sound democratic institutions around the world.

It is true that USAID's spending for democracy, human rights and governance has dropped by over a third since FY 2009. At the same time, over half of this decline has resulted from the evolution of programs in just three countries: Iraq, Afghanistan and Pakistan. It is the other half of the budget decline that has impacted our democracy, human rights and governance programs in the rest of the world, particularly in Africa. This is our greatest present challenge.

USAID has already begun to act: it has made modest but important increases in its FY 15 budget, and the President's FY 16 budget includes substantial increases in requests for democracy, human rights and governance for USAID. For FY 2016, the Administration has requested $2.9 billion for global DRG assistance, an increase of nearly $1.0 billion over the FY 2014 enacted level.

While we are working to address the budget challenges of recent years, we are also pursuing a more integrated approach to development, making DRG a critical element to all development programs. Only through respect for human rights, civic

engagement, and accountability of public officials will development gains in health and education, for example, be sustainable over the long-term.

Despite the challenges to its budget, USAID has been and will continue to be a leader in supporting the President's national security policy on human rights and democratic governance. USAID has been an active member of the Atrocity Prevention Board and has pioneered the training of USG field officers in this area. We have provided important support to the Open Government Partnership, through which almost 70 countries have committed to implementing concrete actions in the area of transparency and anti-corruption. USAID is also a key player in President Obama's Stand with Civil Society initiative, which is addressing authoritarian encroachments on political space around the world. In addition, the Agency has developed new guidance for our programs in closed spaces. And USAID is an inter-agency leader in shaping a more comprehensive USG approach to addressing conflict, fragility and violent extremism. In carrying out these initiatives, USAID has leveraged significant funding from other public and private donors. For example, we have raised $50 million of external funding for its Civil Society Innovation Initiative and $40 million for its Grand Challenge on Making All Voices Count.

In addition, during this Administration USAID has issued a new strategy on democracy, human rights and governance. The new strategy codifies a more holistic approach to our programming in this sector by focusing on participation, inclusion, and accountability, while elevating human rights and integration of programming across economic and social sectors. All of these efforts come on top of our continuing work in areas such as electoral support. For example the support that USAID provided to Nigeria's recent election—assistance to the electoral commission, political parties, and NGO monitors—was a key factor in Nigeria's historic transition of power. All of these examples speak to the important work that has been carried out despite the budgetary challenges.

Ms. ROS-LEHTINEN. Thank you very much, Mr. Meeks.

And now we turn to Mr. Rohrabacher, the chairman on the Subcommittee on Europe, Eurasia, and Emerging Threats.

Mr. ROHRABACHER. Thank you very much.

I would like to identify myself with what Mr. Meeks just brought up on in terms of the importance of micro finance as compared to—even comparing that to the bigger loans and the more substantial financial dealings that we seem to be involved with.

Also, I would like to identify myself with the remarks of Chairman Royce in terms of the concern about title and actual ownership—the legal basis of this. Establishing micro loans and looking for title and ownership rights is actually a low cost way of achieving great things, and just a thought there.

Let me just note that with that and with the concern Mr. Royce has expressed today we also need to make sure that those governments that are engaged with stealing property, especially from American citizens, do not benefit by the benevolence of our Government.

Specifically, the Government of Ethiopia, which there is a family in Orange County in which Chairman Royce and myself are familiar—with an immigrant family from Ethiopia whose property has been stolen and the Ethiopian Government refuses to not only return—not return it but not offer any type of just compensation whatsoever.

So I would hope in the millennium the MCC does not provide Ethiopia or other governments like it that steal property from Americans that we offer them sort of some loan guarantees, et cetera.

The—in terms of the overall program in terms of America's assistance, I would prefer to see a program—an assistance program aimed more at emergencies and disasters rather than economic development.

When people are in tragic and horrible situations, we as human beings need—there is a moral obligation for us to reach out and help them and as we see that in the Middle East today.

So I would hope that those millions of people, especially, for example, in the Middle East where—and the Kurds are taking in 1 million or more—1½ million people, which they have very little budget.

Let me ask Mr. Ambassador, is—are we providing direct aid to the Kurds now or does all of this have to go through Baghdad which, of course, is ruled by Baghdad government which is ruled by people who think of the Kurds as an adversary?

Ambassador LENHARDT. Thank you, Mr. Congressman, for the question.

We are providing assistance to people who need it without regard to whether or not it is in a direction fashion to the Kurds or, for that matter, that it is funneled through——

Mr. ROHRABACHER. Maybe I will go directly—does our aid that goes to—that eventually ends up with the Kurds do we have to ship that through Baghdad first? Does that have to be approved by Baghdad before we are permitted to give that direct assistance? That could be a yes or no question.

Ambassador LENHARDT. I will come back to you on that question. I don't have all the details, Congressman.

Mr. ROHRABACHER. Thank you, General.

Ambassador LENHARDT. So I will come back to you.

Mr. ROHRABACHER. I would appreciate that.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM THE HONORABLE ALFONSO E. LENHARDT TO QUESTION ASKED DURING THE HEARING BY THE HONORABLE DANA ROHRABACHER

U.S. humanitarian assistance is not channeled through government (central or regional) authorities in Iraq. U.S. government humanitarian assistance in Iraq is delivered on an impartial basis by trusted partners, including United Nations (U.N.) agencies, public international organizations such as the International Committee of the Red Cross and the International Organization for Migration, and NGOs. The U.N. coordinates the international humanitarian effort in Iraq, under the leadership of the Deputy Special Representative of the Secretary-General, Resident Coordinator and Humanitarian Coordinator, Lise Grande. To ensure the most effective response and to avoid duplication of efforts, the U.N. coordinates with relevant government bodies such as the Joint Monitoring and Coordination Center in Baghdad and the Joint Crisis Coordinating Center in Erbil.

The U.S. government has provided nearly $220 million for humanitarian assistance to Iraqis in the region since the start of Fiscal Year 2014. Of the nearly $220 million, USAID has provided $29.74 million; the State Department's Bureau for Population, Refugees and Migration $182.3 million; and the Department of Defense contribution of $7.5 million.

U.S. government humanitarian assistance is focused on the provision of food and other relief commodities, shelter (including repairs), water and sanitation, health care, protection (including specialized services for women, children, and survivors of sexual and gender-based violence), and humanitarian coordination and logistics. Rather than being targeted to particular communities or locations, U.S. humanitarian assistance is provided on a country-wide basis, and focused on the populations in greatest need who can be reached by our humanitarian partners. Currently it is too dangerous for many relief organizations to work in ISIL-held areas, therefore, the majority of U.S. humanitarian assistance is concentrated among Iraqi internally-displaced persons and Syrian refugee populations in the north, center and south of the country.

Despite the ongoing strong support by the United States to vulnerable Iraqis, tremendous needs remain. We regularly urge other donors to contribute generously to

the U.N. appeal for Iraq, and we continue to press the Government of Iraq to support its displaced citizens.

Mr. ROHRABACHER. Let us just note when we talk about—I just came back from Egypt where they have a tremendous effort that is going on with many other countries to help build an economy. We should be very grateful for that.

And in terms of one last note about Pakistan, we have been giving—we have given over $28 billion of assistance of one kind or another over the last 15 years to Pakistan. I understand next year's list is about $500 million.

I am wondering are we still going to be giving this money as we—when we read reports where just yesterday a Christian community church was blown up and 15 Christians were murdered, where we see thousands of innocent people being murdered in the Kurdistan region of Pakistan.

Are we going to continue giving Pakistan that money even as it imprisons Dr. Afridi, the man who helped us bring to justice the man—the people who slaughtered 3,000 Americans on 9/11?

Are we going to—when are we going to wake up and realize that the Pakistani Government is engaged in activity that actually murders Americans, murders their own citizens and is involved with religious persecution? Anybody want to tackle that?

Ms. ROS-LEHTINEN. Thank you, Mr. Rohrabacher, but time is up, and they will get to you in writing.

Dr. Bera, your time is——

Mr. BERA. Thank you.

Last week, under the leadership of Chairman Royce we had a chance to visit some of the—your staff, Ambassador, on the ground in India. We visited the Vivekananda slum outside of New Delhi where some of your staff is working on clean water and sanitation efforts.

Doing a great job, by the way. Incredibly important work in the sense of helping plan out a community, helping, you know, put something as simple as toilets into a slum of, you know, thousands of individuals.

Why this is incredibly important, as we are thinking about empowering women and girls, as we are looking at safety, you know, something as basic as giving them a place to go use the restroom and privacy has dramatic effect.

So, again, I just want to compliment your staff for what they are doing out there. This is an incredibly important area to me as we look at maternal-child health and women's empowerment around the world.

I am glad that I do see an increase in the budget request of about 8 percent in USAID's budget. What I am curious about is, you know, specific efforts on women's empowerment, specific resources that are going to empower women and then, you know, specific efforts on family planning and reproductive health in the budget priorities, if you can briefly talk about that or——

Ambassador LENHARDT. Thank you, Congressman, and thank you also for taking the time to visit India and seeing on the ground first hand some of our work that is underway.

The support to India, and I can take it from the top—the macro level—the strategic partnership is very important to us and as we

think about our shift to Asia and the support there, India is a very important partner and besides being the largest, you know, democratic democracy in the world.

Specifically as it relates to women, we have a number of programs aimed at empowering women, starting with basic education, creating an environment where women have the opportunity—girls have the opportunity to learn, to grow and eventually make a major contribution to their country and their families and many other things.

We also look at women from the standpoint of how do we protect them, how do we ensure that they are not victims of, in the case of India as was reported in the news recently, violent rapes and other assaults.

And so our programs are aimed at securing women, girls as much as possible, keeping them protected from gender-based violence as well as thinking about girls who are being forced into early marriages. And so all of these efforts are aimed at empowering women, keeping them safe.

You saw some of that when you were on the ground, and so we feel confident that this is working for us but more work has to be done. And so it is a—it is a constant routine for us to reach out to empower girls.

Mr. BERA. Right. So let us continue to maintain a focus and, certainly, this office will continue to work there.

On the U.S.-India relationship as well, as we build momentum USAID is also launching a very innovative program, the Diaspora Bonds, which I think is the first of its type of program. Again, it is in the very early phases.

But it is to encourage the Indian-American diaspora to invest in India and, you know, I would be curious to get your sense on that and any specifics about that program.

Ambassador LENHARDT. I would have to come back to you. The details of that, Congressman, I don't have that at hand. But I will say that working with any diaspora is very important because they have a voice.

They, certainly, have an opportunity to encourage and supporting financially in many cases the country and, certainly, the issues that are present in India. And so I will have to come back to you with the specifics as to the program.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM THE HONORABLE ALFONSO E. LENHARDT TO QUESTION ASKED DURING THE HEARING BY THE HONORABLE AMI BERA

USAID's Indian Diaspora Investment Initiative (IDII) enables U.S. investors, particularly the Indian American diaspora, to support the expansion of social enterprises (businesses that tackle poverty) across India, working in sectors including agriculture, education, energy efficiency, healthcare, and water and sanitation.

U.S. investors (including the Indian American diaspora) will be able to purchase a "Diaspora Investment Note," issued by the Calvert Foundation, a social impact investment fund. The Calvert Foundation will pool this capital and lend it to multiple partners (with strong track records of supporting social enterprises) which will use the proceeds to lend to small- and medium-sized social enterprises operating in USAID's target sectors in India. Once the social enterprises repay their loans, the partners will repay the Calvert Foundation, which thereafter will repay investors their principal plus nominal interest.

A key component of the IDII is an innovative USAID Development Credit Authority (DCA) partial credit guarantee of the loans from four Indian financial institu-

tions (two banks and two non-bank finance companies) to small- and medium-sized social enterprises operating in USAID's target sectors in India. DCA partial credit guarantees reduce the risks of lending, thereby helping financial institutions lend to underserved sectors aligned with USAID's development objectives.

The goals of this innovative and cost-effective initiative include 1) increasing access to finance for social enterprises operating in the target sectors in India, 2) providing a systematic pathway for the Indian diaspora to invest in the development of their country of origin/heritage, and 3) unlock sources of capital beyond USAID's grant resources through a credible investment vehicle.

President Obama announced the broader IDII in January 2015. USAID anticipates that the related DCA partial credit guarantee will be signed by all partners by September 2015 and the Calvert Foundation Diaspora Investment Note will be issued later in the year.

Mr. BERA. Great. There is a relatively new program that was just announced by the President in January when he visited India and, again, it is to leverage a diaspora that has done every well here in the United States and empower them to invest the resources through these bonds to, again, help some of the social impact programs that, you know, specifically in this case in India.

It looks like my time is up and, again, thank you both for the work that you are doing.

Ms. ROS-LEHTINEN. Thank you, Doctor Bera.

And now we will turn to Mr. Scott Perry, Pennsylvania.

Mr. PERRY. Thank you, Madam Chair. Thank you, ladies and gentleman, for being here today.

Ambassador, thank you for your service. I am wondering—the Fiscal Year 2016 budget request provide the OIG $63 million increase, an increase of over 16—of 16 percent over Fiscal Year 2015.

Can you explain in light of that why—succinctly, if you can, why the inspector general position has not been filled—there is no nominee—1,200 days? If you can explain, what is your perception? What is happening? What is the problem?

Ambassador LENHARDT. Thank you for the question, Congressman.

I don't think it is a question of anything that is short of the fact that the search is underway.

Mr. PERRY. Twelve hundred days? I mean, what about the acting inspector general? Is that person not qualified? I mean, how many days is appropriate?

Ambassador LENHARDT. That I can't respond to specifically as much as to say that the function of the Office of the Inspector General goes on. The work continues, the oversight, the—certainly, the opportunity for our programs to get reviewed, that is taking place.

Mr. PERRY. Sir, I can appreciate that. But 1,200—to me, it is inexcusable and maybe it has absolutely nothing to do with you. I suspect that is the case.

