

**ASSESSING THE FISCAL YEAR 2012  
BUDGET FOR AFRICA**

---

---

**HEARING**  
BEFORE THE  
SUBCOMMITTEE ON AFRICAN AFFAIRS  
OF THE  
COMMITTEE ON FOREIGN RELATIONS  
UNITED STATES SENATE  
ONE HUNDRED TWELFTH CONGRESS

FIRST SESSION

APRIL 14, 2011

Printed for the use of the Committee on Foreign Relations



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

U.S. GOVERNMENT PRINTING OFFICE

72-391 PDF

WASHINGTON : 2012

---

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

COMMITTEE ON FOREIGN RELATIONS

JOHN F. KERRY, Massachusetts, *Chairman*

BARBARA BOXER, California	RICHARD G. LUGAR, Indiana
ROBERT MENENDEZ, New Jersey	BOB CORKER, Tennessee
BENJAMIN L. CARDIN, Maryland	JAMES E. RISCH, Idaho
ROBERT P. CASEY, JR., Pennsylvania	MARCO RUBIO, Florida
JIM WEBB, Virginia	JAMES M. INHOFE, Oklahoma
JEANNE SHAHEEN, New Hampshire	JIM DEMINT, South Carolina
CHRISTOPHER A. COONS, Delaware	JOHNNY ISAKSON, Georgia
RICHARD J. DURBIN, Illinois	JOHN BARRASSO, Wyoming
TOM UDALL, New Mexico	MIKE LEE, Utah

FRANK G. LOWENSTEIN, *Staff Director*

KENNETH A. MYERS, JR., *Republican Staff Director*

---

SUBCOMMITTEE ON AFRICAN AFFAIRS

CHRISTOPHER A. COONS, Delaware, *Chairman*

BENJAMIN L. CARDIN, Maryland	JOHNNY ISAKSON, Georgia
JIM WEBB, Virginia	JAMES M. INHOFE, Oklahoma
RICHARD J. DURBIN, Illinois	MIKE LEE, Utah
TOM UDALL, New Mexico	BOB CORKER, Tennessee

## CONTENTS

---

	Page
Carson, Hon. Johnnie, Assistant Secretary of State, Bureau of African Affairs, Department of State, Washington, DC .....	4
Prepared statement .....	8
Responses to questions submitted by Senator Richard G. Lugar .....	47
Responses to questions submitted by Senator Christopher A. Coons .....	51
Coons, Hon. Christopher A., U.S. Senator from Delaware, opening statement .	1
Fine, Patrick C., Vice President for Compact Implementation, Millennium Challenge Corporation, Washington, DC .....	23
Prepared statement .....	25
Responses to questions submitted by Senator Christopher A. Coons .....	71
Goosby, Hon. Eric P., U.S. Global AIDS Coordinator, Department of State, Washington, DC .....	16
Prepared statement .....	18
Responses to questions submitted by Senator Christopher A. Coons .....	65
Isakson, Hon. Johnny, U.S. Senator from Georgia, opening statement .....	3
Jandhyala, Rajakumari, Deputy Assistant Administrator, U.S. Agency for International Development, Washington, DC .....	10
Prepared statement .....	12
Responses to questions submitted by Senator Christopher A. Coons .....	76



## **ASSESSING THE FISCAL YEAR 2012 BUDGET FOR AFRICA**

**THURSDAY, APRIL 14, 2011**

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

The subcommittee met, pursuant to notice, at 2:35 p.m., in room SD-419, Dirksen Senate Office Building, Hon. Christopher A. Coons (chairman of the subcommittee) presiding.

Present: Senators Coons, Isakson, Inhofe, and Lee.

### **OPENING STATEMENT OF HON. CHRISTOPHER A. COONS, U.S. SENATOR FROM DELAWARE**

Senator COONS. I would like to call to order this hearing of the Subcommittee on African Affairs of the U.S. Senate Committee on Foreign Relations.

I am pleased to chair today's subcommittee hearing which will primarily examine the President's budget request for sub-Saharan Africa for fiscal year 2012. It is a distinct privilege to serve as the subcommittee chairman. I am grateful for the opportunity given me by Chairman Kerry and my colleagues on the committee.

I am also honored to serve with my good friend, Senator Isakson, whom I will compliment again once he joins us in just a few moments, and look forward to working closely with him in this Congress on issues we both care deeply about, principally economic growth, security, stability, governance, global health, food security, conflict prevention, and democratic institution-building across the continent.

The goal of today's hearing is to review the President's budget request for Africa, including both bilateral and regional priorities for foreign assistance. This hearing will help to inform the entire subcommittee and committee of the administration's program and resource priorities in sub-Saharan Africa, as well as the basis and the projections for the requested resources. The discussion today is intended to also include priority initiatives such as the Global Health Initiative, including the President's Emergency Plan for AIDS Relief, better known as PEPFAR, and the Feed the Future program, as well as the Millennium Challenge Corporation.

One of the objectives of this hearing is to consider the whole-of-government approach toward the region and to explore the impact of proposed budget cuts in the continuing resolution, or CR, for the current fiscal year, Federal fiscal year 2011. Within a constrained budgetary environment, these are issues of critical importance for

this committee and Congress as a whole as we consider the longer term implications of reducing Federal spending.

Unfortunately, limited resources do require difficult decisions and tradeoffs regarding budgetary priorities, and I hope to hear from our four witnesses today about the implications for the long term of potential reductions in foreign assistance and the projected impact that these proposed cuts will have in Africa where the need is great and sadly the resources are already too scarce.

According to the proposed long-term CR, which may well be considered by this body later today, the Pentagon's budget is more than 10 times larger than that proposed for the Department of State. Today, if I understand the proposed CR correctly, we will consider cuts to the State budget from last year that are significant while also raising the Pentagon budget which demonstrates, in my view, our growing emphasis on military spending potentially at the expense of foreign assistance.

I am pleased to be joined by my ranking minority, Senator Isakson, who I will invite to make an opening statement as soon as I conclude. I just want to say thank you for joining us today, and I am greatly enjoying serving on the subcommittee with you.

I am pleased that recently both Secretary of Defense Gates and the Chairman of the Joint Chiefs Mullen have expressed their strong support for increased resources for the State Department and its critical work in development so that it can continue to play a central role in U.S. diplomacy. I share their expressed views that American national security is also critically dependent upon development and the projection of our values throughout the world through diplomacy.

Today we will hear from State Department leadership, as well as the U.S. Agency for International Development and the MCC, about their strategy for sub-Saharan Africa as reflected in their budget requests for the next fiscal year. We will use this to examine the administration's priorities and the means by which it aims to meet competing goals in the region, responding not only to U.S. objectives but also regional and bilateral needs.

We have prepared a chart to, sort of at the largest level, give an overview of how the request for fiscal year 2012 breaks out.

The total foreign assistance request for Africa is \$7.8 billion, nearly three-quarters of which denoted in red are dedicated to the Global Health Initiative. This program increased dramatically during the Bush administration. In fact, I would say a number of the initiatives under the Bush administration were significant accomplishments among the premier accomplishments of the Bush administration in fighting HIV/AIDS and malaria in Africa in particular. The Global Health Initiative was developed under President Obama in 2009, and I look forward to hearing today from the U.S. Global AIDS Coordinator, Ambassador Eric Goosby, about the future plans for the GHI and, in particular, PEPFAR.

Six percent of the Africa budget request is dedicated to the Feed the Future initiative, which is in green on the chart before you, and was developed by President Obama and the administration last year to address systematically global hunger and poverty. Twelve of the twenty focus countries of Feed the Future are in Africa, representing one-third of total funding commitments. With

USAID as the agency responsible for the coordination and implementation of Feed the Future, I look forward to hearing from Deputy Assistant Administrator Jandhyala—not so good, OK—about agricultural development programs and food security, as well as the wide range of other areas of cooperation between AID and State with regard to African policy and planning.

After the initiative funding, just 23 percent of the total budget, or about \$1.8 billion, remains, the blue section in the chart above you, which must be carefully divided between the very wide range of other foreign assistance priorities overseen by State, strengthening democratic institutions, fostering sustainable economic growth, preventing and resolving armed conflict, and helping to address transnational threats, among other important issues. Assistant Secretary of State for African Affairs, Johnnie Carson, joins us here today to discuss these priorities as a whole and challenges, as well as current events in Africa such as the Nigerian elections and recent violence and transitions in Cote d'Ivoire.

Finally, we will also hear from Patrick Fine, vice president for Compact Implementation for the Millennium Challenge Corporation about the MCC's work in Africa where it focuses 70 percent of its funding. The MCC in my view is a smart, potentially game-changing investment approach to development that has contributed to poverty reduction through economic growth in well-governed countries, and I look forward to hearing from Mr. Fine about his plans to sustain past successes in light of this challenging budget environment.

So, gentleman and lady, I appreciate your being here today, look forward to your testimony, and I will now turn it over to my cochair, at least in my mind, Senator Isakson, for his opening statement.

Senator.

**OPENING STATEMENT OF HON. JOHNNY ISAKSON,  
U.S. SENATOR FROM GEORGIA**

Senator ISAKSON. Well, thank you, Mr. Chairman. I apologize for being a minute late, and I will be brief but to the point.

This is a very important hearing, as those who are here to testify here today, as well as everybody in the audience, recognizes. Every part of the appropriations of the United States for the fiscal year 2012 year are going to be under tremendous scrutiny and under tremendous pressure because of the demands on us to reduce our deficit and our debt over time. And I think each appropriation and each budget unit in the U.S. Government will be looked upon more and more for a cost/benefit analysis rather than just a needs-and-wants analysis.

I bring that up to point to Mr. Fine and the Millennium Challenge Corporation, because I have told him before and seen firsthand in Africa myself that investment has a tremendous payback for the United States of America in more than one way, but, in particular, to make it easier for American companies to go and have predictable investment opportunities and joint venture opportunities with African countries that have improved their democracy, their governance, and reduced their corruption, and worked toward being an effective member of the world economy. So that is an

investment that has a huge benefit and payback directly to who we always should look to the taxpayers of the United States and the business community. Although that money is not in this particular discussion, and I realize it, I think it is important to point out that it is a perfect example of a positive cost-benefit analysis to the country, as I think certainly the PEPFAR program has, as well as the President's Malaria Initiative.

I have traveled in Africa enough to have seen firsthand the tragedy of the disease of AIDS and the transmission of AIDS on that continent and the decimation it has done to the population of many of those countries. But equally, I have also seen the countries that have actually flattened the growth curve and, in some cases, lowered the curve of the infection rate and greatly educated the populace in how to prevent the infection from taking place in the first place and saving the lives of children yet to be born in the future.

And there is a huge payback on that for this reason. Africa, I have said many times, I think, is the continent of the 21st century as far as the United States of America is concerned. And I think the way we are investing our money right now, although we are not in a state of competition with anybody and the results of how we invest that money will have a lot to do with the relationship our country has with the continent and the countries of Africa in the future. And when you compare U.S. investment and humanitarian efforts, such as the PEPFAR initiative and the antimalaria initiative, as well as economic development issues like MCC, then you see a much better example of being a partner with a country to solve problems and produce benefits versus those that invest a little money but extract the natural resources and take them back to their home country, as happens in Africa far too often.

So I look forward to hearing the testimony today by all those that will be testifying, and in particular, that 23 percent noninitiative money, which is kind of a catchall phrase. I would like for you all to talk a little bit about some of the programs that are in there that are important to the United States and to our foreign assistance program.

With that said, I would just replicate what the chair said. I feel very honored to work with him and appreciate his addition to this committee and his leadership as chairman.