But you must understand the American people demand accountability, and while the work goes on there is not one single person at the top that can really be focused upon for the failings, and there are failings and they might not have anything to do with you.

But it just shows to me a lack of commitment to the oversight of a lot of money and in the face of large request it seems antithetical.

But let me—let me move on to why I think there needs to be more oversight. There have been some reports that the money in Gaza for reconstruction some has been diverted to continue the

construction of tunnels by Hamas. Is there any truth to this? Do you know of any?

Is there any truth to that other than reports and has the money that USAID spent in Gaza in the past has any of that been used for the making of tunnels—the construction of tunnels by Hamas?

Ambassador LENHARDT. Thanks for the question, Congressman. The answer is no.

Mr. PERRY. To which one? Both?

Ambassador LENHARDT. No. No to the fact that tunnels—money for building tunnels, that is not something that I am aware of that is taking place.

Mr. PERRY. Okay. You are not aware of it but you don't know that—you are not aware of it. So there is no proof at this point. It could be happening but you are not aware?

Ambassador LENHARDT. I am not aware of.

Mr. PERRY. Okay.

Ambassador LENHARDT. In fact, I would be very surprised that that is happening and in fact, again, I mentioned earlier that we have mechanisms to check on the progress of programs and so none of that has come to our attention at this point.

Mr. PERRY. Can I get a list of the projects that USAID has funded in Gaza and how much money has been spent on each project and what the status is of those projects?

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM THE HONORABLE ALFONSO E. LENHARDT TO QUESTION ASKED DURING THE HEARING BY THE HONORABLE SCOTT PERRY

Since the onset of the July–August 2014 conflict in Gaza, the United States has committed $231 million in humanitarian assistance to Gaza. This assistance has been provided to established United Nations and non-governmental organizations, including the United Nations Relief and Works Agency (UNRWA), the World Food Program, the United Nations Development Program, UNICEF, the International Committee for the Red Cross, and others, to provide urgently needed humanitarian relief (water, food assistance, and hygiene and medical kits) and meet immediate needs such as psychosocial support for children and families and rubble removal. We are not currently aware of any reports that U.S. assistance for humanitarian aid in Gaza, including reconstruction, has been diverted for other purposes. The United States takes very seriously any reports of diversion of its assistance, and we have long required our partners in Gaza to take appropriate steps to prevent U.S. funding from being diverted for non-intended purposes.

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

Ambassador LENHARDT. Congressman, yes, you can get that list but I will tell you that the work that is being done is humanitarian assistance. It is providing food aid. It is providing water. It is providing health——

Mr. PERRY. I understand, but I want to make sure that all of the money is going to those programs and none of it is going to tunnel construction by Hamas.

That is what—that is what I am trying to ensure without—with all due respect, without an IG present I am concerned that some of that is slipping through the cracks.

But moving on, getting to what Ms. Ros-Lehtinen was talking about regarding the Rome Statute and the Palestinian Authority, I am curious to know what will happen to funding in Gaza to the PA if they pursue criminal—war crimes charges against Israel.

Do you see that as an issue that will—that will trigger a reduction in funding or a conversation of a prohibition of funding or is that not relevant to the conversation?

Ambassador LENHARDT. Thank you for the question.

I think all of that is relevant and at this point in time we are reviewing——

Mr. PERRY. So if they pursue war crimes against Israel, what do you do? What can we expect from you?

Ambassador LENHARDT. War crimes against Israel—sir, I can't answer that question in a way that would——

Mr. PERRY. If it has an impact on your funding, on the funding of USAID—what the Palestinian Authority and Hamas does in the International Criminal Court, understanding Hamas is recognized terrorist organization, if they pursue war crimes against Israel are you telling me it will have no effect on the funding——

Ambassador LENHARDT. No.

Mr. PERRY [continuing]. From the United States Government to the Palestinian Authority?

Ambassador LENHARDT. Congressman, I am not saying that at all. I am saying that at this point in time that because of the last several weeks and months, the Fiscal Year 2016 request is under review with respect to our continued support to the Palestinian Authority, and so that is happening. But answering a hypothetical at this point I cannot provide that to you.

Mr. PERRY. I understand. Thank you for your time.

Ms. ROS-LEHTINEN. Thank you very much.

And now we turn to my good friend, Mr. Ted Deutch, the ranking member of the Middle East and North Africa Subcommittee.

Mr. DEUTCH. Thank you, Madam Chair.

Ms. ROS-LEHTINEN. Nice hairdo.

Mr. DEUTCH. Thank you very much.

Welcome to our witnesses. Appreciate your being here in your new capacity and commend the good work that both of you do.

As ranking member of the Middle East and North Africa Subcommittee, I have been particularly focused on the humanitarian challenges stemming from the complex crises in the region, in particular, Syria.

We are now more than 4 years in. There is no end in sight and the humanitarian crisis grows larger every day, and as we know, even if there was a political solution tomorrow, even if Assad left tomorrow, the humanitarian crisis would continue for years.

With 12.2 million people in need of assistance both inside and outside of Syria and the daunting task of assisting the growing needs in Iraq as ISIS forces wreak havoc on towns and villages, forcing civilians to flee, the United States has stepped up.

We have played the largest role as humanitarian donor, $3 billion already spent. The budget request this year includes $1.6 billion for humanitarian needs in Syria and Iraq.

And my question, Ambassador Lenhardt, first, to you is what is the ability of USAID partners to operate in regime-controlled areas of Syria and what is their ability to operate to the extent there is any in ISIS-controlled areas? What is the status of these besieged communities?

Ambassador LENHARDT. Thank you for the question, Congressman.

I would, first, say that people who operate in these areas—conflict areas—are doing so because they are motivated, because they feel they can make a commitment to something larger. They are, in many cases, heroes and heroines and so we applaud what they are doing across the board.

With respect to our emphasis on safety, we continually talk about safety. We ensure that they are—by causing them to be situationally aware of what is going on or in and around the areas where they operate it is the kind of thing where, quite frankly, we are concerned about, certainly, the danger but these people rise to the top.

They come fore—to the fore and implementing partners are doing the work that, quite frankly, needs to be done in threatening environments. We are providing aid to the Syrian refugees as well as internally displaced people at a time when others perhaps would not. But those people out there—the courageous folks are doing that day in and day out.

Mr. DEUTCH. They do, and they are courageous, and if you would pass on our sincere thanks to them for the work that they do.

Ambassador LENHARDT. Thank you.

Mr. DEUTCH. I am—I want to just shift gears in the remaining time I have and talk about—just follow up on an exchange that you had with Dr. Bera on the issue of girls and women and empowering girls and educating girls—the issue of gender-based violence, forced marriage, and we know that the impact that it has throughout the world.

But the question I have is if, I think—Ambassador Lenhardt, I will ask it differently but the issue is, you know, we are considering a piece of legislation that I don't expect you to comment on.

But the International Violence Against Women Act would officially create an Office of Global Women's Issues so that we can have someone in the administration at the ambassadorial level to focus on these issues every single day.

This is an issue that, as far as I am concerned, should not be controversial. My question is not for you to comment on the legislation but to just let us know if it would—the extent to which it is helpful to have someone at that level as an ally for the work that you do, Ambassador Lenhardt, and Ms. Hyde, in your case to the extent that countries express interest in these gender equality issues and want to make that a part of what they do with you.

Again, what would it be like to know that you have got that ally, going forward?

Ms. HYDE. Thank you, Congressman, for the question.

I can certainly speak from my own experience at the State Department which is a fantastic instrument and tool of American diplomacy and is organized in a way that has both regions and functions.

And one of the perennial challenges is to integrate issues across the globe and I think the position that you described, and I saw this first hand, is how we can take that effort and not just make it a siloed effort of women and girls but, rather, how do we put it in both the regions and the functions from humanitarian assistance to economic development and the like.

So that, from my own experience, was an effective approach to that. We work closely with that core group, and I will say at MCC we have country teams. For every country we work with there is an economist on the team, there is an M&E person on the team and there is a social and gender person on every team. So we matrix it that way.

Mr. DEUTCH. Thank you.

Ms. ROS-LEHTINEN. Thank you so much. Thank you, Mr. Deutch.

Dr. Yoho of Florida.

Mr. YOHO. Thank you, Madam Chairman. I appreciate it. I appreciate you two being here.

I am looking for answers or solutions. I want solutions, because there is a lot of questions and with the money that the American taxpayers have put in to foreign aid, and we hear all kinds of numbers—it is less than 1 percent.

But when the military goes into Afghanistan or Iraq and builds roads is that considered foreign aid? Because we don't bring those roads back. Somebody is paying for those and it is the American taxpayers, and when we look at all this money going around the world can you tell me, say, any country, pick a country.

We give $500 million to Pakistan or the Palestinian Authority. Does that come out of the money that goes to you or does that come out of State Department? Or the money we give—or the money we give Mexico? Does that come out of USAID or MCC or does that come out of the State Department?

Ms. HYDE. So thank you for the question. I will take a stab at it, based upon my experience at OMB but it was in a different context.

Those funds are all part of what is the 150 function. That includes assistance that funds MCC, that funds the Peace Corps, that funds the State Department and the like.

Mr. YOHO. Okay. So all that money goes out to you—goes out?

Ms. HYDE. Goes—correct.

Mr. YOHO. Does it go out as cash, commodity, training, equipment or other?

Ms. HYDE. Oh, I see. I see. So taking the conversation from the account structure to the program level, each one of the programs—my program in particular—has certain controls around those funds.

I wouldn't speak to USAID but Ambassador Lenhardt can speak to the controls around different types of funds. In MCC's case, when we partner with a country we have at least five sets of controls on disbursements. It starts with we are working with countries that are in the upper half of well-governed countries.

Second, we put a fiscal agent and a procurement agent on the ground that is an outside entity in every program that we have. Third, we oversee a completely open and transparent procurement process where we have authority at every step of the way before anything is verified as complete.

Fourth, the funds sit in the U.S. Treasury until we have done the verification and then we are paying vendors directly. So we are not putting the funds directly to the government.

And then finally, we maintain a 24/7 hotline, a robust set of training——

Mr. YOHO. Okay. Let me stop you there. Because you talked about transparency and accountability. We gave the country of Afghanistan $1 billion in 2012—2013, I think it was.

There was $300 million unaccounted for. So if there is transparency and accountability where did our $300 million go that we don't know about and who is responsible for that? And the person at the top of that organization, if they can't account for it, they need to be fired.

The American taxpayers where I come from want to see that happen. And when we give money and we are doing it for democracy and human rights and we are promoting all this stuff, which I agree—I think it is a great thing—but when we are going in there and, as Dr. Bera brought up, we are putting in toilets, we are doing, you know, civil law, we are doing these in countries that have corrupt governments. How do you do that and why is that our responsibility?

Why is that not the responsibility of that government and if we are giving them money, a cookie, and it's a good cookie and they want our cookie, why are we not willing to take that back if they are not following the procedure if we have transparency, if we have accountability?

Because I hear this story over and over again. I have been here for 2 years, going into my third year, second term, and I hear the same story over and over again.

But I don't see the end results, and with all the money we have spent over the course of the last, you know, again 1 percent, $37.8 billion over 10 years—that is $370 billion of American taxpayers' money—but yet has the world gotten safer? Has our relationships gotten safer around the globe? Ambassador Lenhardt.

Ambassador LENHARDT. Thank you, Congressman.

I believe our relationships and our security and our prosperity has been enhanced as a result of our foreign aid.

Mr. YOHO. May I stop you there? Because as I get Ambassadors that come in from countries all around the world, they say when they look at America they don't want us around.

In Bob Gates' book talking about Pakistan, when they had the floods that they came, they took the stuff. There wasn't high five and they weren't excited to see the Americans there because they don't trust us, and that was when we came in there as a humanitarian relief.

And so we are not—we are missing something as we go out and try to do this humanitarian thing and I see us spending a lot of taxpayers' money and we are at $18 trillion in debt and I don't see where we can afford to give money away when we are broke.

Ambassador LENHARDT. Thank you, Congressman.

My experience is different both as the Ambassador to Tanzania as well as the Ambassador to the East African community with four other countries.

We were loved, and in Tanzania we has a 90-plus percent approval favorable rating for the American people in our outreach to the Tanzanian people. So my experience is different.

Ms. ROS-LEHTINEN. Thank you, Mr. Ambassador.

Mr. YOHO. Thank you, ma'am.

Ms. ROS-LEHTINEN. Thank you, Dr. Yoho.

And now another Florida colleague, Ms. Frankel, of Florida.

Ms. FRANKEL. Thank you, Madame Chair, and I thank you both for being here. I am sorry I was in and out because I have another meeting, like many, across the hall. But my son has worked for USAID so I have a special place for it in my heart.

I have a couple of questions, first, having to do with women's education. If you would comment on some of the work that USAID is doing in regards to women's education and I also—I would like to know a little bit about the safety today for USAID workers, given what is going on around the world.

I think we were all concerned. There was recently the death of Kayla Mueller who I believe—I don't believe she was working for AID but she was working for some other humanitarian organization.

So if you could just address those two issues for me, and thank you for what you do.

Ambassador LENHARDT. Thank you, Congresswoman.

We do a great deal in terms of training, teaching young girls and, for that matter, women and their empowerment. To begin with, at any point in time there are significant—millions of girls who are not going to school and who are being victimized in many ways either by gender-based violence or, for that matter, forced into early marriages.

And so our program are designed and are carried out to encourage girls to go to school and to work with parents of those girls to encourage also the fact that the girls are significant.

They have value, and in places where our programs have been allowed and people—parents support it, we are very successful. Last week, I attended a program at the White House, Let Girls Learn, where the First Lady has taken the opportunity to reach out to girls across the world.

That is a very effective program. We are contributing to that—USAID. But more globally, we are contributing to teaching children, many of whom are girls, and where girls grow up to be—become parents themselves or mothers.