Senator COONS. Thank you, Senator.

Now I will turn it over to our witnesses starting, if I might, with Secretary Carson, followed by Mrs. Jandhyala, Ambassador Goosby, and Mr. Fine. Please, if you would, make your best efforts to limit your remarks to roughly 5 minutes, and your full testimony will be placed into the record of this hearing. Now I would like to begin, if we could, with Secretary Carson.

**STATEMENT OF HON. JOHNNIE CARSON, ASSISTANT SECRETARY OF STATE, BUREAU OF AFRICAN AFFAIRS, DEPARTMENT OF STATE, WASHINGTON, DC**

Mr. CARSON. Mr. Chairman, I would like to thank you and Ranking Member Isakson for inviting me and my colleagues to participate in this budget hearing today.

As this is my first appearance before this Congress I wish to congratulate you, Chairman Coons, on your election to the Senate and your assumption of leadership of the African Affairs Subcommittee.

Senator Isakson, congratulations on your reelection and for remaining as the minority leader of the subcommittee. I greatly appreciate your passion for Africa and your commitment to realizing our Nation's goals and interests on that continent.

The President's FY 2012 request for sub-Saharan Africa reflects our core U.S. priorities and interests in Africa. I would like to highlight those priorities, interests, and some of the major policy challenges and opportunities that we face in Africa today.

We remain committed to five overarching policy priorities: strengthening democratic institutions and the rule of law; encouraging long-term development and growth, including food security; enhancing access to quality health care and education; assisting in the prevention, mitigation, and resolution of conflicts, and working with Africans to address transnational challenges, including terrorism, maritime security, climate change, and narcotrafficking.

The FY 2012 request of \$7.8 billion represents a 10-percent increase from the FY 2010 enacted total of \$7 billion. This increase is due in large measure to increases requested by each of the Presidential initiatives. The request for Global Climate Change has increased by 140 percent, Feed the Future by 20 percent, and Global Health by 12.6 percent. Our request for discretionary funds to support noninitiative programs is at \$1.8 billion. They include programs focused on enhancing democracy and governance, economic growth, conflict resolution, and transnational issues.

The United States has many challenges and commitments around the globe, but it is important for us not to lose sight of our growing national interests in sub-Saharan Africa. Sub-Saharan Africa is a region where the United States has benefited from longstanding partnerships and friendships and enjoys some of the highest approval ratings in the world. The ties between Americans and Africans are deep and also historic. With few exceptions, Africa is not a place where we see anti-American demonstrations and rhetoric. That is indicative of the prevailing appreciation for our country's longstanding commitment to democracy and human rights and for our steadfast support in addressing many of Africa's challenges. The spread of democracy in Africa over the past 2 decades and the vibrancy of prodemocracy activism across the continent is further evidence that most Africans share our political values.

In the international arena, we might not see eye to eye with Africans on every issue, but overall, most governments there have been cooperative as we deal with a variety of global challenges. We saw one recent example of this when Gabon, Nigeria, and South Africa voted in support of the U.N. Security Council resolution authoring the use of force to avert a humanitarian crisis in Libya.

Our economic interests in Africa are clear and compelling. Approximately 14 percent of all U.S. oil imports come from the region, making it a strategic part of our energy security portfolio. Imports from Nigeria alone are about 9 percent of our total oil imports and almost the same volume as we receive from Saudi Arabia. With promising exploration and development in countries such as Ghana, Uganda, Liberia, and Tanzania, sub-Saharan Africa's

significance for global oil and gas markets will only increase in the coming years. Africa's enormous share of the world's mineral reserves is also vitally important to the United States. And most importantly for the future, sub-Saharan Africa's growing population makes it a market where U.S. firms will need to be players if they are going to remain globally competitive.

Helping African countries, no matter how small and poor, realize their full potential and succeed economically as democracies is in our national interest. If fledgling democracies are allowed to fail and undemocratic regimes are allowed to endure unchallenged, then people will lose confidence in democracy and free market economic principles, and we will find ourselves on the defensive in the global competition for influence and ideas. Many sub-Saharan African countries face enormous challenges to their survival as functioning states and we must continue to help them meet those challenges so that they can better help us as we deal with our own. In the coming years, African cooperation will be increasingly essential in managing a wide range of global issues such as smuggling, piracy, climate change, infectious disease, and food production.

With our limited resources and personnel, we are managing a long list of near- and long-term challenges that have a direct impact on United States security, political, economic, and humanitarian interests.

Nigeria, where I was this past weekend, is in the middle of a tense election process that will have a serious repercussion for its near- and long-term stability.

In Sudan, the 6-year-old north-south peace process is at an extremely delicate moment with independence for South Sudan just about 3 months away. Diplomatic efforts on Darfur are accelerating again, but a solution is still far away.

The political crisis in Cote d'Ivoire has escalated into armed conflict and unleashed one of West Africa's worst humanitarian crises since the Liberian war.

The eastern region of the Democratic Republic of the Congo remains highly insecure, especially for women and children. That country is also scheduled to have national Presidential elections in November that will serve as a bellwether for its post-conflict transition.

Beyond these fast-moving issues which dominate the headlines, our Government is trying to address a number of slower moving, but nonetheless very high impact challenges. The greatest of these is the prevalence of HIV/AIDS and other infectious diseases which have tragic consequences for the economic livelihoods and the social welfare of Africans across the continent. My colleague, Ambassador Dr. Eric Goosby, will address this in greater detail in his testimony. But it is estimated that some 22.5 million Africans are living with HIV/AIDS, about two-thirds of the world's total. Millions more suffer and die regularly from malaria and other debilitating but preventable endemic diseases.

Although a handful of African countries have demonstrated improved rates of macroeconomic growth compared to previous decades, the overall poverty and social indicators for much of the continent are sobering. Ethiopia's per capita GDP, for example, is only \$344 a year. Life expectancy in oil-rich Nigeria is only 48 years.

Basic infrastructure is lacking in many countries struggling to keep up with their growing populations, especially in urban areas.

I have already alluded to some of the many security challenges in Africa. There are others such as the presence of terrorist groups and drug traffickers in the Sahara and the ascendancy of drug trafficking in countries such as Guinea Bissau and Mozambique. Our preferred approach to all of these challenges is to work through African security and judicial institutions and develop their capacity rather than rely on direct and potentially costly U.S. involvement. This approach may be slow and imperfect, but we believe it is the only truly sustainable one for the African context, and it is the most cost-effective approach for the United States. When Africans take ownership of their own security responsibilities, we are more likely to have the requisite trust and political buy-in from key leaders in those countries.

Africa's complex challenges demand considerable time, attention, and resources, but we must also be attentive to the significant gains and progress that have occurred in many countries over the past decade and ensure that they continue. Liberia and Sierra Leone, for example, require our engagement and support to help sustain their largely successful post-conflict transitions. Helping Africa's most democratic countries such as Senegal, Mali, Ghana, Benin, Botswana, Cape Verde, Mauritius, Tanzania, and South Africa, continue with their political and economic reforms is vital for demonstrating the sincerity of our commitment to democracy and encouraging other countries to follow their model. In recent years, regional organizations such as the African Union, the Economic Community of West African States, and the East African Community have demonstrated a growing commitment to censuring unconstitutional seizures of power, promoting economic integration, and addressing regional security problems. It is in our interest to see that those organizations continue to build their capacity and become more assertive across the continent.

I have worked for nearly 4 decades in Africa. Whenever I review budgets, I am still amazed at how our Government manages to do so much with so little. Roughly speaking, one can easily fit the land masses of the United States, China, and all of Western Europe into sub-Saharan Africa. After Southern Sudan becomes independent in July 2011, sub-Saharan Africa will have 49 states. We have 44 embassies, 5 consulates, and several regional platforms used by U.S. Government agencies. Those of you who have been out to the region know most of these missions are thinly staffed with an ambassador and a handful of reporting officers and support staff.

In closing, I would like to state simply that every dollar we invest in helping Africans to address their problems and better capitalize on their opportunities may not satisfy our high expectations for economic growth, development, health, security, and political stability, but they can go a long way in preventing situations from getting worse and costing us even more down the road. And as Ambassador Goosby and my colleagues from USAID and the Millennium Challenge Corporation will detail in their testimonies, many of our efforts do, in fact, have a very positive and significant impact on the lives of Africans. It is through these programs and our vigorous diplomacy that the United States will remain a key

player in Africa and protect and advance our most important national interests.

Mr. Chairman and Ranking Member Isakson, thank you very much for this opportunity to testify before you, and I will be pleased to answer questions following the testimony of the others.

Thank you very much.

[The prepared statement of Mr. Carson follows:]

PREPARED STATEMENT OF ASSISTANT SECRETARY JOHNNIE CARSON

I would like to thank you, Chairman Coons, Ranking Member Isakson, and all the members of the committee for inviting my colleagues and me to testify today on the President's budget request for sub-Saharan Africa. As this is my first appearance before this Congress, I wish to congratulate you, Chairman Coons, on your election to the Senate and for assuming the leadership of the African Affairs Subcommittee as a new member. Senator Isakson, congratulations on your reelection and for remaining as the minority leader of the subcommittee. I greatly appreciate your passion for Africa and commitment to realizing our Nation's goals and interests there.

The President's FY 2012 request for sub-Saharan Africa reflects our core U.S. priorities and interests in Africa. I would like to highlight those priorities, interests, and some of the major policy challenges and opportunities we face on the continent.

We remain committed to five overarching policy priorities: (1) strengthening democratic institutions and the rule of law; (2) encouraging long-term development and growth, including food security; (3) enhancing access to quality health care and education; (4) assisting in the prevention, mitigation, and resolution of conflicts; and (5) working with Africans to address transnational challenges, including terrorism, maritime security, climate change, narcotics trafficking, and trafficking in persons.

The FY 2012 request of \$7.8 billion represents a 10-percent (\$732.7 million) overall increase from the FY 2010 enacted total of \$7.0 billion. This increase is due in large measure to increases requested for each of the Presidential initiatives. The request for Global Climate Change has increased by 140.9 percent (\$73.7 million), Feed the Future by 20 percent (\$84.4 million), and Global Health by 12.6 percent (\$601.22 million). Our request for discretionary funds to support noninitiative programs is \$1.8 billion. They include programs focused on enhancing democracy and governance, economic growth, conflict resolution, and transnational issues.

The United States has many challenges and commitments around the globe, but it is important for us not to lose sight of our growing national interests in sub-Saharan Africa. sub-Saharan Africa is a region where the United States has benefited from longstanding partnerships and friendships and enjoys some of the highest approval ratings in the world. The ties between Americans and Africans are deep and historic. With few exceptions, Africa is not a place where we see anti-American demonstrations and rhetoric. That is indicative of the prevailing appreciation for our country's longstanding commitment to democracy and human rights, and for our steadfast support in addressing Africa's many challenges and during times of trouble. The spread of democracy in Africa over the past two decades and the vibrancy of prodemocracy activism across the continent is further evidence that most Africans share our political values.

In the international arena, we might not see eye to eye with Africans on every issue, but, overall, most governments there have been cooperative as we deal with a variety of global challenges such as international terrorism, Iran, and piracy. We saw one recent example of this when Gabon, Nigeria, and South Africa voted in support of the U.N. Security Council resolution authorizing the use of force to avert a humanitarian catastrophe in Libya.