They, as I mentioned earlier, are involved in taking care of the family and creating an environment where their children then grow up to become contributing members of their—of the country that they—certainly, where they live in.

And so it is a program whereby girls flourish and they are protected. With respect to security of our personnel, we are very conscious of that. As I said earlier, we focus our activities in ensuring that we either provide the training and/or the visibility, reaching down with our implementing partners as well as our own situa-

tional awareness of our own staff to ensure their protection, ensure that these locations around the world where they operate they are aware of what is happening and they can protect themselves.

Or if the situation—the conflict is so severe then we will pull them out and protect them from any further potential harm.

So that is happening across all of our programs. We integrate, by the way, gender in all of our programs so that it is not simply teaching but it involves everything that we do. Women's issues are very important to us.

Ms. HYDE. I appreciate the question. I would just highlight quickly two areas where MCC is working. First, gender is integrated across the programs through our indicators. On our scorecard there is a gender in the economy indicator.

There is also a gender in education subset of the education indicator. So we are assessing a country's investment in their girls and in education.

Our programs themselves tend to be more toward the vocational end, the nexus to jobs and economic growth, as well as a great program that we have in Georgia, for example, which is in STEM—science and technology—and it is a partnership with San Diego State.

So that is the area in which we are working. But third, one area that I am really excited about is on data. MCC has helped take gender data and we have made a commitment as part of the initiative that is called Data 2X to release all of our sex-disaggregated gender data by the end of 2015 and to do more as we go forward to collect information about the impact that we are having on girls specifically so they are counted, they are heard.

Ms. ROS-LEHTINEN. Thank you, Ms. Frankel.

And now this committee is taken over by Florida. Mr. Clawson of Florida.

Mr. CLAWSON. Okay. Thank you all for coming today.

I want to start by saying that when I lived overseas, you know, I would bump into folks from USAID and my impression was that you had really good people in difficult places trying to do difficult things, and although I am always worried about accountability, as we should be because you all—this is taxpayer money—my personal experience with folks out there working in the field is that they do really good stuff under really difficult circumstances.

So please pass along my personal compliments in that regard, and I appreciate what you all do. I would like to follow up with something that was said earlier about Cuba and for you all to give me a sense now that what has happened has happened with Cuba.

And, you know, we are going through this normalization process and I think that there is maybe some stakeholders that were left out of that conversation. So now we are going to—we have been involved in the past, from what I read.

I kind of struggle with what is discreet and what is secret and where USAID—you know, where you ought to end and the CIA ought to start.

And so I kind of—if you would give me an overall picture of where the money is going to be going in Cuba, what is discreet and what—you know, what our goal for that discreet money is, I would really appreciate it.

Ambassador LENHARDT. Thank you, Congressman, for your comments and I echo your opening thoughts about USAID personnel. They are truly heroes and heroines doing work around the world.

I thought leaving the military after I retired I would never find a group of people who were as highly motivated, committed to the task as well as patriotic. But I find them here in USAID and I think we can do nothing less than continually talk about the goodness and the work that they do.

Mr. CLAWSON. With no creature comforts, by the way. I mean, they live a tough life.

Ambassador LENHARDT. And in threatening environments, sir, that many of us don't appreciate, don't understand. But they do it nonetheless and they do it with great aplomb and they do it for all the right reasons, and that is the outreach of the American people to wherever it is around the world that they find themselves. So thank you for your comments.

With respect to Cuba, we are committed to programs for democracy, civil society and independent media, and so that was the emphasis, that was the direction being in Cuba.

It was—there was nothing nefarious. There was nothing that we had any design on other than helping the Cuban people have an alternative and causing them to understand that America is reaching out to them in ways that was productive and positive. We also do humanitarian work with respect to family members of prisoners——

Mr. CLAWSON. Can I interrupt—can I interrupt just a second, just to follow up on what you said with—sorry for butting in.

In the case of Cuba, the government doesn't want us there. In other places where I have seen you'all's organization the governments usually do want us there. That's an important distinction or am I wrong—am I missing something on that?

Ambassador LENHARDT. No, sir. You are not. But I think it is also for us to think through the fact that our work is extended to people, the American people to wherever people are around the world who are in need, as opposed to governments.

In many cases, we don't work with governments but we certainly provide relief, humanitarian assistance to people and so that is the focus. And so if we were to simply cut out the fact that people around the world are suffering because of their governments is that a reason for us not to help?

I don't think that is the intent. So we reach—we reach out wherever people are in need and so that is why were in Cuba trying to provide assistance to the Cuban people at a time when their own government does not provide that assistance.

Mr. CLAWSON. And the Cuban Government would look at this as espionage. Is that right?

Ambassador LENHARDT. Sir, I am not sure how they would look at it as much as to say our focus is on people, bringing the American people to the Cuban people in this case.

But we do it in other places around the world, closed societies and, by the way, again, talking about the protection of our people and the work that they do, we have a program whereby a new design where we specifically encourage and counsel people working, independent contractors and the like are partners, how to protect

themselves, what to look for, how to ensure that they are continually mindful of the threat, and where that threat is sufficient enough we pull them out or we will curtail the contract.

Mr. CLAWSON. Yield back. Thank you.

Mr. DESANTIS. Gentleman yields back. The chair now recognizes Mr. Castro for 5 minutes.

Mr. CASTRO. Thank you, Chair. Thank you, Ambassador, and thank you, Ms. Hyde, for your testimony this morning.

And, Ambassador, thank you. First of all, congratulations on a distinguished career and thank you for overseeing USAID for us now.

Let me ask you about the Global Development Lab and the wonderful work that you all are doing in development there. If you could describe that for us and some of the innovations that have taken place because of that work.

Ambassador LENHARDT. Thank you, Congressman, for your question.

The Global Lab, if I can describe it and looking at it from the standpoint of what we are doing, the lab offers us the opportunity to think more about leveraging science, technology, innovation and partnerships in all of our work.

They—the lab represents what might be described in other businesses as our research and development—how to become better at what we do, using the lab to identify ways in which we can extend the resources that are entrusted to us as well as looking at new opportunities for us to bring in new equipment, new partnerships around not only in America but around the world.

And so the lab is that one entity that brings that all together. I can use some examples. In the Ebola crisis, for instance, they developed a very unique suit that protected personnel who were responding—the health workers. They have also developed as a result of a challenge we put out various creams that would block the Ebola virus.

But beyond that, we are looking at ways where using things like geospatial techniques, how do we do a better job of mapping potential problem areas around the world, looking at either climate, looking at places where poverty is extensive or, for that matter, extreme ideology—where looking at a model, putting that all together in terms of how the lab then could pinpoint potential problem areas before they occur.

Mr. CASTRO. Sure.

Ambassador LENHARDT. So the lab is something that we see as beneficial both today but more importantly long term——

Mr. CASTRO. Well, and thank you for that.

Ambassador LENHARDT [continuing]. And figure out a way to institutionalize it into everything that we do.

Mr. CASTRO. Sure. And the reason that I bring that up is because sometimes there is the impression about U.S. foreign aid and the work that USAID does as though the United States is simply giving and the countries are taking.

But the Global Development Lab is an example of how not only is it accelerating and improving our development work but also leading to technologies and innovations that can be helpful in the United States and in countries of the world where we are not nec-

essarily even giving aid. So I think that is at the cutting edge of the innovative work that USAID does.

My second question is I just—I left for a little bit to go meet with some foreign ministers from Central America—El Salvador, Guatemala and Honduras—and let me ask you about the President's proposal to offer about $1.14 billion in assistance to the Central American countries. Six hundred and thirty-five million of that would be through USAID. What kind of work are you all anticipating doing there?

Ambassador LENHARDT. Thank you, Congressman.

We are looking at continuing much of the work that we are doing now and expanding that. We are doing work with respect to security in the countries of Guatemala, El Salvador, Honduras and providing those opportunities for reducing violence, lowering youth unemployment, spurring broad-based economic growth in some of the fragile locations, fostering public sector accountability, transparency and effectiveness.

I will tell you also that one of my jobs was President of the National Crime Prevention Council here in our country where we did a great deal of work in South America and Central America with the things like community policing, causing communities to have a better sense of security within their own neighborhoods by encouraging them to work with local police.

And in many cases where that came together they were more secure and they eliminated the threat both from the standpoint of the physical threat but also from the drug cartels, and when those neighborhoods came together the drug cartels—they left. They got out of the picture.

So this money then would extend many of those programs and offer an opportunity for—through Central America's security and prosperity to extend to our own because truly that is part of our own back door.

Mr. CASTRO. Thank you.

Mr. DESANTIS. Gentleman's time has expired. The chair now recognizes himself for 5 minutes.

Ambassador, have you determined—and I apologize if you have answered this before. I was down the hall for another hearing.

But has the administration determined whether the Palestinians have violated U.S. law by seeking to enter the International Criminal Court and supporting judicially authorized investigations against Israel?

Ambassador LENHARDT. Sure. We have—the Fiscal Year 2016 budget is under serious review in terms of our support to the Palestinian Authority and so I will leave it at that.

We will come back to the Congress for your counsel as well as working with the administration and State Department to determine what actions we take going forward.

Mr. DESANTIS. So it is possible that as you examine that that you think that funding is not appropriate in light of those actions. Is that what you are saying?

Ambassador LENHARDT. Sir, I am not commenting on that as much as to say our programs with respect to the Palestinian Authority is under review.

Mr. DESANTIS. And when you—when will you let us know what the conclusion is?

Ambassador LENHARDT. Chair, let me make the commitment to come back to you when that does occur and we will respond at that point.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM THE HONORABLE ALFONSO E. LENHARDT TO QUESTION ASKED DURING THE HEARING BY THE HONORABLE RON DESANTIS

USAID, in conjunction with the State Department, continues to examine our assistance to the Palestinians to determine how it can best be used moving forward. Although our view is that the legislative restrictions related to Palestinian initiation or active support for an International Criminal Court (ICC) judicially authorized investigation have not been triggered to date, we are deeply troubled by Palestinian action at the ICC and continue to voice our opposition to further actions to both the Palestinians and the international community.

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

Mr. DESANTIS. So beyond the ICC issue, it has been the administration's position, I think, that the unity government with the Palestinian Authority between Hamas and Fatah did not trigger a defunding which is in the law and I think the reason for that is that the administration said Hamas was not exercising a "undue influence" on the government. So is that still the administration's position?

Ambassador LENHARDT. Sir, again, as I said, it is under review and so we will have to come back to you.

Mr. DESANTIS. What can you report on—I know Secretary Kerry last year pledged U.S. money to help, you know, rebuild the Gaza Strip after the conflict last year and I know other Middle Eastern countries like Qatar have pledged billions of dollars.

So what is the status of that? Has the United States obligated funds for the rebuilding of the Gaza Strip?

Ambassador LENHARDT. Sir, I can't comment on that because I don't have any specific knowledge. I will tell you about our programs—our humanitarian programs, assisting people with water, food, health and hygiene products as well as doing some teaching, basic education.

But those are our programs. I cannot comment on something that, certainly, I can't control.

Mr. DESANTIS. So but those programs have continued unabated in the Palestinian areas?

Ambassador LENHARDT. Again, our focus is on people and so those programs are based on previous years' moneys. For as long as those moneys are available we continue to reach out and provide humanitarian assistance. But, again, the Fiscal Year 2016 request is in fact under review.

Mr. DESANTIS. Great. Well, what I would say is money that is going to rebuild the Gaza Strip there is a great danger that that money is going to be used by Hamas and I think that would be a huge mistake if we go down this road where they are building more tunnels and they are acquiring more rockets and maybe the money goes to the PA.

But since money is fungible, if there is other money at stake that can be diverted for some of those illicit measures. I also am con-

cerned about just having traveled over there that you still have the Palestinian Authority educating its youth to hate Israel, to hate Jews and to seek Israel's elimination.

And I just think that that is just so toxic and we continue, you know, pouring money over there. But if that underlying dynamic does not change, you know, I think you are going to continue to see a lot of substandard results.

I yield back the balance of my time and I will—the chair will now recognize Mr. Cicilline for 5 minutes.

Mr. CICILLINE. Thank you, Mr. Chairman.

I want to begin by really congratulating you, Ms. Hyde, on the terrific leadership at MCC—as you know, identified as the most transparent aid agency in the world and the model that is used at the MCC, I think, is really a great example for development aid and I have seen very—personally the work done in Cape Verde and the kind of success that has happened there and I really want congratulate you on that.

I would like to ask you specifically, I know that Liberia is currently seeking to work with the MCC in developing a compact. As you know, the Ebola outbreak has had a tremendously devastating impact on that country and on the institutions and the personnel, and the government, obviously, dealing with an already limited capacity has also been constrained by budget obligations as well as impact on personnel.

And I am wondering how MCC and you will be working to ensure that they actually have the capacity to benefit from an MCC compact. It is, I know, a country that is in serious need of support and just wondering how sort of we are thinking about that.

Ms. HYDE. Thank you, Congressman. I appreciate your comments as well about Cabo Verde. It has been a model for us in many respects, the work that we have done there on the ports and in the water management program.

With respect to Liberia, as you know, there was certainly a lull among the development community for their work in Liberia and my impression and understanding is that there are many efforts underway simultaneously now, and there is a great opportunity for us to look at economic growth, for us to work together with other donors. And I certainly echo the Ambassador's comments about partnerships in what we do and how to put the pieces of the puzzle and the funds together.

So I think we have a real opportunity now to do that in Liberia. We have re-engaged vigorously with our colleagues from USAID and we have engaged particularly around the energy sector. So before the outbreak we had conducted a constraints to growth analysis.

It had, clearly, shown that the energy needs that President Sirleaf speaks about so often are the impediment to private investment. We know that, and so our efforts are likely to be focused on the energy sector, working with Power Africa, and the efforts that USAID and OPIC and others are undertaking there and to see if we can double, triple the capacity in the country.