Our economic interests in Africa are clear and compelling. Approximately 14 percent of U.S. oil imports come from the region, making it a strategic part of our energy security portfolio. Imports from Nigeria alone are about 9 percent of our total oil imports and almost the same volume as those from Saudi Arabia. With promising exploration and development in countries such as Ghana, Uganda, Liberia, and Tanzania, sub-Saharan Africa's significance for global oil and gas markets will only increase in the coming years. Africa's enormous share of the world's mineral reserves is vital for sustaining continued growth of the global economy. And, most importantly, sub-Saharan Africa's growing population makes it a market where U.S. firms will need to be players if they are to remain globally competitive. The region's share of the world population today is approximately 12 percent, and it is estimated to grow to 20 percent over the next two decades.

Helping African countries, no matter how small and poor, realize their full potential and succeed as economically viable democracies is in our national interest. If fledgling democracies are allowed to fail and undemocratic regimes are allowed to endure unchallenged, then people will lose confidence in democracy and free market economic principles, and we will find ourselves on the defensive in the global competition for influence and ideas. Many sub-Saharan African countries face enormous challenges to their survival as functioning states, and we must continue to help them meet those challenges so they can better help us as we deal with our own. In the coming years, African cooperation will be increasingly essential in managing a wide range of global issues such as smuggling, piracy, migration, climate change, infectious disease, and food production.

With our limited resources and personnel, we are managing a long list of near- and long-term challenges that have a direct impact on U.S. security, political, economic, and humanitarian interests. Nigeria, where I was this past weekend, is in the middle of a tense election process that will have serious repercussions for its near- and long-term stability. In Sudan, the 6-year-old North-South peace process is at an extremely delicate moment with independence for the South just about 3 months away. Diplomatic efforts on Darfur are accelerating again, but a solution is still far away. The situation in Somalia remains especially volatile and poses security threats throughout East Africa and in the Indian Ocean. We may also be on the precipice of a humanitarian catastrophe there as food supplies once again run low.

The political crisis in Côte d'Ivoire has escalated into armed conflict and unleashed one of West Africa's worst humanitarian crises since the Liberian war. The eastern region of the Democratic Republic of Congo (DRC) remains highly insecure, especially for women and children. That country is scheduled to have elections in November that will serve as a bellwether for its post-conflict transition. Uganda and its neighbors are struggling to eliminate the Lord's Resistance Army, which still threaten civilian populations in northern DRC and the Central African Republic. In Zimbabwe, President Mugabe and his ruling ZANU-PF party continue to obstruct the democratic process and mismanage the economy, creating a persistent and long-term threat to the country's overall stability.

Beyond these fast-moving issues which dominate the headlines, our government is trying to address a number of slower moving but nonetheless high-impact challenges. The greatest of these is the prevalence of HIV/AIDS and other infectious diseases which have tragic consequences for economic livelihoods and social welfare of Africans across the continent. My colleague, Ambassador Eric Goosby will address this in greater detail. It is estimated that some 22.5 million Africans are living with HIV/AIDS, about two-thirds of the world's total. Millions more suffer and die regularly from malaria and other debilitating but preventable endemic diseases. Women and children suffer disproportionately.

Although a handful of African countries have demonstrated improved rates of macroeconomic growth compared to previous decades, the overall poverty and social indicators for much of the continent are sobering. Ethiopia's per capita GDP, for example, is \$344. Life expectancy in Nigeria is 48. Basic infrastructure is lacking in many countries struggling to keep up with their growing populations, especially in urban areas. As of last year, Southern Sudan had only 50 kilometers of paved road. And food security remains an ongoing concern across much of the continent.

I have already alluded to some of the many security challenges in Africa. There are others such as the presence of terrorist groups and drug traffickers in the Sahara, and the ascendance of drug trafficking in countries such as Guinea Bissau and Mozambique. Our preferred approach to all of these challenges is to work through African security and judicial institutions and develop their capacity rather than rely on direct and potentially costly U.S. involvement. This approach may be slow and imperfect, but we believe it is the only truly sustainable one for the African context, and it is the most cost-effective approach for the United States. When Africans take ownership of their own security responsibilities, we are more likely to have the requisite trust and political buy-in of key players than if quick-fix solutions are imposed by outsiders. And this buy-in is what can lead to more durable outcomes. To put it differently, the more proactive we are in encouraging and supporting African-led security initiatives, the less likely we will need to intervene directly down the road.

Africa's complex challenges demand considerable time, attention, and resources, but we must also be attentive to the significant gains and progress that have occurred in many countries over the past decade, and ensure they continue. Liberia and Sierra Leone, for example, require our engagement and support to help sustain their largely successful post-conflict transitions. Helping Africa's most democratic countries—such as Senegal, Mali, Ghana, Benin, Botswana, Cape Verde, Mauritius,

Tanzania, and South Africa continue with political and economic reforms is vital for demonstrating the sincerity of our commitment to democracy and encouraging other countries to follow their model. In recent years, regional organizations such as the African Union, Economic Community of West African States, East African Community, and the Southern African Development Community have demonstrated a growing commitment to, for example, censuring unconstitutional seizures of power, promoting economic integration, and addressing regional security problems. It is in our interest to see that these organizations continue to build capacity and become more assertive across the continent.

I have worked on Africa for my entire career of more than 40 years, yet, whenever I review the budget numbers, I am still amazed at how our Government manages to do so much with so little. Roughly speaking, one can easily fit the landmasses of the United States, China, and Western Europe in sub-Saharan Africa. After Southern Sudan becomes independent in July, sub-Saharan Africa will have 49 states. We have 44 embassies, 5 consulates, and several regional platforms used by various U.S. Government agencies. Those of you who have been out to the region know most of these missions are thinly staffed with an ambassador and a handful of reporting officers and support personnel.

In closing, I would like to state simply that every dollar we invest in helping Africans to address their problems and better capitalize on their opportunities may not satisfy our high expectations for economic growth, development, health, security, and political stability, but they sure can go a long way in preventing situations from getting worse and costing us even more money down the road. And, as Ambassador Goosby and my colleagues from USAID and the Millennium Challenge Corporation will detail in their testimonies, many of our efforts do in fact have a very positive and significant impact on the lives of Africans. It is through these programs and our vigorous diplomacy that the United States will remain a player in Africa and protect and advance our interests there.

Mr. Chairman, Ranking Member, and distinguished committee members, thank you. I will be happy to address your more specific questions and concerns.

Senator COONS. Thank you very much, Mr. Secretary, and thank you for making the effort to join us today. I know that your engagement in Nigeria was important for our Nation, and I appreciate your making the extra effort join us for this testimony here today.

Next we will turn to Deputy Assistant Administrator Raja Jandhyala.

**STATEMENT OF RAJAKUMARI JANDHYALA, DEPUTY ASSISTANT ADMINISTRATOR, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT, WASHINGTON, DC**

Ms. JANDHYALA. Thank you very much. Good afternoon, Chairman Coons, Senator Isakson, members of the subcommittee. Thank you for inviting me to speak with you today and congratulations, Chairman Coons, in your support to Africa. And Senator Isakson, we are very glad that you remain a big supporter of our work and agency.

Over the past century, the United States has played a critical role in the transformation of countries from war to peace and in establishing a clear, necessary path to prosperity and to keep countries at peace and engaged in global economy. Throughout the entirety of USAID's 50 years of existence, the agency has taken on some of the greatest development challenges in Africa, delivering lifesaving humanitarian assistance and crucial health interventions, and partnering with Africans to improve democracy, governance and education outcomes.

Today I would like to add to Assistant Secretary Carson's statement with brief remarks and be open to the questions at the end.

USAID celebrates 50 years of generosity from the American people who believe we can make the world a better, safer place if we use our wealth, expertise, and values to invest smartly.

In the last 10 years, the United States has been instrumental in bringing many African conflicts to an end and laying the foundation for democratic transformations and economic growth. The United States partnership with Africa is based on our mutual desire to boost economic growth and prosperity for all, including not least American firms and American workers who stand to benefit in our engagement with the continent and the growth and the opportunities that they present. That same growth will be shared by African businesses and will generate the kinds of jobs necessary for real economic transformation and political stability.

To get the kind of outcomes we are looking for, USAID now has several new tools at its disposal. The Obama administration's Policy Directive on Global Development is guiding the U.S. Government to take stock of its efforts in focusing and concentrating our resources on the continent. And combined with Secretary Clinton's leadership on the QDDR and Administrator Shah's efforts on USAID Forward, we are really looking forward to how do we as the U.S. Government, using our resources, maximize our impact and focus and concentrate our efforts on a few countries that allow us to meet their humanitarian needs, economic growth, and can be drivers of economic growth on the continent and benefit national security.

The FY 2012 total budget, as Assistant Secretary Carson has mentioned, represents a 10-percent increase over the FY 2010 enacted total. Roughly two-thirds of the request consists of bilateral assistance for 13 priority countries that are critical to national security and economic trade, and approximately three-quarters of the request would go toward President Obama's three major initiatives: Feed the Future, which aims to address hunger and unlock the enormous potential of African agriculture as a driver of prosperity on the continent. The Global Health Initiative aims to save millions of lives while building sustainable health systems and deal with huge transnational threats of infectious disease. The Global Climate Change Initiative aims to help mitigate the potential dire consequences of changing ecosystems on food production and economic development.

These initiatives are integrated, focused, and led by each country's specific needs and opportunities. We have worked closely with countries to develop rigorous strategies and balance difficult trade-offs with clear-eyed assessment of where we can effectively achieve meaningful results for developing countries.

In addition, we are concentrating on supporting effective governments. A government that represents the interests of its people and is accountable and transparent is the best insurance of making development progress sustainable. In African countries, long-term improvements in health, education, and economic growth, and the environment will ultimately require responsive and representative governments. We truly believe that without the empowerment of the population, that the governments will not be held accountable. In contrast, weak governance dampens economic activity, increases the risk of civil unrest, and creates fertile ground for terrorism.

We are also engaging heavily with the regional organizations like East African Community, the African Union, and SADC to work with their institutions to empower their leadership and their poli-

cies and strategies to impact the continent and leveraging our resources to benefit the population.

And as we are expanding our work with local organizations in these countries to build capacity inside these institutions and make them a critical part of negotiations between the government and its people on determining priorities and enhancing their ability to be transparent to the population and have the ability—the population—to hold the government accountable.

Africa is a priority for USAID. There is no denying Africa's importance to the United States, both for the moral imperative but also for helping solve the biggest development challenges on the planet which can create transnational threats.

The United States, as we understand it—we are committed to the continent in many ways—political, security, and developmental—and we are hoping to work with our interagency partners to make this happen. We understand the importance of maximizing the impact of every tax dollar spent, and that is why we are making critical reforms and asking our partners to build the systems necessary and the institutions necessary with us to realize those impacts. USAID is partnering with other donors for greater impact. We are working with the United Kingdom in Nigerian elections. We are working with the United Kingdom and the Netherlands and other countries in rebuilding Southern Sudan post-July 9, and we are also very proud of our efforts working with our regional partners and nontraditional donors such as regional organizations to make our dollars work better.

As we continue to work with our partners toward our shared goals over the coming months, I very much look forward to our continued conversation on USAID efforts in Africa.

Thank you, Mr. Chairman, Senator Isakson, and members of the subcommittee. I look forward to responding to any of your questions.

[The prepared statement of Ms. Jandhyala follows:]

PREPARED STATEMENT OF RAJAKUMARI JANDHYALA

Good afternoon Chairman Coons, Senator Isakson, and members of the subcommittee. Thank you for inviting me to speak with you. Congratulations to Chairman Coons who is no stranger to Africa, and particularly east Africa which I have the great pleasure of working on regularly. Senator Isakson, we are glad that you remain the ranking member and a great supporter of the State Department and USAID in Africa.

Over the past century, the United States has played a critical role in the transformation of countries from war to peace, and in establishing a clear and necessary path to prosperity to keep those countries at peace and engaged in the global economy. During the 1940s and 1950s, we helped Europe end its wars, rebuild its economies, and protected the continent from the inherent threats of the cold war. Throughout the 1960s and 1970s, we supported great economic growth in Asia—countries like Korea, Japan, the Philippines, India, Pakistan, and Indonesia. During the 1970s and 1980s, we advanced democracy and development in Latin America and Africa. Throughout the entirety of USAID's 50 years of existence, the Agency has taken on some of the greatest development challenges in Africa, delivering life-saving humanitarian assistance, crucial health interventions, and partnering with Africans to improve democracy, governance, and education outcomes.

Today, USAID celebrates 50 years of generosity from the American people who believe that we can make the world a better and safer place if we use our wealth, expertise, and values to invest smartly. In the last 10 years, the United States has been instrumental in bringing many African conflicts to an end, laying the foundation for democratic transformations and economic growth. At USAID, we have worked closely with our State Department colleagues, many Congressmen, Senators,

faith-based organizations, and NGOs to move beyond simply ending wars already raging out of control to understanding how to prevent the types of conflicts and political instability that threaten our own national security. Corruption, disease, environmental degradation, poverty, illicit trade, and extremism, combined with unemployment and a ballooning youth population require sustained and smart U.S. investments in development. The United States partnership with Africa is based on our mutual desire to boost economic growth and prosperity for all, including not least American firms and American workers who stand to benefit from the huge markets and growth opportunities present in Africa. That same growth will be shared by African businesses that will generate the kinds of jobs necessary for real economic transformation and political stability. While Africa's future is driven by Africans, the United States will continue to play a major role by investing in our African partners to make sure the kind of economic and democratic outcomes we know to be crucial factors for stability and prosperity are achieved.

To get the kinds of outcomes we are looking for, USAID now has several new tools at its disposal. The Obama administration's Policy Directive on Global Development is guiding the U.S. Government to take stock of its efforts contributing to development outcomes, and to focus and improve the impacts of our interventions. Combined with Secretary Clinton's leadership in the Quadrennial Diplomacy and Development Review and Administrator Shah's own efforts to fundamentally change how USAID does business through USAID Forward, the United States is significantly improving the impact and efficiency of its work in Africa.

USAID is focusing on President Obama's three major initiatives—Feed the Future, which aims to address hunger and unlock the enormous potential of African agriculture as a driver of prosperity; the Global Health Initiative, will save millions of lives while building sustainable health systems; and Global Climate Change, which helps mitigate the potentially dire consequences of climate change on African ecosystems, food production, and economic development. In addition to our bilateral support to African countries, we are engaging heavily with regional organizations like the East African Community, which can work effectively across borders, easing the restrictions on trade and investment and encouraging growth throughout Africa. As part of USAID Forward, we are also expanding our work with local organizations to build home-grown capacity and institutionalize our efforts to strengthen relations between the people and their governments to support lasting, sustainable civil society organizations, government institutions, and educational and health providers that can exist long after USAID support has run its course.

The total FY 2012 budget request for Africa is \$7.797 billion, representing a 10-percent (\$732.7 million) increase over the FY 2010 enacted total. Roughly 65.9 percent (\$5.1 billion) of that consists of bilateral assistance for 13 priority countries (the Democratic Republic of Congo, Ethiopia, Ghana, Kenya, Liberia, Mali, Mozambique, Nigeria, Somalia, South Africa, Sudan, Tanzania, and Zimbabwe) that are critical to national security and economic trade. The request for Sudan represents an increase of 21 percent (\$90.5 million), which would go toward enhancing security, governance capacity and economic growth throughout Southern Sudan's transition to independence.

Seventy-seven percent of the request would go toward the President's initiatives, in which we will build on substantial investments:

- Feed the Future: \$507.3 million;
- Global Health Initiative: \$5.4 billion;
- Global Climate Change Initiative: \$126 million.

These initiatives are integrated, focused, and led by each country's specific needs and opportunities. We have worked closely with focus countries to develop rigorous strategies and balance difficult tradeoffs with a clear-eyed assessment of where we can most effectively achieve dramatic, meaningful results for the developing world.

An effective government—one that represents the interests of the people and is accountable and transparent—is the best insurance for making development progress sustainable. In African countries, long-term improvements in health, education, economic growth, and the environment ultimately require responsive and representative governments that can promote and consolidate gains. In contrast, weak governance dampens economic activity, increases the risk of civil unrest, and can create fertile ground for terrorists.

A number of obstacles hinder the consolidation of democratic political systems in Africa: entrenched political leaders, a lack of systems that provide for checks and balances, the high incidence of conflict due to resources, endemic corruption, legal restrictions on civil society, ethnic grievances, and a lack of a democratic political culture. A recent spate of coups, ethnic conflict, suppression of civil society, and political stalemates between opposing factions suggest a trend of democratic back-

sliding across all regions of Africa. However, we also see 15 emerging markets which are attracting private capital, commercial investments and nascent bond markets. USAID has reached out to many private sector actors to assist our work and see it expanding in the coming years.

Positive trends have emerged in countries such as Ghana, where democracy continues to grow stronger, enabling it to serve as a regional role model. In 2011, 18 countries in Africa are considered electoral democracies compared with four in 1991, reflecting the long-term progress that has been achieved. An ongoing trend toward decentralization brings authority and service delivery decisions from central control to subnational and local levels. And civil society organizations continue to grow in numbers and strength, although the need to broaden constituency bases and create linkages between urban and rural communities exists.

USAID's work to strengthen the principles and practices of democracy and good governance helps to create the conditions for peace and development in Africa. USAID helps advance democracy in Africa by promoting the rule of law, free and fair elections, a politically active civil society, and transparent, accountable, and participatory governance. Through technical assistance, training, and financial support, USAID's bilateral and regional offices focus on increasing access to and participation in the political system, empowering local organizations, supporting elections, and strengthening democratic institutions.

Feed the Future affirms the United States commitment to advance global stability and prosperity by improving the most basic of human conditions: the need that families have for a reliable source of quality food and the means to purchase it. Agricultural growth is highly effective in reducing poverty—especially in Africa, where the majority of rural poor depend on agriculture for their livelihoods. To ensure our investments are effective, we are prioritizing and focusing our resources on a core set of countries where food security objectives can best be realized.

Feed the Future has two key objectives: creating inclusive growth in the agricultural sector and improving nutrition. Women are the backbone of the economy in Africa, gender concerns are integrated in all our efforts, and we are helping partners strengthen their capacity to consider gender throughout all stages of the agricultural production, processing and marketing. Feed the Future's country-owned plans are within the continent-wide efforts known as the Comprehensive Africa Agriculture Development Program (CAADP).

Feed the Future has identified up to 20 potential focus countries worldwide based on the level of need, opportunity for partnership, potential for agriculture-led growth, opportunity for regional collaboration, and resource availability. Twelve of these countries are in Africa (Ethiopia, Ghana, Kenya, Liberia, Mali, Malawi, Mozambique, Rwanda, Senegal, Tanzania, Uganda, and Zambia).

To ensure the sustainability and impact of U.S. Government investments, Feed the Future is investing in focus countries in two phases: Phase I investments concentrate on foundational investments, which are designed to lay the groundwork for an expansion of core investments during phase II. To determine whether a focus country is ready for phase II investments, Feed the Future will look for evidence that countries are consulting and coordinating with key stakeholders, including affected communities, the private sector, civil society, and the donor community and determine which countries represent the best opportunities for rapid agricultural growth, poverty reduction, and nutrition.

Feed the Future also invests in regional programs that encompass focus countries and where addressing the challenges to food security requires cooperation across national borders. Regional investments are guided by three main objectives: expanding access to regional markets; mitigating risks associated with drought, disaster, and disease; and building long-term capacity of regional organizations to address regional challenges.

The U.S. Government's longstanding bipartisan efforts in global health are a signature of American leadership in the world. Investments in global health strengthen fragile or failing states, promote social and economic progress, and support the rise of capable partners who can help to solve regional and global problems. Through the Global Health Initiative (GHI), the United States in partnership with local governments and donors will accelerate progress toward ambitious health goals which will improve the lives of millions. Funding is targeted to the highest priorities—from infectious diseases to maternal and child health—while helping developing countries build their capacity to help their own people. In order to maximize the sustainable health impact of every U.S. dollar invested in global health, GHI will expand basic health services and strengthen national health systems to significantly improve public health especially that of women, children, and other vulnerable populations with effective, efficient country-led plans.

Our health programs not only show America at her best, but also deliver results. In 2000 malaria killed nearly a million people each year in sub-Saharan Africa. The cost to the continent was \$30 billion a year in lost productivity. By 2009, that number had dropped nearly 20 percent. In all eight African countries where both baseline and followup nationwide surveys have been conducted by the President's Malaria Initiative, there has been reported substantial reductions in all-cause child mortality, and growing evidence suggests that malaria prevention and control measures have been a major factor in these reductions. In FY 2012, PMI will continue to strengthen the capacity of local partners to deliver highly effective malaria prevention and treatment measures. And we will expand malaria control into two critical countries, the Democratic Republic of Congo and Nigeria, which have a combined population of 200 million and where 50 percent of the African malaria burden lies. But despite these successes urgent challenges remain. This year, more than 350,000 women will die in pregnancy or childbirth and 8 million children will die of preventable diseases before their fifth birthday; approximately half of these deaths will occur in Africa.

GHI provides a platform to increase the efficiency of our investments in global health. Rather than supporting separate lines of health delivery—focused on diseases—GHI focuses on improving service delivery in an integrated way—particularly for women. Doing so generates efficiencies, allowing far more comprehensive treatment during fewer patient interactions. But the real success will be measured in lives saved—today and in the future. Accelerated progress depends on our ability to develop, identify, adapt, and deliver the game changers. We cannot be satisfied with marginal improvements for those who are already served. That is why under GHI, we will make substantial investments in better ways to treat diarrhea and pneumonia in children to save lives and prioritize vaccines, like rotavirus or pneumococcus which are now available, to more effectively prevent disease so children don't have to be treated later. For FY 2012, we have prioritized funding in four areas that have maximum impact on the health of women and children: HIV/AIDS, maternal and child health, malaria, and family planning. We are concentrating our financial, technical, and human resources on these areas to achieve dramatic, meaningful results for the American people and the developing world. Bipartisan congressional support and the generosity of the American people have long defined U.S. Government global health work. We look forward to continued cooperation and consultation with Congress as we work together to implement this important initiative.

The United States is resolute in its commitment to forge a truly global solution to climate change, and established the Global Climate Change (GCC) initiative to help countries assess their vulnerability to climate change and begin to adapt to these changes. Africa's share of global greenhouse gas emissions is currently small—sub-Saharan Africa has only about 6 percent of global emissions, while encompassing about 12 percent of the world's population. In many parts of the continent, however, emissions are rising rapidly—and there is enormous untapped potential to control their growth. But if emissions are relatively modest, climate impacts on Africa are unfortunately not commensurately limited. Africa is one of the most vulnerable continents to global climate change and climate vulnerability. The FY 2012 request includes \$126 million for GCC in Africa, which will focus on three areas—adaptation, energy, and landscapes—while addressing each of the sectors where the effects of climate change will be the most pronounced: food security, health, and stability.

Of the total request for FY 2012, \$53 million is planned to go toward adaptation—helping countries increase their resilience to changing climatic conditions. Activities will include assisting countries in improving science, building government systems, and identifying activities that can make people, places, and livelihoods less vulnerable over the long term. USAID's priority is in Africa's least developed countries and small islands—those places most susceptible to the initial effects of climate change and least able to combat it. Funding will go toward USAID's three regional programs in Africa (east, west, southern Africa) and 10 bilateral programs (Angola, Ethiopia, Kenya, Malawi, Mali, Mozambique, Rwanda, Senegal, Tanzania, Uganda).