We will be doing so mindful of the policy reform environment, not just what we will build but what the sector is going to look like

at the end, and work together with them and I think they are enthusiastic for our involvement in that.

Mr. CICILLINE. Great. Thank you.

Ms. HYDE. Thank you.

Mr. CICILLINE. Mr. Ambassador, thank you for your service and thank you again to the heroic staff and personnel of USAID for the work they do all over the world.

I want to just put out three questions and to the extent we have time if you can answer them. Otherwise, if you could just answer them in writing that would be terrific.

I am very pleased that the State Department recently followed USAID's lead in appointing a special envoy for the human rights of LGBT persons, Randy Berry.

We hope that the offices of USAID's senior LGBT coordinator, Todd Larson, and the State's envoy receive robust funding to allow them to work together to carry out their mandate to protect the basic human rights of LGBT individuals globally.

Many foreign governments have recently proposed or enacted discriminatory and sometimes dangerous anti-LGBT legislation. So my first question is what role do you see USAID's senior LGBT coordinator will play to combat this and other discriminatory actions against LGBT individuals around the world.

A second questions is that USAID has done incredible work as part of the U.S. participation in the effort to end the Ebola outbreak in West Africa. Liberia has gone more than 3 weeks without a new Ebola case.

This is a monumental achievement, but as new cases continue to be diagnosed in Sierra Leone and Guinea it is clear we must remain vigilant in our efforts. Can you provide an update as to our efforts that are underway to end unsafe burial practices and improve communication in communities that are still seeing new cases of Ebola being diagnosed?

And, additionally, we are hearing reports that survivors of Ebola who can continue to infect other individuals with whom they have sexual contact. They are not being properly educated about these risks or provided with appropriate contraception. Can you identify what steps if any the United States is taking to help address this risk?

And, finally, as my colleague mentioned, sexual and gender-based violence continues to hamper our efforts to reduce global poverty. I saw this, particularly, in Liberia last year.

What steps is USAID taking to address this issue both on our own and in partnership with international NGOs? Are there successful models? What can we do more effectively and what can Congress to do to respond to this really insidious and horrific level of violence against girls and women all across the world?

So I know I have left absolutely no time for you to answer those three questions but I look forward to hearing your responses in writing and I thank you again for your service.

Mr. DESANTIS. Gentleman's time has expired.

The chair now recognizes the gentleman from California, Mr. Sherman, for 5 minutes.

Mr. SHERMAN. I want to pick up on the comments of the gentleman from Florida, who is leaving as I applaud his comments.

And that is there may be a real question here as to whether aid to the PA is legal today, given the actions that they have taken.

So it is not a matter of conducting a view with regard to next year's budget. You may be illegally spending funds this year. So I am hoping that you will come back to us not just with a report as to whether the aid is good public policy and good development policy but also whether it is legal, and that even if you think it is wonderful policy that if it is illegal you will stop, not waiting for next year.

So I wonder if we can count on that kind of legal analysis being given to the committee on a prompt basis. Ambassador?

Ambassador LENHARDT. Thank you, Congressman, for the question. I will commit to you that we will take that under review and come back with a response.

Mr. SHERMAN. The two agencies you represent are doing work that is important in and of itself. You are helping the poorest countries in the world and the poorest people in the world.

But the American people are funding these programs not just for that purpose but for our geopolitical and to be safer. And it would be easy to say well, if only there was economic progress then we wouldn't have anything to worry about from a geopolitical standpoint.

But 19 out of 20 of the 9/11 hijackers came from a country already way richer than you hope to make the countries that you are working in. So it is not enough for our geopolitical purposes to just have economic progress in the world.

That is why Congress has required what I call "flag on the bag"—that you have to aggressively let people know where the aid comes from. What I would like to know from each of you is do you have public polling to show that people in these countries know what the United States is doing or are we just hopeful that if you put the flag on the bag people will know about it? Ms. Hyde.

Ms. HYDE. Thank you. Thank you. I appreciate the question.

I think it is a very strong point and it is something that at MCC we are taking a close look at. We don't have public polling.

Mr. SHERMAN. Okay. That is the answer. Ambassador, do you have public—have you done any polling?

Ambassador LENHARDT. Yes. We—thank you, Congressman, for the question.

Yes, we do, in fact, have a program whereby we focus on marketing and ensuring that where it is appropriate that——

Mr. SHERMAN. If you have the polling I would like to make it part of the record of the hearing.

Ambassador LENHARDT. Well, we do——

Mr. SHERMAN. I know you have marketing. That is not the question I asked, though. And I am glad you have it but I want to know if you have polling because it is not——

Ambassador LENHARDT. Well, we do—in answer to the question, yes, we do for to assess how are we doing with respect to getting our message out—messages out.

I can tell you that from my experience in Tanzania, very powerful. It produced the results that we wanted. As I mentioned earlier, Tanzanians are favorably——

Mr. SHERMAN. What I will ask you to do is furnish for the record the polling because you can have any company—I mean, Coca Cola may say we got a great adverting campaign, we are on the Super Bowl.

But then they check to see whether people are buying Coke and they do polling to see whether people saw the frisky polar bear.

I want to move on to another question. Pakistan is, I think, the most important area for our concerns. We have spent $155 million to improve education in Sindh and we have this audit report on those efforts.

I commend you, Ambassador, for those efforts. But the inspector general says the program is not achieving its goal, hasn't built schools, there hasn't been an improvement in early grade reading, community mobilization. Are these problems being addressed and are you following the IG's recommendations?

Ambassador LENHARDT. In answer to the question, yes, Congressman. We are in fact looking at the report. But I will say beyond that report we also do our own assessments, our own evaluations. And so they tell us a different picture that isn't perfect but it is certainly making progress.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM THE HONORABLE ALFONSO E. LENHARDT TO QUESTION ASKED DURING THE HEARING BY THE HONORABLE BRAD SHERMAN

Public awareness polling has been at the heart of USAID's "branding and marking" requirements since the Agency first issued a regulation requiring branding and marking in 2004. USAID has continued to conduct public polling as part of efforts focusing on increasing awareness of U.S. civilian assistance in critical countries. A recent example is Pakistan.

Starting in 2011, as one component of a broader communications strategy formulated and implemented with the Department of State, USAID/Pakistan began implementing a multi-media, multi-lingual media campaign, employing a local Pakistani implementer, with a focus on increasing awareness of USAID assistance to the Pakistani people. To measure the effectiveness of the campaign, USAID/Pakistan also contracted with an independent company to conduct nationwide polling.

Since the beginning of the paid media campaign, USAID aired 78,500 TV spots, 47,000 radio spots, 31,000 movie theater spots and 221,040 cable TV spots. The campaign also reached 69,566,000 digital impressions. USAID is currently in the process of procuring a follow-on media campaign activity.

During the three-year campaign, now completed, polling showed an increase in awareness of U.S. assistance, from 34% in 2011 to 47% in 2014. The polling also showed a direct correlation between Pakistanis aware of USAID's work and increased favorability towards the United States.

Since 2011, USAID has also run a weekly Urdu-language radio show that is broadcast across 70 percent of the country. Each weekly radio show features a specific USAID program and includes a discussion with USAID staff, implementers, and beneficiaries.

Mr. SHERMAN. I want to thank you for the effort. I think it is very important. I think it is the most geopolitically important country to us.

And, finally, I am going to shift over and maybe you can furnish some information to the record, Ms. Hyde—what does Armenia have to do to get another compact? And since I have zero time that will probably be a response for the record unless the chairman wants to hear you orally.

Mr. YOHO. We will give you 30 seconds.

Ms. HYDE. The board just recently set forth criteria for a second compact. The three criteria are success in the first compact,

progress on the scorecard and a commitment to reform—policy reforms going forward.

I know that Armenia has made progress on the political rights indicator which was the challenge in our first compact. We will be looking to evaluate a second compact against those criteria.

Mr. SHERMAN. Thank you.

Mr. YOHO. Thank you. The gentleman's time has expired.

The chair will now recognize Ms. Gabbard from Hawaii.

Ms. GABBARD. Thank you very much, Mr. Chairman. Thank you very much.

I met yesterday with a woman who is the chairman of the Kurdistan regional government's High Council on Women's Affairs and I am wondering if you can speak to what work or what types of assistance you are providing there to the either the Kurdish Government directly or to the NGOs who are operating there.

A few of the areas that were brought up of concern, obviously, are the ballooning numbers of refugees and IDPs who currently exist there and the costs that that is taking there on infrastructure and resources, both in the economic sense.

But, specifically, they spoke about the assistance needed which they are not currently getting for many of the women and girls who have been rescued from ISIS who are coming back with unimaginable types of trauma and violence that they have lived through.

Yet they are being welcomed back to their families and communities but not having the resources and tools to be able to help both these, you know, Christian and Yazidi women and girls but also their families.

Ambassador LENHARDT. Thank you, Congresswoman for the question.

We are providing humanitarian assistance to the entire populations in the country as opposed to targeting specifically the Kurdish population.

They are included in that—our outreach specifically as you relate this story. I am not aware of that. It is something that I certainly will take back and look into and see what if anything we can learn from and focus on.

[The information referred to follows:]

WRITTEN RESPONSE RECEIVED FROM THE HONORABLE ALFONSO E. LENHARDT TO QUESTION ASKED DURING THE HEARING BY THE HONORABLE TULSI GABBARD

The U.S. government has provided nearly $220 million for humanitarian assistance to Iraqis in the region since the start of Fiscal Year 2014. Of the nearly $220 million, the State Department's Bureau for Population, Refugees and Migration (PRM) has provided $182.3 million, USAID has provided $29.74 million, and the Department of Defense has provided $7.5 million.

U.S. government humanitarian assistance in Iraq is based solely on vulnerability and need, and delivered on an impartial basis by trusted partners. These partners include United Nations (U.N.) agencies, public international organizations such as the International Committee of the Red Cross and the International Organization for Migration, and non-governmental organizations. No U.S. humanitarian assistance is channeled through government bodies in Iraq. Overall coordination of the humanitarian effort in Iraq is facilitated by the U.N. under the leadership of the Deputy Special Representative of the Secretary-General, Resident Coordinator and Humanitarian Coordinator, Lise Grande. To ensure the most effective response and to avoid duplication of efforts, the U.N. coordinates with relevant government bodies such as the Joint Coordination and Monitoring Center in Baghdad and the Joint Crisis Coordinating Center in Erbil.

U.S. government humanitarian assistance is focused on the provision of food and other relief commodities, shelter (including repairs), water and sanitation, health care, protection (including specialized services for women, children, and survivors of sexual and gender-based violence), and humanitarian coordination and logistics. Rather than being targeted to particular communities or locations, U.S. humanitarian assistance is provided on a country-wide basis, and focused on the populations in greatest need who can be reached by our humanitarian partners. Currently it is too dangerous for many relief organizations to work in Islamic State In Iraq and the Levant (ISIL)-held areas, therefore, the majority of U.S. humanitarian assistance is concentrated among Iraqi internally-displaced persons and Syrian refugee populations in the north, center and south of the country.

Despite the ongoing strong support by the United States to vulnerable Iraqis, tremendous needs remain. We regularly urge other donors to contribute generously to the U.N. appeal for Iraq, and we continue to press the Government of Iraq to support its displaced citizens.

Finally, I would note that key humanitarian staff from USAID and the State Department also met with the Chair of the Iraqi Kurdistan Region (IKR) High Council on Women's Affairs to hear her perspectives and view from the field—part of a constant effort to meet all actors on the ground involved in addressing the humanitarian crisis in Iraq.

Ambassador LENHARDT. But we are providing humanitarian assistance to the area and the Kurdish people are, certainly, within that envelope.

Ms. GABBARD. Through the Iraqi—through all of the dollars that you are providing are going through the government in Baghdad or are you providing direct assistance to the Kurdish Government?

Ambassador LENHARDT. It is going through—it is a combination and so there are resources going to Baghdad and then they further put that out. But we also have implementing partners who are working within the country who are—have a contract with us and they are doing that work based upon that contract.

Ms. GABBARD. I would be interested to get the details of how that breaks down because both yesterday and time and time again, both in the area of defense but also with humanitarian aid, what we hear constantly from them is that they are not—they are only seeing a fraction of what is sent through Baghdad.

So actually getting a breakdown of what ends up there specifically in Kurdistan where you are seeing all of this activity is something, I think, is important for us to know.

The other question I had was with regard to the funding being provided. I know there was a 17-percent increase in funding toward Syria and fighting the Islamic State. The CRS report that we have here mentions that most of the requested funding is going to address the impact of the crisis on Syria's neighbors, including $1 billion to help counter ISIS and mitigate Syria-related economic and security concerns in Jordan as well as another $335 million to strengthen Iraq's counterterrorism capabilities.

I guess, specifically, I am wondering same—similar question, how that is being distributed and what—to what—to what end if you are talking about countering ISIS using USAID funds. How is that being used?

Ambassador LENHARDT. The last part—I am sorry, ma'am.

Ms. GABBARD. How are the specified intent of these funds both going to Jordan and Iraq and other countries as stated as countering the Islamic State and I am wondering how are those funds being used.

Ambassador LENHARDT. Thank you for the question. But, again, it is about humanitarian assistance as opposed to countering ISIL

or anyone else, for that matter. These funds are intended to help people and so that is the focus.

Let me correct one other thing as well. I didn't want to leave the impression that we provide humanitarian assistance through the Government of Iraq. Those—that assistance takes the form of infrastructure, large projects. Humanitarian assistance goes directly to people. So that is what we do more than anything that——

Ms. GABBARD. How do you do—what do you—you say directly to people. Through what avenue or what platform?

Ambassador LENHARDT. Through implementing partners on the ground who are actually on the scene providing that assistance, take the form of food, water, health care, as many other commodities that we produce.

Ms. GABBARD. Thank you. I thank you for the clarification. I would love to—if you could send us information on some of the partners who you are working with specifically to deal with this issue of the women and girls who have been rescued and who are going through this post-traumatic stress and how those services are being provided. Thank you.

Mr. YOHO. The lady's time has expired and we have come close to the conclusion of this and we want to thank you guys both for being here.

But I have one follow-up question. I am reading the CRS summary here and it says, "Persistent challenges to effective evaluation include unclear aid objectives, funding and personnel constraints, emphasis on accountability for funds, methodological challenges, compressed time lines," and this is something I find—I hear over and over again, "country ownership and donor coordination." It goes on and on.

My question is how do you increase the want of the government and the citizens with the aid we give? And we were on a CODEL in South America and the people that were doling out our money, helping a situation—and this was dealing with narcotics—they said, we have got all these resources, we have got the equipment, we have got the money but they just don't want to do it.

And it reminded me of when I was a little kid and my mom wanted me to play the piano, and she worked two jobs to pay for the piano lessons and for 7 years she did that and I would sit there and I didn't want to play the piano, and she finally got it and walked away.

And I see that so many times. We offer this money and you have a breakdown of—you know, maybe they are a corrupt government, we are giving them money and they are not using the money the way they are supposed to and you talk about the accountability you have.

How do you increase that want? Just if you have an idea how we can do that to make our money more effective—our aid more effective.

Ambassador LENHARDT. Yes. Thank you, Congressman, for the question.

It has to come from a desire to want to do more, having a sense of ownership, having a sense of commitment. I will tell you how we did it in Tanzania.

We asked the Tanzanians themselves, what are the—what are your priorities, what are things that you hope to achieve. And in thinking, looking at it and assessing, evaluating those priorities and their desires with our own national interests, and where those same came together if we could support it then we supported it. And, miraculously, and not surprisingly the Tanzanians were much more enthusiastic about carrying that out.

And so part of this has to be how to we involve the country—how do we involve that government to have a good sense that this is something that we want to do and then how do you hold their feet to the fire.

Mr. YOHO. Exactly.

Ambassador LENHARDT. Causing reforms to be realized and it is a carrot and a stick.

Mr. YOHO. Ms. Hyde, anything else you want to add to that?

Ms. HYDE. The tool—the scorecard. So we have countries that are vying for MCC assistance, and it is interesting to see when you put out 20 indicators and you say to leaders, you are only ranking here and your neighbor is ranking here. It is a competitive-based system that is incentivizing countries to change their laws to try to get MCC assistance.

So we have partners that come to the table with the want. With that we pursue a country ownership model that says you will have controls and oversight but we will have final authority on accountability. We need to be accountable for these funds and so we will pursue it that way.

And, finally, we do 100 percent independent evaluations on both performance and impact of our programs. So we are evaluating what we do. We pay for that. But we think that is a wise investment.

Mr. YOHO. All right. I appreciate your time. I appreciate you being here and taking time out and the committee's—and the committee stands adjourned.

Thank you.

[Whereupon, at 12:14 p.m., the committee was adjourned.]

APPENDIX

Material Submitted for the Record

FULL COMMITTEE HEARING NOTICE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-6128

Edward R. Royce (R-CA), Chairman

March 17, 2015

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs, to be held in Room 2172 of the Rayburn House Office Building (and available live on the Committee website at http://www.ForeignAffairs.house.gov):

DATE: Tuesday, March 17, 2015

TIME: 10:00 a.m.

SUBJECT: The FY 2016 Budget Request: Assessing U.S. Foreign Assistance Effectiveness

WITNESSES: The Honorable Alfonso E. Lenhardt
Acting Administrator
U.S. Agency for International Development

The Honorable Dana J. Hyde
Chief Executive Officer
Millennium Challenge Corporation

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 FULL COMMITTEE HEARING

Day *Tuesday* Date *03/17/15* Room *2172*

Starting Time *10:06 a.m.* Ending Time *12:14 p.m.*

Recesses *0* (____to ____) (____to ____) (____to ____) (____to ____) (____to ____) (____to ____)

Presiding Member(s)

Edward R. Royce, Chairman; Rep. Ros-Lehtinen; Rep. Ron DeSantis; Rep. Ted Yoho

Check all of the following that apply:

Open Session [✓]
Executive (closed) Session [ ]
Televised [✓]
Electronically Recorded (taped) [✓]
Stenographic Record [✓]

TITLE OF HEARING:

The FY 2016 Budget Request: Assessing U.S. Foreign Assistance Effectiveness

COMMITTEE MEMBERS PRESENT:

See attached.

NON-COMMITTEE MEMBERS PRESENT:

None.

HEARING WITNESSES: Same 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.)*

SFR - Rep. Gerald Connolly
QFR - Rep. Ileana Ros-Lehtinen
QFR - Rep. Eliot Engel
QFR - Rep. Ted Poe
QFR - Rep. Gerald Connelly

TIME SCHEDULED TO RECONVENE _____
or
TIME ADJOURNED *12:14 p.m.*

Jean Marter, Director of Committee Operations

HOUSE COMMITTEE ON FOREIGN AFFAIRS

FULL COMMITTEE HEARING

PRESENT	*MEMBER*
X	Edward R. Royce, CA
	Christopher H. Smith, NJ
X	Ileana Ros-Lehtinen, FL
X	Dana Rohrabacher, CA
	Steve Chabot, OH
	Joe Wilson, SC
	Michael T. McCaul, TX
	Ted Poe, TX
	Matt Salmon, AZ
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	Randy Weber, TX
X	Scott Perry, PA
X	Ron DeSantis, FL
	Mark Meadows, NC
X	Ted Yoho, FL
X	Curt Clawson, FL
X	Scott, DesJarlais, TN
	Reid Ribble, WI
	Dave Trott, MI
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X	Theodore E. Deutch, FL
	Brian Higgins, NY
X	Karen Bass, CA
	William Keating, MA
X	David Cicilline, RI
	Alan Grayson, FL
X	Ami Bera, CA
	Alan S. Lowenthal, CA
	Grace Meng, NY
X	Lois Frankel, FL
X	Tulsi Gabbard, HI
X	Joaquin Castro, TX
X	Robin Kelly, IL
	Brendan Boyle, PA

Statement for the Record
Mr. Connolly of Virginia

The focus of U.S. foreign assistance is increasingly directed towards fragile and failed states where development assistance can be a lifeline where none would otherwise exist. This is an important charge, and we should honor the service of the men and women administering foreign assistance in these unstable and dangerous regions of the world.

Foreign assistance is not just a nice thing to do, as some might have you believe. It projects U.S. interests and values, opens up foreign markets for American businesses, strengthens our national security, and creates enduring partnerships abroad. However, the cornerstone of U.S. foreign assistance policies and programs is Cold War-era legislation, and Congress has not regularly enacted new authorizing legislation for the Foreign Assistance Act of 1961 for 30 years. Absent overarching Congressional guidance, much of the reform to our foreign assistance mission has been directed by initiatives such as the National Security Strategy, the Presidential Policy Directive on Global Development (PPD-6), and the Quadrennial Diplomacy and Development Review. Foreign Relations and Foreign Assistance authorization bills have not been enacted since FY2003 and FY1985, respectively. The Foreign Assistance Act has become outdated, with myriad competing goals, objectives and priorities. The legislative barnacles, built up over a half century, inhibit our ability to effectively and efficiently meet our strategic mission of delivering foreign aid around the world.

This pattern of neglect demands thoughtful engagement from Congress. I intend to again introduce the Global Partnerships Act, an initiative I began working with the former Chairman of the House Committee on Foreign Affairs, Howard Berman, several years ago. I welcome the input of my colleagues, the foreign assistance community, the United States Agency for International Development (USAID), the Millennium Challenge Corporation (MCC) and other relevant federal agencies. The legislation envisions an empowered USAID Administrator who would become the chief development advisor to the President, would receive a seat on the National Security Council, and would become the Chairman of the Board for the MCC. Strengthening the role of the Administrator in global development and codifying some of the successful reforms of USAID Forward would represent a valuable collaboration on the future of foreign assistance.

This legislation, if passed into law, would be the first major rewrite of foreign assistance legislation in more than 50 years. It is time for a complete overhaul of the way we administer foreign aid. The 21st century requires a streamlined foreign aid program that recognizes today's priorities. The Global Partnerships Act simplifies the administration of foreign aid by restoring USAID's policy and budget functions and identifying eight concise goals for development assistance. These eight goals include: accelerating economic growth, promoting food security, advancing health, expanding education, protecting and restoring the natural environment, improving access to safe water, sanitation and shelter, fostering equal opportunity, and strengthening democratic governance.

In addition, the Global Partnerships Act provides greater transparency, accountability, and oversight of the aid system by requiring an online database about all forms of U.S. foreign assistance, including an unclassified database on security assistance. At a time when foreign assistance is constantly under attack and on the chopping block, we must promote good stewardship of this often misunderstood portion of the federal budget. If we cannot tell the taxpayer what portion of aid is effective, the assumption we are allowing is that it is all wasted. To this end, I plan to join my Republican colleague, Judge Ted Poe of Texas, in reintroducing the Foreign Assistance Transparency and Accountability Act in the 114th Congress.

I look forward to hearing from our witnesses on how we are not only upholding the principles of efficient and effective foreign assistance, but using assistance to respond the world's most pressing crises. In almost every instance of conflict there is an important role for development to play in both relieving suffering and promoting a sustainable path to prosperity and stability. In Europe, for example we must demonstrate that there is a viable alternative to Russian aggression. Foreign assistance can be a valuable tool for that end. The President's FY2016 budget request includes a 283 percent increase in funding over FY2014 for Eurasia. This request prioritizes the Euro-Atlantic integration of countries like Ukraine, Moldova, and Georgia. It should also promote Ukraine's sovereignty. In the FY2015 Omnibus, Congress included language that prohibits the provision of assistance funding for the central government of a country that has taken affirmative steps intended to support or be supportive of the Russian Federation annexation of Crimea. An enduring commitment to this principle in our foreign assistance strategy would reassure our European allies that territorial disputes are not resolved by force and would reinforce a post-Cold War order that promotes the peaceful arbitration of disputes.

Thank you to our witnesses for joining this discussion on U.S. foreign assistance. The development agenda is best served by collaboration between the executive and legislative branches of the federal government.

Rep. Ileana Ros-Lehtinen Questions
Full Committee Hearing: FY'16 Budget Request: Foreign Aid
Tuesday, March 17, 2015

U.S. Agency for International Development

1. Mr. Lenhardt, the United States has contributed over $3.5 billion dollars in humanitarian response since the start of the Syrian conflict and the President is now seeking an additional $1.6 billion for these efforts for FY16 alone but we must ensure that we are being as efficient and effective as possible with that aid. Seventy-two percent of the aid we've provided so far has been routed through UN initiatives. My concern is that once this money goes to the UN, we lose our oversight into what is being done with that assistance, which is why I was joined by Mr. Deutch, Mr. Connolly, and Mr. DeSantis last month in requesting a GAO report on our Syrian humanitarian response. What mechanisms do we have in place to ensure that the aid we send through the UN gets to its intended recipients? Does the administration have a humanitarian response strategy that is distinct from its ISIL strategy? If so, what is it, if not, why not?

The U.S. government strategy for the humanitarian response in Syria focuses on providing life-saving assistance to internally displaced and vulnerable populations affected by the ongoing conflict. Inside Syria, the humanitarian response is comprised of assistance provided by USAID's offices of U.S. Foreign Disaster Assistance (OFDA) and Food for Peace (FFP).

USAID's approach is to:

- Reach as many vulnerable people as possible by working through U.N. agencies, international NGOs operating inside Syria, community-based organizations with established networks, and NGOs based outside of the country but able to operate inside it.
- Support activities that respond to the most critical needs for humanitarian assistance, including provision of: medical care and supplies; food; emergency relief items; clean water and hygienic sanitation; basic shelter repair and seasonally-appropriate adjustments; psychosocial support; and logistics, coordination and security support to the humanitarian community.

This strategy recognizes the particularly difficult challenges of the situation in Syria, where actions of multiple armed actors severely impede humanitarian access. USAID humanitarian assistance is estimated to reach five million vulnerable Syrians and is present in all 14 governorates and all 63 districts across the country.

The USAID humanitarian response strategy is distinct from the coalition strategy to counter ISIL. The United States' humanitarian objectives in response to the Syria crisis are consistent with our response to other humanitarian crises around the world. In keeping with international humanitarian law and humanitarian principles, USAID provides life-saving humanitarian aid based on need and in an impartial and neutral fashion. The U.S. government has to date contributed nearly $3.2 billion in humanitarian assistance funding since the start of the fighting in Syria in 2011 (of that total, USAID has provided nearly $1.8 billion.) 73 percent of U.S. government aid has been channeled through U.N. agencies, 23 percent through NGOs and 4 percent through other public international organizations such as the International Committee of the Red Cross, the International Federation of Red Cross and Red Crescent Societies, and the International Organization for Migration.

USAID works closely with U.N. partners to ensure accountability and that assistance is reaching the intended beneficiaries. We exercise considerable oversight over U.N.-funded programs, and our U.N. partners have developed a variety of multi-layered monitoring and tracking mechanisms to make sure that our assistance gets to those it is intended to reach. USAID staff members, based in the region and in Washington, closely monitor reports in a systematic manner, are in regular and direct communication with the implementing agencies, and immediately follow up on issues of concern.

USAID grants to U.N. agencies and other international organizations require formal narrative reports on activities on an annual basis, in addition to quarterly reporting on financial expenditures of USAID funds. As well as these reporting requirements, the Agency monitors assistance programs in real-time to

ensure U.S. government funds are being used appropriately and effectively to achieve planned humanitarian objectives (as set out in the U.N.-coordinated Syria Response Plan, issued on behalf of the whole humanitarian community).