The FY 2012 request for GCC in Africa also includes \$25 million for clean energy programs. No country has developed without a parallel increase in the use of energy, which is why developing economies are projected to account for over 80 percent of the growth in emissions by 2030. These countries can and should play a major role in reducing emissions of greenhouse gases while still continuing to develop robustly and sustainably. Funding will be dedicated to a mix of countries that are major greenhouse gas emitters, countries that are committed to energy efficiency and renewable energy, and countries where programs can exploit larger scale impacts due to regional interconnectedness (east, west, southern Africa; Kenya, South Africa).

Finally, the FY 2012 request includes \$48 million for sustainable landscapes, which mitigate emissions caused by land degradation, deforestation, and desertification. USAID is working to change the economic circumstances that drive emissions, improve land management, conserve important carbon “sinks” in forests, promote reforestation and afforestation, and promote improved agricultural and agroforestry methods to increase carbon sequestration. The priorities for this funding are the Congo basin (an area managed by USAID’s Central Africa Regional Program for the Environment) and the west African region, as well as Ghana, Malawi, and Zambia. These key locations were chosen based on their potential for mitigation, their potential for carbon markets, local political will, multilateral coordination, and the extent to which efforts can produce best practices and scalable models for other areas.

Our key priorities also require a cooperative approach, so regional integration will be key to achieving the objectives of each of these initiatives. USAID works closely with African regional institutions, which play a vital role in bringing together member states to address challenges that cross boundaries, such as food security, health, and climate change. The potential benefits are significant:

- *Market access and more efficient economies of scale* as firms, including U.S. businesses, are able to freely access a much larger regional market.
- *Reduced transaction costs associated with doing business* through reduced paperwork required to open a business and trade across borders. Integration would also dramatically reduce the time and cost of transport and allow banks and insurers to draw from a larger pool, reducing the cost of finance and expanding access for African, U.S., and international businesses.
- *Foreign investment* as the cost of doing business in the region is reduced, and the potential benefits increase because of the larger size of the market place.
- *Food security* as food moves freely from areas of surplus production to areas of deficit.
- *Stability* as conflicting parties are united under a larger union and as the economic benefits of integration lead to greater regional prosperity.

USAID, working with the Departments of State and Defense, has increased its support to regional integration efforts by closely working with the African Union, the East African Community, ECOWAS, and other regional groupings to ensure that common security and economic issues can be the platforms to creating peace and security in the region.

USAID is serious about Africa. There is no denying Africa’s importance to the United States, both for the moral imperative of helping to solve the biggest development challenges on the planet, and for the very real interests of the United States national security and economic opportunities. To accomplish our goals, we understand the importance of getting the most out of every taxpayer dollar spent—that is why we are committed to making crucial reforms that are already having an effect on our work in Africa. USAID is partnering with other donors for greater impact, as we are doing with the United Kingdom’s Department for International Development in Nigeria to jointly program our resources to ensure the elections were free and credible. We are also proud of our joint efforts with the State Department toward the successful referendum on independence for southern Sudan last January. Smart USAID investments are paying off in Tanzania and Ghana as well, where Feed the Future is leveraging the private sector and working to truly transform food production and the economies of our African partners. As we continue to work with our partners toward our shared goals over the coming months, I very much look forward to a continued conversation on USAID in Africa.

Thank you, Mr. Chairman, Senator Isakson, and members of the subcommittee. I look forward to responding to any questions you might have.

Senator COONS. Thank you, Raja. Thank you very much for your testimony, and we look forward to the exchange of questions and answers later.

If I could now turn to the U.S. Global AIDS Coordinator, Ambassador Eric Goosby.

**STATEMENT OF HON. ERIC P. GOOSBY, U.S. GLOBAL AIDS COORDINATOR, DEPARTMENT OF STATE, WASHINGTON, DC**

Ambassador GOOSBY. Thank you, Mr. Chairman, Ranking Member Isakson. Thank you for this opportunity to discuss PEPFAR’s work in Africa. You have my written testimony, so I will be brief.

Let me begin by thanking this committee for its leadership in our 2003 and 2008 reauthorization. We are working hard to implement that vision, the vision you laid out in that landmark legislation. You conceived of PEPFAR as an interagency effort led by the Department of State and drawing on the full range of strengths of our U.S. agencies. In Washington, I am proud to have the opportunity and responsibility to lead this coordination. In-country, it is our Ambassadors who are coordinating the work of the agencies and ensure we are working as one U.S. Government with each country's government, civil society, multilateral organizations, and others. This unified PEPFAR approach offers us opportunities for synergies and increased impact and efficiency that we would miss if we were not working together as a team. Speaking with one voice at the country level strengthens our ability to highlight the shared responsibility of the global resources and to call on others to increase their efforts.

This committee has a particular right to be proud of the investment you have made in saving lives and promoting security. As PEPFAR is demonstrating, your investments are working.

In my travels to Africa, I have been repeatedly struck by the deep gratitude for PEPFAR. Simply put, America has brought hope back to countless people and helped ensure stability and security. As Secretary Clinton has noted, global health programs not only save the lives of mothers and children, they stabilize societies and halt the spread of deadly disease to our own country.

On a personal level, I am humbled by the sheer number of people whose lives we have saved and whose families we have kept together. Last year, PEPFAR directly supported support for life-saving treatment for more than 3.2 million people, women and children. We supported programs that helped nearly 3.8 million orphans and vulnerable children move toward a better future.

The President's FY 2012 request for PEPFAR reflects the fact that while much has been accomplished, much work remains. Now is the time to keep moving forward and build on these successes. We must continue our investments and make sure they are smart investments. This means using each dollar to save as many lives as we can from using less expensive generic drugs to moving these drugs by land and sea instead of by air.

Getting smarter means achieving greater efficiency and impact on our programs. Our work to prevent mother-to-child transmission of HIV is an example. It has a triple benefit: saving the life of the mother, preventing the newborn from being born with HIV, and keeping her children from becoming orphans, thus keeping the family intact. In the last year alone, our investments through PEPFAR led to more than 114,000 children being born HIV-free. America is truly leading the global effort to end pediatric AIDS worldwide and to lay the foundation for an AIDS-free generation.

Since its inception, PEPFAR has used coordination as a tool to maximize our impact. As we are seeing with the President's Global Health initiative, the health systems we have established are now helping us combat other health threats while strengthening our focus on our own HIV/AIDS mission. We are at a pivotal moment in making a shared response to AIDS a reality. Partnership frameworks have helped to secure partner government commitments to

heighten efforts. And we have used these frameworks to ensure participation of the full range of partners, including faith-based organizations who play critical roles, in-country health systems, and others members of civil society.

To be clear, this work of country ownership is not yet complete, and the timeline for these efforts will vary from country to country. But it is well underway and we are on the precipice of securing these gains for the long term.

Finally, shared responsibility also means that no one country alone can win the fight against AIDS. That is why we must support the Global Fund as an essential partner. Last year, the Obama administration pledged to request \$4 billion for the fund over 3 years. Equally important, we issued a call to action for reform, launching a process to improve its operations, especially at the country level. We are also strengthening the fund's efforts to protect both U.S. taxpayers' investment and the people who rely upon these programs. Simply put, we must all support a strong Global Fund.

To conclude, I say to you today that we cannot underestimate the power of the hope we are bringing to millions on the African Continent who once could only see despair. Hope is the power to save lives. Hope is building stronger families and stronger communities. It is the hope you made possible and for this we thank you.

I look forward to your questions.

[The prepared statement of Ambassador Goosby follows:]

PREPARED STATEMENT OF AMBASSADOR ERIC GOOSBY, M.D.

Chairman Coons, Ranking Member Isakson, thank you for inviting me to discuss the President's Emergency Plan for AIDS Relief, or PEPFAR, and our activities on the African Continent.

From the day it was first announced nearly 8 years ago, the story of PEPFAR has demonstrated the remarkable good will and generosity of the American people. Congress's ongoing bipartisan support for PEPFAR, and President Barack Obama's continuing stewardship of a landmark program launched by President George W. Bush, have shown the world that this is a vital, effective, and durable element of our foreign policy.

All across Africa, I have been struck by the deep gratitude of governments and ordinary people for PEPFAR's lifesaving mission. This effort has provided a positive and powerful message in our public diplomacy. Actions speak louder than words, and the people of Africa clearly understand that this support comes from the American people, providing them with a window into who we are as a people.

The Foreign Relations Committee has been a key partner in the success that we have been able to achieve through the years. You played a central role in both our 2003 authorization, and our 2008 reauthorization. Pursuant to our reauthorization, despite challenging economic and budget times, President Obama's fiscal year (FY) 2012 request for this program reflects the administration's strong, continuing commitment on HIV/AIDS. We are deeply appreciative of your partnership in this work.

SAVING LIVES

When I talk about HIV/AIDS, I bring the perspective of one who has been involved in the response for 30 years. And I believe that 2010 was a crucial chapter in the global response, providing many reasons for hope about the future. As has been true throughout the past decade, the commitment of the American people was central to virtually all of the year's breakthroughs. America is truly leading the world in this effort.

We must always remember that numbers are not the whole story of PEPFAR, but when those numbers represent children, women, and men whose lives are being saved, they are critical. The people implementing PEPFAR in the field continued to expand life-saving programs this year, as shown by our 2010 program results—the vast majority of which were achieved in Africa. At the end of the fiscal year, PEPFAR supported over 3.2 million people on treatment through bilateral programs worldwide, an increase of more than 700,000 over the previous year. PEPFAR and

the U.S.-supported Global Fund to Fight AIDS, Tuberculosis and Malaria continue to be the leading engines of the dramatic increase in availability of treatment. UNAIDS estimates that at least 5.2 million people in low- and middle-income countries are now receiving treatment, predominantly in Africa. Most of these people were already quite ill when they accessed treatment, and would have died in the near future without it. This is truly an extraordinary global achievement.

PEPFAR programs provided more than 600,000 pregnant women with drugs to prevent mother-to-child transmission of HIV (PMTCT), reflecting one of my top priorities. As a result, it is estimated that over 114,000 babies were born free of HIV in 2010—representing continued sharp acceleration of PMTCT efforts relative to earlier years. PEPFAR also provided care and support for over 11 million people in FY 2010, including over 3.8 million orphans and vulnerable children.

When I reflect that each of the numbers represents a real person—with a story, a family, a community—the impact of this work is too vast to comprehend through numbers alone. I am fortunate to have frequent opportunities to hear the stories of our real people in Africa and around the world, which provide a window into the human impact of America's effort. In Nigeria, I heard from a man who told me of his fear that the U.S. Government would cut support for the drugs that kept him alive. In Mali, I met with a young woman who was born with HIV and has been facing stigma and discrimination for most of her life, but has not let that keep her from pursuing her dreams of becoming a writer.

In short, much has been accomplished and much more remains to be done. With this in mind, we will push on toward the ambitious goals in our Five-Year Strategy—using all that we have learned, to do more and to do better.

#### SMART INVESTMENTS

One encouraging aspect of these life-saving results is that they were achieved despite the difficult economic environment. A key element has been a heightened commitment to smart investments—that is, stretching each dollar as far as we can to save as many lives as we can. Let me briefly highlight areas we have identified for focus:

- We are strengthening use of economic and financial data to ensure efficient use of resources.
- We are incorporating innovations that promote efficiency and allocate resources based on impact.
- We are increasing collaboration with governments, the Global Fund and other stakeholders to align programs and target investments.
- We are reducing costs by streamlining our U.S. Government operations and supporting increased country ownership.
- We are achieving the best available, all-inclusive commodity pricing.
- We are leveraging creative mechanisms for health care financing, in order to bring additional resources to bear.
- And finally, we are developing an evaluation and research agenda that will show all global health how to improve efficiency and impact.

Through all of these smart investments, we are supporting countries as they try to build an effective, durable continuum of care that meets the needs of their people. The more impactful and efficient our investments, the greater the country's ability to create a sustainable response. Here are just a few examples of the impact of this focus on smart investments to date.

#### *Treatment and Care*

Antiretroviral treatment saves lives, but it is a significant component of our overall costs. In July, we reported on treatment costs, based on groundbreaking studies of PEPFAR-supported treatment sites across 12 countries. This data, indicating an estimated mean cost to PEPFAR of \$436 for each patient supported, provides a baseline for efforts to identify treatment efficiencies.

South Africa has the world's largest number of people living with HIV, and the world's largest treatment program. The South African Government identified the need for additional funding that would help to fill urgent short-term gaps in drug availability and drive changes in procurement policies, while greater South African investments could be marshaled. I personally joined our country team in working with the Ministry of Health, and we concluded there was a need for an additional one-time \$120 million dollar investment over 2 years. With this money, PEPFAR was able to buy drugs at 50 percent of their previous prices in South Africa. This investment, along with substantial work by the Government, led to a historic change in South Africa's policies that enabled the government to do what we had done, and purchase medicines at 50 percent of its previous costs. This allowed the

country to save an estimated \$600 million dollars over the next 2 years alone. In short, the PEPFAR investment had a remarkable multiplier effect. It will immediately allow hundreds of thousands to receive lifesaving treatment that they would not otherwise have received, preventing the vertical transmission of HIV to thousands of additional infants and keeping their mothers alive and their families intact, while remaining a South African Government investment.

Other compelling examples drawn from the treatment program area reflect the work of the Supply Chain Management System, which PEPFAR created and manages through USAID. Antiretroviral drugs purchased through that mechanism are now over 98 percent generic—an amazing achievement that saved us over \$380 million dollars in 2010 alone. Our progress toward reliance on generics was described in a recent paper in the *Journal of the American Medical Association*.

And through our supply chain strengthening efforts, we're increasingly moving those drugs and other commodities in more cost-effective ways. SCMS estimates we've saved almost \$40 million dollars to date just by using sea rather than air freight, for example. Through SCMS, we've also set up three state-of-the-art regional distribution centers in Ghana, Kenya, and South Africa, helping to make us more efficient in moving products. All of these commodity savings lead directly to being able to serve more people, and save more lives.

#### *Prevention*

In HIV prevention, smart investments are equally essential, and this year brought much encouraging news. UNAIDS reported significant declines in new HIV infections in over 30 countries, including 22 in Africa—a remarkable turnaround from the trends of a few years ago. In the past, we've used the phrase “combination treatment” to suggest the need to rely on several antiretroviral drugs, not just one. Now we also talk about “combination prevention” to demonstrate the importance of relying on multiple prevention tools for a given population—including biomedical, behavioral, and structural approaches. It is essential for each country to know its epidemic, and PEPFAR is seeing the payoff from heavy investments in high-impact prevention activities tailored to the needs of specific countries. Evidence on the epidemiology of HIV within each country helps answer questions such as need for relative emphasis on youth or older population groups to find the right mix of programs that promote, for example, delay of sexual debut and partner reduction. Country epidemiology also helps us identify and focus on most-at-risk populations, where comprehensive prevention efforts play a critical role in halting the advance of the epidemic, including among men who have sex with men, sex workers, migrant workers, and those who inject drugs. We have also strengthened efforts to rigorously evaluate the impact of prevention activities, in order to target investments to save more lives. Two key examples of smart prevention investments I'd like to highlight are PMTCT and male circumcision.

*Prevention of mother-to-child transmission.* Vertical transmission is a significant cause of new HIV infections worldwide—causing one in every seven new infections. Yet PMTCT interventions are extraordinarily effective. Without PMTCT, 25–40 percent of babies of HIV-positive mothers will be born infected; with PMTCT that number can be reduced to below 5 percent, as Botswana has demonstrated. PMTCT has a triple life-saving benefit: saving the life of the woman, protecting her newborn from HIV infection, and protecting the family from orphanhood. Because it works so well and touches so many lives, PMTCT is a smart investment for PEPFAR—high-impact and cost-effective. In FY 2010 alone:

- PEPFAR directly supported HIV counseling and testing for nearly 8.4 million pregnant women;
- More than 600,000 HIV-positive pregnant women received antiretroviral prophylaxis to prevent mother-to-child transmission; and
- Through these PMTCT efforts in 2010, more than 114,000 children are estimated to have been born HIV-free (adding to the nearly 340,000 from earlier years of PEPFAR).

We are leading the global effort on PMTCT, and I'm proud to note these are the highest PMTCT results of any year in PEPFAR's 7-year history. We are working to ensure that every partner country affected by the HIV epidemic has at least 80 percent coverage of testing for pregnant women at the national level, and 85 percent coverage of antiretroviral drug prophylaxis and treatment, as indicated, of women found to be HIV-infected.

In 2010, PEPFAR established “PMTCT Acceleration Plans” for six countries with high burdens of vertical transmission—all located in Africa. PMTCT Acceleration Plans provided \$100 million in additional FY 2010 PEPFAR funding—above the more than \$956 million spent on PMTCT from FY 2004–09—to fund plans targeting bottlenecks to expanding services. Based on the encouraging early results of this

effort, PEPFAR has continued this funding in FY 2011. With the help of Congress, I was proud to oversee the “virtual elimination” of pediatric AIDS here in America during my tenure at HHS, and I believe PEPFAR can be instrumental in helping to end pediatric AIDS worldwide and laying a foundation for an AIDS-free generation.

These PMTCT efforts have benefits for overall health care for women. Linking HIV testing with antenatal care helps to identify women who are in need of care. In addition, counseling and testing can help women who are HIV-negative remain HIV-free. The availability of these additional services also provide an incentive for women to seek antenatal care. In Kenya, Uganda, South Africa, and other countries, strong linkages among PMTCT, maternal and child health and other programs dramatically increased program coverage, allowing programs to focus on the needs of each woman and family in a more holistic way.

*Male circumcision and other innovations in prevention.* PEPFAR is leading the world in support for rapid scaleup of male circumcision, which was scientifically validated in recent years as a highly protective intervention against HIV infection. Studies show that if we rapidly scale up circumcision to 80 percent coverage over 5 years in Eastern and Southern Africa, we can prevent 20 percent of all new HIV infections in that region—an incredible 4 million infections averted. And doing so would save over \$20 billion dollars over a 16-year period. Our experience shows that there is strong demand for this service when men are made aware of its prevention benefits. In Kenya’s Nyanza province, PEPFAR supported the Government in an intensive effort that performed more than 30,000 male circumcisions in a 30 working days, coupling this effort with other prevention messaging and support.

Looking to the future, we have new hope of adding much-needed new tools to the global prevention toolkit. Especially encouraging have been proof of concept of a woman-controlled microbicide, based on a study funded by PEPFAR through USAID, and highly positive research findings on pre-exposure prophylaxis, funded by the National Institutes of Health. As we previously did with male circumcision, PEPFAR will continue to aggressively pursue formative work that prepares for implementation of these new tools as they become available, based upon scientific and regulatory guidance. As the world seeks a vaccine against HIV infection, it is also important to note the significant U.S. Government support for the Global Alliance for Vaccines and Immunization.

#### *Gender*

Across all programs, PEPFAR recognizes that gender inequalities fuel the spread of HIV and supports programs that respond to this challenge. Gender-based violence (GBV), in particular, limits women’s ability to negotiate sexual practices, disclose HIV status, and access medical services and counseling. We have intensified our focus on GBV with a \$30 million commitment that builds on PEPFAR platforms in all countries, with a particular focus on Mozambique, Tanzania, and the Democratic Republic of Congo—and with strong governmental and civil society engagement in all three countries. We have also created a Gender Challenge Fund to stimulate our country teams to identify and seize new opportunities. As part of a strong and growing portfolio of innovative partnerships with the private sector, PEPFAR also joined the Together for Girls public-private partnership to work with countries to inform and implement a coordinated approach to surveillance, policy and programs for ending sexual violence against girls.

#### *Program Evaluation and Research*

After 7 years of implementation, PEPFAR is generating a growing body of evidence and lessons learned and redoubling its efforts to apply and disseminate these. We have reformed our Public Health Evaluation process to better allow for both U.S. Government and externally generated studies that will provide timely operations research on urgent questions, and instituted a Scientific Advisory Board to ensure that programs reflect the latest science. As described in a recent paper in the *Journal of AIDS*, PEPFAR has adopted an innovative framework for implementation science, defined as “methods to improve the uptake, implementation, and translation of research findings into routine and common practices,” to improve the development and effectiveness of our programs.

#### BROADER CONTEXT OF HEALTH AND DEVELOPMENT

Like all others engaged in this work, PEPFAR has encountered the reality that HIV/AIDS is linked to a wide range of global challenges. In her recent testimony before this subcommittee, Secretary Clinton noted that global health programs not only stabilize societies devastated by HIV, malaria, tuberculosis, and other illnesses,

they save the lives of mothers and children and halt the spread of deadly disease toward our own country.

In September, President Obama announced a new global development policy to raise the importance of development in our national security policy decisionmaking and generate greater coherence across the U.S. Government. The policy is the guiding framework for U.S. development initiatives including the Global Health Initiative, of which PEPFAR is the largest component.

All of our global health efforts reflect a vision of better coordinated and linked U.S. development investments. This emphasis is great news for PEPFAR, because better coordination can save both money and lives, and help us expand the reach of our development dollars. Since its inception, PEPFAR has used coordination as a tool to maximize impact. Our implementers have long known that people affected by HIV face a range of broader health and development challenges, and have seen the opportunities to ensure that our other programs are meeting their needs. At the same time, the health systems platforms established under PEPFAR have much to contribute in meeting the broader health and development challenges of partner nations. By meeting the HIV challenge, we have naturally created significant health care systems improvements that are important in the struggle against other threats, and we have done so without diluting our focus on our own mission of combating HIV/AIDS.

#### COUNTRY OWNERSHIP

An area of striking progress has been movement toward country ownership, with developing countries increasingly taking the lead in responding to HIV/AIDS, while the United States and other external partners play key supportive roles. We have used every opportunity to promote the centrality of country ownership principles, including both governments and civil society. PEPFAR country teams initiated processes to assess and support countries, across many sectors and functions, in defining their needs for health systems capacity development and targeted technical support. For governments, key areas of focus included surveillance, planning, analysis, management, monitoring and evaluation, and budgeting, at key national ministries as well as other levels of government.

To address one central facet of the multifaceted health systems challenge—severe shortages of well-trained health workers recognized in the reauthorization—PEPFAR and NIH teamed up to launch Medical and Nursing Education Partnership Initiatives. Fostering partnerships between African and other universities to enhance the quality of training of health professionals and increase the numbers trained as we work to meet the goal Congress established, these initiatives are a key part of wide-ranging U.S. support for health systems prepared to meet the needs of their populations.

In another example of support for African institutions, PEPFAR recently helped launch the African Society for Laboratory Medicine (ASLM), which will advance laboratory medicine practice, science, systems, and networks on the continent and foster South-to-South sharing of best practices. Laboratory services are vital to support quality medical care with correct diagnoses and monitoring, preventive medicine, surveillance and disease control. As part of our health systems strengthening work, PEPFAR is committed to supporting African leadership to build strong laboratories that perform to international standards and provide prompt diagnoses and clinical management support for patients.