In addition to these reporting requirements, USAID works closely with all its partners to collect performance and situational data to monitor activities and gather enough information from different sources to verify assistance is reaching targeted areas and beneficiaries. U.N. partners are required to provide regular program updates on the progress of their activities and any security concerns, and we require them to report any diversions, seizures, or losses immediately, without exception.

The USAID Disaster Assistance Response Team (DART) in Jordan and Turkey meets regularly with partners to discuss programming, issues that impede humanitarian activities, and partners' risk mitigation mechanisms. The DART also meets with the broader humanitarian community, and communicates directly and indirectly with Syrian organizations that provide added layers of ground-truth to partner reporting. The DART also attends cluster and donor coordination meetings, which provide an opportunity to triangulate information about partners' performance – including a new, high-level steering group under the U.N. Regional Humanitarian Coordinator which oversees all humanitarian action across Syria (whether delivered cross-line inside the country or cross-border from neighboring states), part of the new 'Whole of Syria' approach.

USAID staff in Washington also maintains regular contact with all humanitarian partners, including U.N. agencies, other International Organizations, and NGOs, concerning their assistance activities in Syria. USAID leadership also regularly engages with U.N. agency emergency directors and other senior U.N. staff in a variety of fora, including Emergency Directors Group meetings, Syria Top Donor Group meetings, and other events.

2. Moving on to Afghanistan, we learned from SIGAR's supplemental report released on February 27 that State and USAID only responded to three of SIGAR's 24 questions by the December 29 deadline, and as of the report's release, 14 questions still haven't been answered. Where is State and USAID in answering SIGAR's 14 questions?

Thank you for your question regarding a statement incorporated in the cover letter from the Special Inspector General for Afghanistan Reconstruction (SIGAR) published as part of the Supplement to SIGAR's January 2015 Quarterly Report to Congress. The letter notes: "Appendix B of this supplement lists SIGAR's data-call questions that State did not answer, or did not respond to until after the quarterly report publishing deadline. SIGAR sent the data-call questions for its January 2015 quarterly report to the State Department on November 20, 2014, with responses due December 29, 2014. SIGAR received responses to only three of the 24 questions sent to State's Bureau of South and Central Asian Affairs and Office of the Special Representative for Afghanistan and Pakistan by the deadline."

Neither SIGAR's January 30, 2015 quarterly report nor the February 2015 supplement identifies any outstanding responses due from USAID in relation to SIGAR's data call. My understanding is that USAID responded in a timely fashion to each of the questions posed to USAID as part of the data call. I respectfully refer the Committee to the State Department for inquiries regarding the status of the Department's responses to SIGAR.

3. On April 1, the Palestinians will officially be members of the International Criminal Court (ICC), and in my view, have already triggered U.S. law to cut off funding. While the administration has indicated that it is does not believe that the PA's actions triggered the suspension of US aid, it has said that a review of aid to the PA is underway. What is the current status of the third tranche of outstanding aid to the PA and of the review?

USAID, in conjunction with the State Department, continues to examine our assistance to the Palestinians to determine how it can best be used moving forward. Although our view is that the legislative restrictions related to Palestinian initiation or active support for an ICC judicially authorized investigation have not been triggered to date, we are deeply troubled by Palestinian action at the ICC and continue to voice our opposition to further actions to both the Palestinians and the international

community. USAID and the State Department are currently reviewing our assistance. We continue to believe that U.S. assistance to the Palestinian people is an important tool in promoting regional stability, economic development, and increased security for both Palestinians and Israelis.

4. I am concerned about the track USAID is taking with regard to closed societies, especially those impacting our region. Can USAID provide the committee with a breakdown on how much foreign aid in the Western Hemisphere is going specifically towards Democracy and Governance programs?

USAID shares concerns about growing restrictions in countries around the world on civil society's rights and freedoms of association, assembly, expression and information. Despite the difficulties of working in such "closing" or "closed" spaces, USAID is committed to standing with civil society. Thus the Agency will continue to work to advance Democracy, Human Rights, and Governance (DRG) goals through activities such as providing assistance to human rights defenders who have been ostracized for their bravery, supporting citizen engagement on critical development issues, and connecting civil society leaders, organizations and their communities to international networks of solidarity.

In concert with President Obama's Stand With Civil Society initiative, USAID programming focuses on three main lines of effort: (1) promoting laws, policies, and practices that foster a supportive environment for civil society in accordance with international norms; (2) coordinating multilateral, diplomatic pressure to push back against undue restrictions on civil society; and (3) identifying innovative ways of providing technical, financial, and logistical support to promote a transparent and vibrant civil society.

In the Western Hemisphere, USAID implements programs that address a range of issues, from good governance, transparency, and rule of law to human rights and civil society. In restrictive environments, USAID focuses on several key areas: humanitarian assistance to political prisoners and their families; the promotion of human rights and protection of fundamental freedoms; civil society capacity development to help embattled organizations survive difficult times and become more resilient; strengthening youth leadership skills, since young people are frequently more receptive to democratic ideas and will eventually take on leadership roles; the promotion and strengthening of independent media; and supporting civil society oversight of public service and political liberties. These programs help civil society, independent media, and human rights defenders continue their important work in the region. As the attached chart demonstrates, USAID democracy, human rights and governance programs in the Western Hemisphere reflect a continued commitment to this area of assistance, even in a constrained budget environment.

USAID Democracy, Human Rights, Governance, and Security Funding in the Western Hemisphere

$ in thousands for all items	FY 2014 Initial Actual	FY 2016 Request
TOTAL	**216,337**	**433,517**
of which USAID CARSI	***58,500***	***76,500***
of which USAID CBSI	***29,200***	***26,000***

Please note: Funding for work on Cuba is jointly managed between the Department of State and USAID, with the exception of FY 2014 funding that was entirely managed by the Department of State. Total funding includes State WHA Regional-funded and USAID- managed Central America Regional Security Initiative and Caribbean Basin Security Initiative funding, which supports justice sector, youth, and security programming.

Millennium Challenge Corporation

1. Ms. Hyde, MCC is in the middle of implementing a $277 million dollar compact with El Salvador awarded because of that country's supposed commitment to political rights, rule of law, and control of corruption. This is despite widespread concerns over El Salvador's March 1st election – the results of which have still not yet been announced. Will MCC suspend El Salvador's compact if elections there are determined not to be free and fair?

Since the time of our hearing, the electoral process has concluded and we look forward to working with the newly elected Legislative Assembly and mayors to ensure compact success. Results in the March 1 legislative elections were finalized by electoral authorities on May 11, delaying the start of the Assembly session. Mayors took office as planned on May 1. The delay in official results was due to administrative challenges during tabulation and a recount of votes in San Salvador, the result of a Constitutional Court ruling. All parties have accepted the electoral results as tabulated and the legislative session is underway. We also understand that reforms to the electoral system are the subject of hearings before the relevant legislative committees and reforms are expected before the next election cycle. We will continue to work in close coordination with our Embassy as we follow these issues.

The MCC will continue to monitor El Salvador, as it monitors all of its partner countries before and during compact implementation. In the past, MCC has shown that it will take action—up to and including suspension or termination—if an MCC partner is engaged in a pattern of actions that are inconsistent with the agency's principles and selection criteria. MCC's Board of Directors has passed a policy clearly outlining the potential suspension or termination of programs in the event that a country does intentionally engage in such a pattern of actions.

Questions for the Record
Submitted to USAID Acting Administrator Alfonso Lenhardt by
Ranking Member Eliot Engel
House Committee on Foreign Affairs
"The FY 2016 Budget Request: Assessing U.S. Foreign Assistance Effectiveness"
March 17, 2015

1. The growth of the global economy dictates that we have to be more concerned than ever about the plight of workers who produce for the U.S. market. To help place a floor under living standards, promote sound governance, and assist in the protection of internationally recognized labor rights, Congress has appropriated funds for trade capacity building activities to address labor rights abuses by free trade agreement partner countries. Congress has also called for continued funding for a global labor rights program that has a broader scope. What labor programs are currently being funded with trade capacity building funds that have been appropriated for the Western Hemisphere? What other labor rights programs are being funded by USAID? Does USAID foresee an expanded role, and if so in what countries and for what purposes?

USAID has a strong tradition of supporting global labor programs designed to foster democratic development and inclusive economic growth. Our labor programming directly serves these priorities by strengthening independent and democratic trade unions and promoting international labor standards. In FY 2015, USAID is programing $7.5 million for the Global Labor Program (GLP) and is partnering with the Solidary Center. USAID is working in ten countries (Colombia, Brazil, Mexico, Honduras, Liberia, South Africa, Cambodia, Bangladesh, Ukraine and Georgia), as well as regional and sub-regional programs in Latin America, southern Africa, Asia, and Eastern Europe. This funding also supports four thematic research and advocacy programs on gender, migration and trafficking, informality, and rule of law.

USAID's current Global Labor Program is slated to conclude in January 2016. USAID will release the solicitation for a follow-on labor program on a timeline that will avoid any programming gaps between the end of the current award and the start of the new five-year GLP.

USAID continues to promote and protect labor rights in the Latin America and Caribbean region. Examples of this type of programming include the following:

Honduras

- USAID supports the strengthening of labor rights in Honduras through the Global Labor Program. Our assistance supports workers' ability to form and strengthen democratically-organized and independent unions, effective collective bargaining, expanded social dialogue, and economic literacy for members. In 2014, twelve new unions were organized under very difficult political circumstances; three new collective bargaining agreements were completed; and three more were initiated, covering thousands of workers, especially in the apparel sector.

Colombia

- USAID partners with the Department of Labor to fund programs run by the International Labor Organization (ILO) to (1) strengthen the institutional capacity of the Ministry of Labor, especially the labor inspectorate, to effectively enforce Colombian labor laws and guarantee fundamental rights at work, particularly in relation to freedom of association, collective bargaining and conflict resolution in accordance with international labor standards; (2) strengthen existing social dialogue institutions and their stakeholders, particularly at the departmental and local level; (3) strengthen the institutional capacity of the Colombian government to enhance protection measures for trade union leaders, members, activists and organizers; and (4) combat impunity for perpetrators of violence against union organizations.

- USAID's Trade Union Strengthening Program helps build the organizational and technical capacity of workers and their organizations to advance labor rights, promote inclusion of vulnerable worker populations – especially women – to engage with government institutions responsible for labor

administration, and promote a culture of respect for labor laws and the rights of worker organizations. These efforts complement the Colombian Labor Action Plan.

- USAID also supports the Colombian Government's National Protection Unit's provision of services to a broad range of individuals, including human rights defenders, community leaders, journalists, and trade union leaders. Approximately 1,200 union leaders are being protected under the program.

Venezuela:

- USAID increases the capacity of labor and other civil society organizations -- supporting workers in education, health, transport, journalism, and the informal economy -- to represent their constituents and to generate policy options for governance and industry.

2. I sent you a recent letter along with Ms. Ros-Lehtinen, Mr. Sires, Mr. Cicilline, Mr. Gibson and Mr. Hanna, urging USAID to use existing FY 2015 Central America Regional Security Initiative (CARSI) resources to support human rights organizations in Honduras, Guatemala and El Salvador that are working to protect the LGBT community from increasing levels of violence. In Honduras alone, more than 90 LGBT individuals were killed between 2009 and 2012, and many others were victims of violence and harassment. I very much support the President's efforts to provide increased funding for Central America. I believe that this funding must support the subregion's most vulnerable individuals, including the LGBT community. Can you assure me that USAID will directly fund local organizations working to protect the human rights of LGBT individuals in Honduras, Guatemala and El Salvador?

Thank you for your letter concerning Central America Regional Security Initiative (CARSI) funding to support organizations protecting the human rights of lesbian, gay, bisexual, transgender, and intersex (LGBTI) persons in the Northern Triangle (Honduras, El Salvador and Guatemala). As you know, USAID has played a leadership role in advancing the human rights of LGBTI persons. In the Latin America Region, an overarching theme is expanding LGBTI rights through civil society. Our successes include consulting with and strengthening LGBTI communities, integrating LGBTI issues into country and regional strategies, improving policy frameworks, enhancing the capacity of staff and implementing partners, engaging stakeholders, promoting local laws related to equality for the LGBTI community, and protecting the human rights of LGBTI persons. In Central America, LGBTI issues are integrated throughout our programming and we will continue to work with organizations that support the LGBTI community and emphasize non-discrimination and inclusion of LGBTI persons in scaling up projects and in any new programming going forward.

Along with our current aid to organizations that support the LGBTI community in Honduras, El Salvador, and Guatemala, USAID also is in the early phases of designing a regional human rights program using FY 2015 CARSI funds that will include a component targeting vulnerable populations, including LGBTI persons. The regional approach is expected to focus on enhancing human rights processes and victims' advocacy, decreasing impunity, and improving monitoring of justice sector performance through building regional networks in partnership with NGOs and the Central American Integration System.

3. This year Congress will work to re-authorize the Africa Growth and Opportunity Act. After reviewing how this program has worked for the last 10 years, it is clear that Trade Capacity Building is critical to getting the most out of trade preference programs like AGOA. However, despite launching Trade Africa in 2013, USAID has not updated its Trade Capacity Building strategy since 2003. Do you have plans to update this strategy? USAID also recently conducted a multi-country evaluation of Trade Capacity Building. What actions does USAID intend to take as a result of that evaluation?

USAID's three regional trade platforms in Africa -- the East Africa Trade and Investment Hub, the Southern Africa Trade Hub and the West Africa Trade Hub -- have all focused on the promotion of African exports to the United States under the African Growth and Opportunity Act (AGOA) preference program since their inception. In this context, USAID's Trade Capacity Building (TCB) in Africa has focused on promoting a number of value chains and increasing overall utilization of the AGOA preference program.