Through the mechanism of Partnership Frameworks, encouraged by Congress in our reauthorization to promote accountability, PEPFAR and 21 partner governments have documented mutual commitments for the next 5 years, with still more to follow. Our Framework with South Africa deserves special note in light of that nation's central role in the global HIV/AIDS challenge. Turning a decisive page, the South African Government has assumed increasing leadership, including a dramatically heightened financial contribution to HIV/AIDS and an intention to approach full financial responsibility for its program by 2016. Secretary Clinton personally signed PEPFAR Partnership Frameworks with South Africa, Angola, and Vietnam, signaling commitment to country ownership as part of U.S. foreign policy at the highest level.

One thing we've tried to do with these frameworks is to secure commitments to ensure participation of the full range of civil society partners needed for countries to respond effectively—including faith-based partners. In many countries, faith-based organizations play a critical role as part of national health systems, and it is vital for that role to be acknowledged and strengthened.

## SHARED RESPONSIBILITY

The global HIV challenge cannot be met by any one country alone—nor should it be. In addressing this complex epidemic, all have a part to play. In addition to the contributions of the United States and partner nations, a truly global response requires commitment by other donor nations and the private sector.

The Global Fund is a critical vehicle for this full range of stakeholders to contribute and heighten their commitment to the fight, as the United States has done over the past decade. Through our contribution to the Global Fund, the United States is able to support the delivery of significant and concrete health results; expand the geographic reach of and enhance bilateral efforts; catalyze international investment in AIDS, TB, and malaria; build capacity, country ownership, and sustainability; and demonstrate political commitment to international cooperation. The United States remains by far the largest contributor to the Fund, and last year, the Obama administration made its first-ever multiyear pledge to request \$4 billion for contribution to the Fund over 2011 to 2013. This strong U.S. support for the Fund's work is vital to generating increased commitments by others. Equally as important, we issued a Call to Action for reform, launching a process to improve the Fund's operations, especially at the country level. This statement has been embraced by the Global Fund Board, which has established a Reform Working Group, to push this reform agenda forward as a top priority. The United States is actively advancing this work through our seat on the Global Fund Board and leadership roles in its key committees and working groups. We are also working to support and strengthen the Fund's efforts to root out corruption in its grants, supporting a strong and independent Inspector General and working to protect both U.S. taxpayers and the people who rely upon the health programs financed through the Fund.

The Global Fund is an essential partner in the fight against AIDS, TB, and malaria, supporting significant health results, building country capacity, and attracting continued investments from other donors. Simply put, the world needs a highly effective, efficient Global Fund.

The United States has promoted the theme of shared global responsibility in its dialogues with other international partners. Through deepened participation in global fora, the United States has used its opportunities to leverage more engagement by others. PEPFAR is working with partners throughout the world to ensure that this message is featured prominently at the United Nations General Assembly High Level Meeting on HIV/AIDS in June.

## CONCLUSION

The driving force behind all of PEPFAR's efforts has been a desire to maximize the life-saving impact of each dollar entrusted to PEPFAR by Congress and the American people. As we move forward, I want this subcommittee to know that PEPFAR will maintain this focus on the people we serve, in Africa and around the world.

Thank you very much. I look forward to our dialogue.

Senator COONS. Thank you, Mr. Ambassador.

And we now turn, last but not least, to the testimony of Mr. Patrick Fine who is the vice president for Compact Implementation of the Millennium Challenge Corporation.

Mr. Fine.

**STATEMENT OF PATRICK C. FINE, VICE PRESIDENT FOR COMPACT IMPLEMENTATION, MILLENNIUM CHALLENGE CORPORATION, WASHINGTON, DC**

Mr. FINE. Thank you. Chairman Coons, Ranking Member Isakson, thank you for bringing us together today. I am pleased to be here with my interagency colleagues and to have this opportunity to discuss the unique mission of the Millennium Challenge Corporation and our distinctive approach to development in Africa.

As you have heard from my colleagues, today's hearing comes at a time when much is at stake in Africa. Africa is home to more impoverished countries than any other continent. Approximately 60

percent of MCC's partner countries are in Africa, where 70 percent of our funds are dedicated.

Although countries in conflict grab the headlines, I have witnessed remarkable progress in the over 30 years that I have been living and working in Africa, and I have seen the vital role that United States assistance plays in increasing access to education, in combating disease, and in promoting market economies.

President Obama has laid out a clear vision for development. It articulates the strategic, economic, and moral imperatives that make development vital to U.S. national security. The President's global development policy recognizes that protecting our interests and advancing our ideals requires economic and diplomatic tools like the MCC, USAID, and PEPFAR.

The MCC is a specialized tool. It works with poor but well-governed countries. Our programs build capacity and strengthen relationships with Africa's emerging economies. From Mali, where small holders are growing rice on thousands of acres of what was scrub land a year ago, to Mozambique, where thousands of people will gain access to clean water for drinking and agriculture, MCC financing is improving lives.

MCC only works with countries selected using publicly available third-party indicators related to ruling justly, investing in people, and economic freedom. This creates an amazingly powerful set of incentives for good policy performance. We have seen these incentives cause governments to undertake reforms both to become eligible for MCC assistance, in other words, before we put any money on the table, and to retain programs already underway.

We have a singular focus: poverty reduction through economic growth. By focusing on economic growth, MCC helps farmers, entrepreneurs, and small business people create new sources of wealth for themselves, their communities, and their nations.

Increased prosperity creates new markets and strong allies for America. I saw an example of this 2 weeks ago when I visited a chicken hatchery financed by the MCC in Georgia. Not only did this enterprise create 45 jobs and reduce Georgia's reliance on importing eggs from Russia, but when we went to the building where tons of chicken food were mixed, we saw that the soybeans were imported from the United States.

In Tanzania, MCC is financing expansion of the electrical grid, which is a basic prerequisite for modern business expansion. A U.S. consortium led by Symbion Power and Pike Energy won over \$100 million in contracts for this work. Investing in the hope, prosperity, and security of others is both an investment in our own future and the representation of America leading with its values.

Now, how we execute our model also matters. We quite deliberately treat aid as a business, investing in programs that yield an economic return. Diligent oversight ensures that U.S. companies can compete for foreign contracts with confidence that the procurement will be free of corruption and, if they win, that they will be paid on time. Once a contract is awarded, we are uncompromising in our enforcement of measures to prevent, detect, and punish fraud and corruption.

Recently, after a procurement was canceled in Lesotho due to suspicions that the technical evaluation had been tainted, the

Lesotho Times, an independent newspaper, ran the headline “MCA Ensures Transparency.” That is our reputation and our partners understand it.

President Obama has requested \$1,125,000,000 for MCC for fiscal year 2012. Close to one-third of this would go to a compact in sub-Saharan Africa for Ghana. By supporting funding for MCC, Congress will reaffirm America’s commitment to countries that are committed to their own development. Look at MCC’s track record in terms of the results that benefit the poor and in terms of the incentives for good policy performance that create the business environment to allow countries to increasingly finance their own development and to become good trade partners for the United States, and you will see this taxpayer money is well spent.

With that, Chairman Coons, Ranking Member Isakson, other members of the committee, Senator Lee, I would like to again state my appreciation for your continued support of results-based foreign assistance, and we look forward to continuing our strong working relationship with you.

I would be happy to answer any questions.

[The prepared statement of Mr. Fine follows:]

PREPARED STATEMENT OF PATRICK C. FINE

Good morning, Chairman Coons, Ranking Member Isakson, and all the members of the subcommittee. I am pleased to be here to discuss the unique mission of the Millennium Challenge Corporation and our distinctive approach to development in Africa. If there are no objections, I will summarize my remarks and submit my full statement for the record.

Today’s hearing comes at a time when much is at stake on the continent of Africa.

Africa is home to more impoverished countries than any other continent. Appropriately, nearly 60 percent of MCC’s partner countries are in Africa—where 70 percent of our funds are dedicated. Although countries in conflict like Côte d’Ivoire grab the headlines, I have witnessed remarkable progress in the over 30 years that I have been living and working in Africa, and I’ve seen the vital role that U.S. assistance has played in increasing access to education, combating disease, and promoting market economies.

President Obama has laid out a clear vision for development that articulates the strategic, economic, and moral imperatives that make development vital to U.S. national security. The President’s Global Development Policy recognizes that protecting our interests and advancing our ideals requires economic and diplomatic tools such as the MCC, USAID, and PEPFAR.

We take collaboration seriously. We colead the Partnership for Growth, along with State and USAID, and work with other U.S. Government agencies in the countries where we operate to ensure our programs are coherent and mutually reinforcing.

The MCC is a specialized tool that works with poor but well-governed countries in Africa and around the world. Our programs build capacity and strengthen relationships with Africa’s emerging economies. From Morocco, where private small holders are expanding olive production; to Mozambique, where thousands of people will gain access to clean water for drinking and agriculture; through the MCC, U.S. assistance is improving lives.

As you know, MCC only works with countries selected using credible, publicly available, third-party indicators related to ruling justly, investing in people and economic freedom. This creates an amazingly powerful set of incentives for good policy performance. We have seen these incentives cause governments to undertake reforms both to become eligible for MCC assistance—in other words, before we put any money on the table—and to retain programs already underway.

A model with a singular focus—poverty reduction through economic growth, by which we mean raising incomes—makes the MCC distinct from other aid programs and has served us well. By focusing on economic growth, MCC helps entrepreneurs and small businesspeople create new sources of wealth for themselves, their communities, and their nations. Increased prosperity creates new markets and strong allies for America. I saw an example of this 2 weeks ago when I visited a chicken hatchery financed by the MCC in Georgia. Not only did this enterprise create 45 jobs and

reduce Georgia's reliance on importing eggs from Russia, but when we went to the building where tons of chicken food are mixed, we saw that the soybeans were imported from the United States. And in Tanzania, MCC is financing expansion of the electrical grid, one of the basic prerequisites for modern business expansion. A U.S. consortium led by Symbion Power and Pike Energy competed and won over \$100 million in contracts for this work. And, of course, investing in the hope, prosperity, and security of others is both an investment in our own future and a representation of America leading with its values.

How we execute our model also matters. Selectivity and rigor continue at this level. We only invest in areas that are binding constraints to growth and we only invest in programs that deliver an economic return. MCC is not your business-as-usual aid program. It is a program that quite deliberately treats aid as a business. And it's good for U.S. business. MCC financing and diligent oversight ensures that U.S. companies can compete for foreign contracts with the confidence that the procurement will be free of corruption, will be professionally administered, and if they win, that they will be paid on time. Once a contract is awarded, we are uncompromising in our enforcement of measures to prevent, detect, and punish fraud and corruption. After a procurement was cancelled in Lesotho last month due to suspicions the technical evaluation had been tainted, the Lesotho Times, an independent local newspaper, ran the headline, "MCA Ensures Transparency." That is our reputation and our partners understand it.

President Obama requested \$1.125 billion for MCC for fiscal year 2012. By supporting funding for MCC, Congress will reaffirm America's commitment to investing in countries that are committed to their own development. The American people will be making investments that will yield dividends for years to come, in the form of new export opportunities, more capable regional security partners, and reduced poverty. Look at MCC's track record in terms of results that benefit the poor, and in terms of the incentives for good policy performance that create the business environment to allow countries to increasingly finance their own development, and you'll see this taxpayer money is well spent.