USAID has begun updating the 2003 TCB Strategy, and is incorporating a Results Framework to serve as a flexible guide for the design of future TCB programs and projects. A Results Framework will help to

structure objectives and will provide a road map for achieving higher level goals. For the updated strategy, USAID will also seek input from key stakeholders, including Congress, interagency counterparts, implementing partners, and the private sector. Once completed, USAID will disseminate the updated TCB Strategy to officers and field personnel.

USAID has already taken several actions to address the findings of the multi-country evaluation of TCB. The evaluation recommended that USAID develop tools to help missions implement performance management guidelines. In response, USAID created Project Starter, an on-line tool to help missions improve: (1) the development of results frameworks (i.e., a process designed to identify strategic objectives, intermediate results and appropriate outcome and performance indicators); (2) monitoring and evaluation processes; and, (3) the design of TCB activities. In addition, USAID developed a "Trade Facilitation Indicators Handbook" and a trade sequencing guide titled "A Comprehensive Approach to Trade Facilitation and Capacity Building" that capture the lessons learned to date in trade facilitation programming.

USAID also compiled an inventory of evaluations of trade projects, which included TCB activities, from 2007 to 2013. The evaluation results were synthesized and disseminated to field personnel to ensure that officers have the latest knowledge on what is or is not working in TCB. Finally, USAID added two fields to the TCB Database to track indicators as well as completed and upcoming evaluations. This will facilitate a more systematic monitoring and evaluation learning agenda for TCB.

4. The conflict in South Sudan has displaced 750,000 children and approximately 400,000 are out of school. Children affected by the conflict are at risk of separation from their families, violence, and exploitation. Over 6,700 children have been separated from their families and approximately 12,000 have been recruited into armed groups. Children live in fear, unable to return home or attend school, and at risk for physical harm. How is U.S. assistance preventing and responding to exploitation and violence against children?

The current crisis in South Sudan has resulted in grave violations against children by both pro-government and opposition forces, and children and other vulnerable groups have been disproportionally affected by this conflict. USAID continues to be concerned by reports of the mobilization of children as child soldiers, as well as the killing, maiming, rape, displacement and orphaning of children. USAID's humanitarian and development programs in South Sudan have responded to this crisis by seeking to mitigate the detrimental effects of violence on children's physical and mental health, and to strengthen their ability to learn and socialize.

As part of its life-saving response efforts, USAID humanitarian assistance supports children who have suffered from violence or exploitation during the crisis. Mental health services are incorporated into medical assistance provided in the Juba Protection of Civilians (POC) site and Jonglei State, providing psychosocial support to children who have suffered trauma. In the Bentiu POC sites, girls and women are provided access to safe spaces, which are locations specifically created to provide them with life-saving and age-appropriate gender-based violence case management and psychosocial support services.

Through a rapid response program, USAID supports child protection activities in Jonglei State through child-friendly spaces; by training social workers and volunteers in psychosocial support, first aid, and family tracing and reunification; and by establishing community-based child protection committees. This program also supports an integrated protection, health, and nutrition program in Unity and Jonglei States that provides clinical and psychosocial support and treatment services to children and women survivors of sexual and gender-based violence.

In light of the additional 400,000 children who have lost access to school during the current crisis—bringing the total number of out-of-school children to an estimated 1.7 million—USAID has refocused its education development program, launching an emergency education program to provide education services to internally displaced children in Unity, Jonglei, Upper Nile, Lakes, Central and Eastern Equatoria States, including in opposition-held areas. We are also supporting increased access to education, with special consideration for the need to create safe learning environments (including communities affected by conflict) and promulgate child-friendly school environments. This includes community-based education initiatives to ensure increased access to quality education for out-of-school children and youth, focusing on marginalized children,

including girls and pastoralist communities. USAID aims to reach more than 660,000 out-of-school children in South Sudan with basic education by 2018.

To reach 150,000 internally displaced children with emergency education services by 2016, USAID last year awarded UNICEF a $17.4 million grant that has helped establish protective temporary learning spaces in POC sites and internally displaced persons camps and helped re-establish schools in opposition areas and other conflict areas. Since July 2014, UNICEF has reached more than 92,000 conflict-affected children with USAID education assistance. Following the recent release of child soldiers in Pibor, UNICEF, with funding from USAID, has established accelerated learning programs for the demobilized child soldiers and other out-of-school youth in the Greater Pibor Administrative Area.

In the Abyei Administrative Area, USAID programs aim to prevent and respond to child violence, abuse, exploitation and neglect by strengthening the ability of individuals (including children) and communities to protect themselves from future threats, laying the groundwork for lasting safety and protection. Programs include family tracing and reunification and support to community-based child protection networks.

Given the ongoing conflict in South Sudan, the increased needs and the increased scope of work to provide services for demobilized child soldiers, USAID is currently exploring options on how to further expand supplemental emergency education programming, including psychosocial and protection services, life-skills training and peace-building and sports activities.

5. The Central Asian republics, especially Tajikistan and Kyrgyzstan, are heavily dependent on remittances from migrant workers in Russia. As sanctions against Russia have their intended effect on its economy, what can USAID do to help ensure this does not destabilize vulnerable populations in Central Asia? How can our foreign assistance programs help prevent unemployed Central Asian workers from becoming targets for recruitment by ISIL or other extremist groups?

USAID believes greater regional connectivity can help spur economic diversification, which fuels economic growth and jobs. Growth in job opportunities is particularly important in Central Asia, where half of the population is under the age of 30 and the lack of employment opportunities results in large numbers of migrant laborers searching for work in Russia. As you are no doubt aware, per capita, Tajikistan is the most labor remittance-dependent country in the world, with Russian-derived remittances accounting for an amount equal to an estimated 50 percent of its gross domestic product (GDP). The neighboring Kyrgyz Republic is also heavily dependent on labor remittances, which total approximately one-third of its GDP. Yet Russia's flagging economy is making it increasingly difficult for migrant workers to find work. Last year, the Russian ruble devalued by nearly 50 percent against the dollar, with a direct impact on all of Central Asia. More than 400,000 young Tajik migrant workers and another 600,000-plus other Central Asians – more than one million young males – are expected to return from Russia without a job and to look for employment in their home countries.

USAID is helping address this employment crisis through its economic development programs. In support of increased regional connectivity, which USAID promotes through the U.S. Government's New Silk Road (NSR) initiative, USAID's economic growth programs focus on private sector competitiveness, increasing access to markets, and improving the business enabling environment. We also help connect Central Asian economies to the global market by providing macroeconomic reform assistance to improve their compliance with worldwide, rules-based, transparent frameworks such as the World Trade Organization (WTO). For example, USAID helped Tajikistan and the Kyrgyz Republic accede to the WTO and continues to support their efforts to be WTO compliant. USAID also currently provides expertise and training to Kazakhstan and Turkmenistan on WTO accession.

The NSR initiative also increases business connections between Central Asia, Afghanistan, Pakistan, and India by supporting business-to-business events that lead to new trade deals between Central and South Asian enterprises. We are also furthering trade and transport agreements, including by aiding Tajikistan's participation in the Afghanistan-Pakistan-Tajikistan Transit Trade Agreement and by supporting the ratification of Afghanistan's accession to the Kyrgyz Republic-Tajikistan Cross-Border Transport Agreement.

6. This past winter in Ukraine was not as bad as some feared and the harvest last fall was good, but next year may not be so kind. What specific food needs does Ukraine have over the coming year and is the United States in a position to help meet those needs, particularly in regards to assisting small stakeholder farmers?

Ukraine's agriculture sector continues to be a critical component of the Ukrainian economy. Several factors, including most notably the crisis in Eastern Ukraine, are taking their toll on small stakeholder farmers. As a result of higher costs for inputs such as seeds, fertilizers, and fuel, we anticipate reduced small and mid-sized farmer production in Ukraine this spring and for the totality of 2015. In addition, the devaluation of Ukraine's currency has made the cost of these inputs beyond what many small farmers can afford.

Through ongoing programs, the United States, along with other donors, is working to help small and mid-sized Ukrainian farmers meet such challenges. USAID has an agricultural Development Credit Authority (DCA) program with five credit unions from three Ukrainian oblasts (Kherson, Kharkiv, and Lviv), which will enable partner credit unions to develop specialized loan products, explore opportunities in the agriculture sector for eight years under the guarantee, and provide $6 million in new lending to under-served small farmers in their regions. The program will also help increase loan tenures and reduce collateral requirements, which significantly hamper access to finance for small farmers. We anticipate that the guarantee will generate further interest among Ukrainian credit unions to expand investments in agriculture, especially to small farmers with minimal collateral bases.

USAID also helps small and medium-scale farmers through its AgroInvest program. To stimulate much needed access to finance these producers, AgroInvest has launched a partnership between Ukrainian credit unions and Dupont Pioneer, whereby Pioneer provides hands-on training to small farmers and credit unions on modern sunflower cultivation techniques using the best seeds and inputs. The program will introduce modern technology to small farmers and help increase their creditworthiness as they and financial service providers in Ukraine learn how to apply it.

Moreover, AgroInvest is working with key stakeholders, including the Ukrainian government, to promote implementation of critical agriculture reforms. These reforms will support a stable policy environment, strengthening the capacity of Ukrainian industry associations to shape agricultural policies and provide public education on land rights. They will also help develop market infrastructure, as well as efforts to increase Ukrainian farming profitability through better access to input markets, the development of wholesale and regional markets, and capacity building for producer organizations.

USAID is also partnering with the private sector to leverage their resources and investment to increase the productivity of agricultural small and medium-sized enterprises (SMEs). This year, USAID is launching private-public partnerships that will benefit agricultural SMEs by increasing their efficiency, productivity and helping sustainably increase incomes.

The United States is not the only donor working with Ukraine to strengthen its agriculture sector and support SMEs. In conflict-afflicted areas in Luhansk and Donetsk oblasts, the United Nations Food and Agriculture Organization and the Government of Canada will jointly support assistance effort to provide emergency inputs including spring vegetable seeds, fertilizer, and animal feed for support small and medium-sized producers.

7. Moldova has made great strides over the years towards greater integration with the Euro-Atlantic community and implementation of democratic norms and commitments. Its record in this area is quite remarkable for the post-Soviet space and all the more admirable given the country's relative size, lack of economic resources, and a steady stream of threatening rhetoric and disorienting propaganda from Moscow. How can we help Moldova consolidate democratic gains and make further progress, particularly in the areas of rule of law, anti-corruption, and the protection of minorities?

Moldova has indeed taken significant steps toward European integration, including the signing of an Association Agreement (AA) and Deep and Comprehensive Free Trade Agreement (DCFTA) with the

European Union (EU) in June 2014. Despite this progress, Moldova faces many challenges -- most prominently Russian pressure and endemic corruption -- as it works to continue implementing its reform agenda.

USAID programs strengthen democratic institutions to combat corruption, build respect for the rule of law, and oppose Russian anti-Western propaganda. In particular, USAID is supporting civil society to provide a uniquely Moldovan response to propaganda specifically targeted at minority groups in addition to the propaganda aimed at all of society. By supporting European values, these campaigns also increase support for the protection of minorities. Civil society is also being strengthened to play its "watchdog" role in monitoring the justice system. Among other changes, technical improvements in court management are being introduced to reduce the scope for corruption. Assistance to small-town mayors is enabling them to meet the requirements for decentralization, which also helps reduce corruption. Moldovan investigative journalism organizations are partners in a Europe & Eurasia-wide program, the Organized Crime and Corruption Reporting Project (OCCRP), to which USAID is one among several donors. Journalists with the OCCRP helped uncover a complex bankruptcy and money laundering system that used Moldovan banks to process funds from Russia to EU countries. A separate investigation by the OCCRP showed that contrary to Moldovan law, the Patria Party had received Russian financing. The Patria Party was banned in November 2014 by the Central Electoral Commission in Chisinau, a decision later upheld by an appeals court. USAID also supports the integration of Moldova into EU energy markets, working with the Government of Moldova to draft energy sector legislation that promotes transparency and open markets, which would encourage critically necessary investment.

8. In Hungary, at the heart of the European Union and inside the NATO alliance, the anti-Semitic and neo-fascist party Jobbik is the second-largest political force while the country's democratic institutions continue to be weakened in ways that evoke Vladimir Putin's campaign against civil society in Russia in 2012. The constitution has been amended to eliminate critical checks and balances; NGO's and independent media are harassed; and protections for minorities against hate crimes and discrimination are elusive. Further, corruption is destroying confidence in government institutions and robbing people of future prosperity. And last fall, President Obama cited particular concern about restrictions on civil society groups in Hungary. Beyond important high-level criticism, what concrete actions are being taken by USAID to counter these disturbing trends?

We share your concern about the negative trends of democracy, civil society and human rights in Hungary. USAID does not currently have a mission in Hungary or resources to conduct bilateral programs in Hungary, having ended bilateral programs specifically focused on Hungary in 1999. Since Hungary is a member of the European Union (EU), we look to EU institutions and members states to take a leading role in encouraging the further development of civil society, human rights, and democracy in that country.

USAID promotes dialogue on the development of democracy and civil society in Europe and Eurasia (including Hungary) through support of the regional benchmarking indices and surveys of *Nations In Transit* (NIT) and the *Civil Society Organization Sustainability Index* (CSOSI). Both surveys have publicized the significant declines in Hungary's scores over the past few years. For the CSOSI, USAID works with local partners throughout the region to publicize the annual survey and thus foster discussion on the environment for civil society among local stakeholders. In Hungary, USAID has partnered with the Hungarian Environmental Partnership Foundation (HEPF or Okotars) on the CSOSI , which unfortunately has been the subject of government-led harassment and intimidation for its work in supporting advocacy and watchdog activities.

QUESTIONS FOR THE RECORD OF THE HONORABLE TED POE
COMMITTEE ON FOREIGN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES
"The FY 2016 Budget Request: Assessing U.S. Foreign Assistance Effectiveness"
March 17, 2015

1. Ms. Hyde and Administrator Lenhardt, Rep. Connolly and I have been working with the Administration on the reintroduction of the Foreign Aid Transparency and Accountability Act from last Congress. The bill basically says when we give foreign assistance we need to be able to measure if it is working or not working and we need to post the results online. Administrator Lenhardt, your predecessor Administrator Shah was a big help in supporting the bill. Ms. Hyde and Administrator Lenhardt, what are your thoughts on the bill?

   MCC: We welcome efforts to increase transparency and accountability—they are at the core of the work of the Millennium Challenge Corporation (MCC). To this end, MCC has already released significant data about how it selects partner countries and makes investments, how projects are progressing, and the outcomes achieved. MCC is committed to providing key data and information in accessible and comparable formats. For this reason, we now publish all of our evaluation data and results on a public, searchable data catalog using a standard widely used by other donors and our partner country statistical agencies. We also now publish detailed activity budgets, country selection data, performance indicators and other public documents in compliance with the International Aid Transparency Initiative (IATI) standards on our own open data website. This data was scored by Publish What You Fund in the 2013 Aid Transparency Index, and MCC received the number one ranking because of the quality and completeness of the data we produced and shared.
   From our understanding of the Foreign Aid Transparency and Accountability Act of 2012, we believe that MCC already meets many of the monitoring and evaluation requirements in the legislation. Nonetheless, we will continue to improve monitoring and evaluation data to make it even more complete and accessible. We look forward to working with both you and Representative Connolly as you consider reintroducing the Foreign Aid Transparency and Accountability Act in the 114th Congress.

   USAID: USAID continues to maintain the same viewpoint regarding the Foreign Aid Transparency and Accountability Act introduced in the last Congress. As former USAID Administrator Rajiv Shah stated before the Committee last year, there is no assistance area that should be exempt from appropriate evaluation so long as these evaluations are used to inform evidence-based decision-making. We continue to balance evaluation methods that generate the highest quality and most credible evidence possible, while also considering the practical constraints of time, cost and context. In complex and difficult environments, such as the provision of disaster assistance or conflict mitigation, USAID seeks to apply innovative and flexible evaluation methods that will ensure learning and transparency.
   Since the release of the USAID Evaluation Policy in January 2011, we have continued to improve the quality of our performance monitoring and evaluation to measure what is working and to make programmatic changes, and furthered our commitment to transparency. All USAID evaluation reports are publicly available online at the Development Experience Clearinghouse at https://dec.usaid.gov/dec/home/Default.aspx.

2. Administrator Lenhardt, USAID's 2011 evaluation policy states, "USAID will devote approximately 3 percent of total program dollars, on average, to external performance and impact evaluation." The latest data available is that USAID spent $39 million on evaluations in FY2013. That is 0.1% of USAID program funds obligated in FY13 and a far cry from the 3% that your policy said should be spent. How much is USAID looking to spend in FY16? When do you anticipate doing what your policy says and actually spending 3% of program dollar on evaluation?

   Although USAID has not yet met the 3% target, as the Agency gains experience with the use of evaluation data, we are continually reviewing our processes to ensure that operating units are appropriately considering all aspects of evaluation best practice. USAID is committed to overcoming persistent constraints such as changes to project time lines, internal and external evaluation capacity, and budget flexibility.
   USAID has increased its spending on evaluations since the Evaluation Policy was put into place in 2011. More than 1,400 USAID staff has been trained in evaluation since that time. During the strategic planning and project design process, USAID prioritizes evaluation planning, which includes looking for the highest impact opportunities to test development hypotheses and to determine how well projects are performing.

Since the Evaluation Policy was launched, over 950 evaluations have been completed. These evaluations have enhanced the Missions' and operating units' use of evidence-based decision making. Annual performance data indicates that of the 224 evaluations completed in FY2014, operating units reported that 61 percent were used to inform decisions about follow-on program, project, and activity design, 40 percent informed ongoing project management, and 13 percent influenced decisions by host governments or other donors, among other uses.
USAID and other donors and foundations are identifying key considerations for evaluation spending. For example, a Hewlett Foundation study from 2014 found that there is a basic threshold cost for evaluation that does not rise proportionally with program expenditures. Therefore, projects with larger budgets may show a smaller proportion of funds going to evaluation.
Ensuring sufficient resources for evaluation is important -- and so is ensuring the quality of these evaluations and using evaluation findings to inform decisions. According to findings of the Agency's "meta-evaluation" on the quality and coverage of USAID evaluations between 2009 and 2012, overall quality has improved since 2011. USAID is currently conducting a study to better understand how evaluations are currently being used in order to inform how we can maximize their quality and use going forward.

3. Administrator Lenhardt, I think impact evaluations are really important because they are the only tool that measures causality and can tell us whether our aid made a difference or not. MCC, which gets about $1 billion a year, has done 13 impact evaluations so far and is going to do 20 more in 2015. USAID gets 30 times the money MCC does but has only done 14 impact evaluations. How many will be completed in FY2014? FY2015? What are you doing to increase the number of impact evaluations done by USAID?

   Since 2011, USAID has completed approximately 25 impact evaluations, including 10 completed in FY2014. At a minimum, another 98 impact evaluations are planned for completion over the next five years.
   To improve the number - and more importantly, the quality - of impact evaluations undertaken by USAID, we are providing targeted training and assistance to USAID staff around the world on the use and development of these evaluations to ensure that their results are put into practice. Our training includes support for "impact evaluation clinics" that bring together academics and other experts in impact evaluation methodology with USAID staff who are in the process of planning a project that lends itself to impact evaluation methods. We also provide classroom training in performance monitoring and evaluation that includes modules on impact evaluations. In addition, we partner with a recognized leader in the impact evaluation arena, MIT's Poverty Action Lab (J-PAL), to offer an online course on impact evaluation to USAID staff and we accompany the course with online sessions that tailor the content to address USAID-specific questions.

4. Ms. Hyde, I think it is great that you post all your evaluations on your website, but your summaries are 8-9 pages. Will you consider a shorter summary of each evaluation, no longer than a page, that explains what the program was, how it was measured, and what the result was? This will make it more transparent and accountable.

   The Millennium Challenge Corporation (MCC) is committed to having an independent third-party evaluate all of our projects, and transparently publishing the results of these evaluations on our website. These evaluations can be lengthy, and so a summary seeks to distill this information while retaining the essence of the evaluation findings.
   We understand that those summaries contain a lot of information, particularly for those who are not in the evaluations field. Because of this, and feedback we have received from other interested stakeholders, we are working on ways to better present these evaluations and summaries to make them more accessible. In particular, our Monitoring and Evaluations team will work on developing a short executive summary at the beginning of the summary of findings to cover what the program was, how it was measured, and what the main results were.

5. Administrator Lenhardt, in 2012 USAID commissioned an independent organization to do an evaluation of its evaluations, calling it a "meta-evaluation". The biggest recommendation it had was that all evaluation teams have an evaluation specialist as a member of the team. It is my understanding that USAID does not keep track if an evaluation specialist is on the team or not because it is hard to define a "specialist". Do you think it is important to have a specialist on each team? What are you doing to make sure that we have trained specialists on each evaluation team?

   All external evaluation teams should have an evaluation specialist as a member of the team. This is a requirement of the USAID Evaluation Policy and other USAID guidance. The 2012 meta-evaluation found that not all teams

have a specialist. USAID will continue to emphasize this requirement as we build our staff capacity in evaluation planning. For example, USAID provides classroom training in evaluation to USAID staff and partners to ensure that USAID staff managing evaluations are informed of the requirement and include it as part of the contractual obligations for an external evaluation team of any independent evaluation that is commissioned.

6. Ms. Hyde, USAID has done 2 meta-evaluations where an independent entity evaluates all the evaluations done by USAID. Will MCC consider doing a meta-evaluation to judge the quality of its evaluations?

The Millennium Challenge Corporation (MCC) is committed to funding effective projects that will lead to increased incomes. We use an evidence-based results framework to determine what's working and what's not, and measure inputs, outputs, and—through rigorous, independent third-party evaluations—outcomes. Because of this, the quality of our evaluations is of critical importance to our work.

All projects in compacts and threshold programs are the subject of an independent performance or impact evaluation. Performance evaluations measure results before and after the project has been completed. Impact evaluations are more rigorous. They attempt to determine what would have happened with and without the project by establishing and measuring a counterfactual. About 60% of MCC's portfolio is covered by performance evaluations and 40% by impact evaluations.

In the scientific evaluation field, a "meta-evaluation" can mean different things. A "meta-evaluation" can be an evaluation of an evaluation to assess its quality. As quality is a critical element of MCC's evaluations, MCC uses external peer reviews of its evaluations to provide a check on the quality of the independent evaluators' work. We intend to continue and expand upon this practice. We are currently extending the practice to include peer reviews of evaluation design reports.

An alternative definition of "meta-evaluation" is to aggregate findings from a series of evaluations. In 2012, MCC conducted a review of the results of its five impact evaluations of agricultural training projects. The results of the review were reflected in lessons learned and in the Principles into Practice Paper published in 2012. We are now conducting a similar assessment of five roads evaluations, and intend to assess additional sectors in the near future.

7. As a former Judge for twenty years and as a co-chair of the Victim's Rights Caucus here in Congress, I have seen firsthand how women and girls are taken advantage of and abused around the world. It is a tragic fact of our world today that women are still enslaved and forced to do awful things. One of the ways we help women and girls is to understand the problem better. The first part of understanding any problem is collecting data on it. USAID's 2011 evaluation policy states, "As a rule, baseline studies should collect sex-disaggregated data" and "Evaluation methods should use sex-disaggregated data and incorporate attention to gender relations in all relevant areas." However, the meta-evaluation in 2012 found that data on women and girls was not being collected very well at all. What progress have you made on collecting data on women and girls since 2012?

MCC: MCC is working to improve the data available on women and girls through its commitment to improve sex-disaggregated data as part of Data2X. Data2X, named for the power women have to multiply progress in their societies, is a partnership led by the UN Foundation and supported by the Hewlett Foundation. The partnership works to advance gender equality and women's empowerment by building partnerships to improve data practices to guide policy, leverage investments, and spur global economic and social progress. This initiative by MCC and other stakeholders will allow for smarter investment decisions in the future.

As part of our commitment, MCC will systematically review the gender data the agency collects and commit to releasing all gender data by the close of 2015, as well as improving future gender data collection.

MCC will also work with partners to develop and implement recommendations for how gender data can be more fully incorporated into the International Aid Transparency Initiative (IATI) reporting standard, with a special focus on gender disaggregated results data. MCC will also sponsor local data challenges to promote the use of gender data.

USAID: USAID requires that all data collected at the person level include sex-disaggregated data. USAID places a high priority on the disaggregation of performance data by sex for all performance indicators that can be collected in this way, and it encourages staff to use gender-sensitive indicators to improve understanding of how the roles and status of men and women in a community affect participation and benefits realized from USAID programs.

In addition to requiring the collection of sex-disaggregated data, USAID is working to improve how gender issues are considered and integrated during project design and implementation that improves subsequent monitoring and evaluation. Each year, Missions report on the previous fiscal year's performance in the annual performance plan and report. The reporting process requires that any person-level indicator provide both a total as well as numbers disaggregated by sex. This information is used in conjunction with nine standard indicators on gender that Missions are required to report on as applicable, that track the Agency's progress in meeting the three high-level outcomes in the Gender Equality and Female Empowerment Policy. These outcomes are: a) to reduce gender disparities, in access to, control over and benefit from resources, wealth, opportunities and services – economic, social, political and cultural; b) to reduce gender-based violence and mitigate its harmful effects on individuals and communities; and, c) to increase the capability of women and girls to realize their rights, determine their life outcomes, and influence decision-making in households, communities and societies. These outcomes are especially important for people who are marginalized or excluded due to ethnicity, gender identity, sexual orientation, lack of income, disability or other factors.

8. Administrator Lenhardt, USAID's evaluation policy in 2011 was a big step forward in making sure we know how our taxpayer dollars are being used but I'm concerned about its implementation. It's great to have something in writing, but it doesn't mean anything if people don't follow it. I understand USAID's policy back in 2011 said missions have to identify at least one opportunity for an impact evaluation. How many did that in FY13? FY14?

Questions for the Record
Submitted to USAID Acting Administrator Alfonso Lenhardt by
The Honorable Gerry Connolly
House Committee on Foreign Affairs
"The FY 2016 Budget Request: Assessing U.S. Foreign Assistance Effectiveness"
March 17, 2015

1. In the FY2015 Omnibus, Congress included language that prohibits the provision of assistance funding for the central government of a country that has taken affirmative steps intended to support or be supportive of the Russian Federation annexation of Crimea. Have any states seen a prohibition of assistance under this provision? Have any states been reviewed as potentially qualifying for this prohibition?

My understanding is that the Department of State has put into place a process to globally track possible acts triggering the provisions of Section 7070(b)(1) of the Fiscal Year 2015 Department of State, Foreign Operations, and Related Programs Appropriations Act.

As required under the Act, the Department will report to the Committees on Appropriations all determinations made by the Secretary of affirmative steps taken by countries intended to support or be supportive of the Russia's purported annexation of Crimea.

2. On page 66 of the FY2016 Foreign Ops Budget Justification, USAID IG Trujillo included a note that the funding requested is insufficient to monitor operations in response to ISIL and Ebola. Was the amount needed for sufficient oversight ever identified? If so, what was it? Are there oversight functions that were carried out in FY2015 that will cease in FY2016 as a result of insufficient funding?

As you may know, USAID's Office of Inspector General (OIG) is independent of the rest of the agency. An element of that independence is the authority to formulate, manage and execute its own budget independently of the rest of the agency. Indeed, the OIG works directly with the Office of Management and Budget to identify and address its funding requirements. Accordingly, I would respectfully refer you to the OIG to respond to your questions.

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