#### AMERICA'S INTEREST IN AFRICAN DEVELOPMENT

Today's hearing comes at a time when much is at stake on the continent of Africa.

Africa remains the world's poorest continent. Rising food prices have increased hardship for poor households and in some countries, such as Côte d'Ivoire, Zimbabwe, and the Democratic Republic of the Congo, armed conflict, bad leadership, and corruption deny millions of good, hardworking people the opportunity to build better lives.

Meanwhile, Africa also is presented with unprecedented opportunities. Bill Gates noted in a recent speech that half of American exports go to developing markets. As the population and economy of these countries grow, so will that number. Mr. Gates calls development "the smartest way our government spends money."

By investing in poor but well-governed countries in Africa and around the world, MCC is building capacity and strengthening relationships with these emerging economies. We must be mindful that we are not the only country with an interest in doing so. If we cut back on our development efforts, we will leave a vacuum in these nations that someone else will fill, ceding valuable opportunities to build trade relationships, create American jobs, and promote American interests.

MCC also is helping to make Americans safer and more secure by promoting stability and developing strong partners in key regions around the world. Defense Secretary Robert Gates has been one of the most persuasive advocates for financing development work. In recent remarks, Secretary Gates stated:

. . . [I]n military planning, what we call phase zero is, how do you prevent conflict? How do you create conditions so we don't have to send soldiers? And the way you do that is through development. Development contributes to stability. It contributes to better governance. And if you are able to do those things and you're able to do them in a focused and sustainable way, then it may be unnecessary for you to send soldiers. . . . Development is a lot cheaper than sending soldiers.

That is one reason why President Obama, like President Bush, has made development—together with defense and diplomacy—a critical pillar of our national security.

## MCC'S WORK IN AFRICA

MCC works with the world's best-governed poor countries, and through our highly competitive country selection process, a large portion of our investment portfolio has been dedicated to Africa.

Of the 22 MCC Compacts signed to date, 13 have been with African countries: Benin, Burkina Faso, Cape Verde, Ghana, Lesotho, Madagascar, Mali, Malawi, Mozambique, Morocco, Namibia, Senegal, and Tanzania. Of the 21 countries in MCC's Threshold Program, 12 have been in Africa: Burkina Faso, Guyana, Kenya, Liberia, Malawi, Mozambique, Niger, Rwanda, Sao Tome and Principe, Tanzania, Uganda, and Zambia.

Sixty percent of our compact countries are located in Africa, and projects in those nations receive 70 percent of our funds.

## ASKING THE TOUGH QUESTIONS IN A BUDGET-CONSTRAINED ENVIRONMENT

President Obama has made MCC a key part of the U.S. Global Development Policy. When the President unveiled the new policy last year, he made clear that the United States is "changing the way we do business" in development. Laying out a set of principles and practices that are at the core of MCC's model, he called for all U.S. Government agencies to embrace a focus on results, selectivity, country ownership, and transparency.

In his budget request for fiscal year 2012, President Obama requested \$1.125 billion for MCC, signaling once again that the agency's distinctive model will continue to play an important role in the effort to cultivate opportunity and prosperity in poor countries around the world. President Obama's fiscal year 2012 budget request would enable MCC to sign compacts with Georgia and Ghana, as well as fully fund a compact with Indonesia.

MCC, like other U.S. Government agencies, is operating in a constrained budget environment. MCC holds itself accountable to the American people to ensure that every taxpayer dollar generates the best possible return on investment. As good stewards of American taxpayer resources, every day we ask ourselves the tough, fundamental questions about the effectiveness and efficiency of our approach to development and our operations.

For example, MCC recently took action to prohibit state-owned enterprises from bidding on MCC contracts. MCC's original procurement guidelines included no guidance on this matter, and many—including some members of this committee—rightly expressed concern. MCC's aim is to ensure a level playing field for commercial firms that bid on MCC-funded contracts. Because state-owned enterprises have built-in advantages such as access to preferential credit terms, we took this step to ensure private companies—including American companies—get a fair opportunity to compete for MCC-funded contracts.

MCC's estimated budget requirements for proposed compacts are based on several factors, including policy performance on MCC's indicators, total population, population living below national poverty lines, absorptive capacity, and, specific to Africa in the case of Ghana, performance in previous compact implementation. Final compact amounts will be based on funding availability and on the scope of agreed-upon projects.

MCC requests \$912 million of the total fiscal year 2012 request for compact programs, divided between a second tranche of funding for Indonesia and subsequent compacts for Georgia (est. \$100–\$150 million) and Ghana (est. \$350–\$400 million). Because of its proposed size, the Indonesian compact would be funded over fiscal years 2011 and 2012, for a total compact range of \$700–\$770 million.

After 7 years of operations, MCC has committed \$7.9 billion to reducing poverty in 22 countries, \$4.2 billion of which has been contracted and \$2.2 billion of which has been disbursed.

For this investment of \$7.9 billion in taxpayer money, we expect to generate \$12.3 billion in increased incomes for 172 million people over the coming years.

Two of the three countries selected as eligible for a second MCC compact are African countries, Cape Verde and Ghana. Ghana was selected as eligible for compact assistance in January 2011 by the MCC Board and has just begun the rigorous process of developing an MCC compact. It was selected because of its continued strong policy performance, status as an important emerging market, strategic importance both globally and regionally, and the successful implementation of its first compact.

The Republic of Ghana consistently performs well on MCC's indicator criteria and is generally viewed as one of Africa's most stable policy performers. Since 2004, Ghana has scored among the top low-income countries on the Control of Corruption indicator. In a region where constitutional transfers of power are often disputed, Ghana has a record of peaceful democratic elections and the transfer of power to

opposition parties. In 2009, Ghana ranked better than almost two-thirds of all countries on Transparency International's Corruption Perceptions Index, and is preparing for transparent management of potential oil revenues.

#### MCC'S SELECTIVE, TARGETED APPROACH TO DEVELOPMENT ASSISTANCE

One of the most distinctive features of MCC is our broad-based, bipartisan support. The MCC approach to development—with our focus on economic growth, sustainability, country ownership, transparency and accountability—has been embraced by Democrats and Republicans in Congress; Presidents Obama and Bush; Secretaries Clinton, Rice, and Powell; and leading voices from the right and the left, from the Heritage Foundation and the American Enterprise Institute to the Brookings Institution and the Center for American Progress.

Why has MCC won the support of policymakers and analysts across the political spectrum? Because of our innovative, reform-minded mission and business model. MCC's mission is to reduce poverty through economic growth in a select number of well-governed countries. MCC selects country partners carefully to ensure the highest returns on our investments and creates strong incentives to advance democratic, market-based principles.

Part of MCC's accountability model is the ability and willingness to say “no”—no to countries that do not meet MCC's high standards for eligibility, and no to proposed investments that do not have promising returns for economic growth and poverty reduction.

In determining eligibility for funding, MCC evaluates whether a country has created a policy environment for sustained economic growth through 17 independent, transparent policy indicators that measure a country's commitment to ruling justly, economic freedom, and investing in its own people. We believe that engaging with developing countries in a selective, targeted way is not only fiscally responsible in the short term, but also critical to poor countries interested in attracting private investment and ending their reliance on aid.

Good governance is critical for economic growth. We look for opportunities for reform in areas that will ensure the sustainability of our investments. These reforms have included changes to national policies, laws, regulations, and even the traditional ways of doing business by government institutions. For example, before investing in Lesotho, we worked with the government to change a law that treated adult women as minors, so that women could be full participants in the economy. In most cases, these reforms, and the domestic capacity that MCC's country-led programs build, not only help unlock the full potential of U.S. taxpayer dollars, but also help improve the broader conditions for continued growth and investment in our partner countries.

Signing up to work with MCC means a country is committing itself to tackle the tough policy reforms necessary to create an environment in which the private sector can thrive, citizens can hold their governments accountable, and U.S. taxpayers can see they are getting a good return on their investment. Our goal is to help poor countries rise out of poverty and achieve self-sufficiency, as well as to create stable trading and investment partners for the United States, which will strengthen the American economy and make our nation more secure.

#### MCC IS DELIVERING RESULTS

MCC's focus on economic growth, sustainability, country ownership, transparency, and accountability is working. All development partners, both donors and host countries, are interested in achieving results. What distinguishes MCC is our commitment to technically rigorous, systematic, and transparent methods of projecting, tracking, and evaluating the impact of our programs. MCC's results exist along a continuum—from policy changes countries make to become compact eligible (“the MCC Effect”), to interim outputs and outcomes as compacts mature, to our ultimate goal: income increases over the long term.

We expect MCC's current investments to benefit roughly 40 million people in our partner countries in Africa—and we expect incomes in those countries to rise by over \$8.7 billion over the life of those investments.

Even before these income gains are achieved, MCC and our country partners have tangible results to show. To date, MCC investments in new or improved irrigation and technical assistance have facilitated the adoption of new agricultural practices on 82,510 hectares of land. Our funded programs have trained over 150,000 farmers in techniques that help them produce higher quality, higher value crops. We have provided funding for \$66 million in agricultural loans, and have financed assistance for over 3,800 private enterprises involved in agriculture-related business. We have supported construction of more than 890 kilometers of roads that link markets and

encourage trade, and have another 2,400 kilometers under construction. These interventions aim to increase incomes through market-driven agriculture. MCC tracks these results closely because they are the drivers of the income gains we and our partners aim to achieve.

While these results are important indicators of success, they do not tell the whole story. We are pleased that our program outputs are on track, but we hold ourselves to a higher standard: are MCC investments increasing incomes? That is why we use independent third-party evaluators to track the results of MCC investments even after the compact ends. We are eagerly awaiting these results from our first compacts, but preliminary data from the field is promising.

#### MCC'S SUBSEQUENT COMPACTS WILL FOCUS ON CONSTRAINTS TO INVESTMENTS

Entering our 8th year, MCC is beginning a new phase of innovation and partnership. As first compacts strengthen the foundation for economic growth, subsequent compacts—new MCC investments with countries that have successfully concluded their first compacts—are expected to target constraints to private investment. MCC aims to help countries like Ghana, which was reselected as a candidate country for subsequent compacts, solidify an economic growth path that attracts private investment, reducing the need for aid.

MCC's engagement with partner countries is not open-ended. MCC carefully considers the appropriate nature and duration of each country partnership based on the country's policy and implementation performance, as well as the opportunities for an impact on growth and poverty reduction. A defining characteristic of MCC's model of aid effectiveness is selectivity, both in the countries we work with and the investments we make. MCC's business model emphasizes selectivity and our mandate to partner with countries where investments will have the greatest potential returns in terms of poverty reduction and economic growth, and where U.S. taxpayer resources can be used most efficiently and effectively.

While a single compact alone cannot address all binding constraints to a country's growth or transform an entire economy, a subsequent compact in a country that continues to perform well has the potential to help countries change their growth path away from aid dependence and toward greater reliance on private sector investment and internally generated revenue. For the poorest countries, even the ones with the right policies in place, it may take decades of sustained growth to lift citizens out of poverty. For low-income countries like Tanzania, where the annual per capita income is \$500, economists estimate that it could take over 20 years to double per capita income even if the country sustains annual per capita growth of 4 percent (a historically high rate).

This does not mean, however, that MCC engagement should last anywhere near that long. On the contrary, MCC's role is targeted and selective, and only the best performers will be eligible for continued, limited engagement. MCC's Board is particularly discerning when determining eligibility for follow-on partnerships. In addition to good policy performance, countries must show meaningful progress toward achieving first compact results before being considered for a subsequent compact. Of the 10 countries that will successfully conclude first compacts by the end of 2012, MCC's Board has thus far only selected three as eligible for a subsequent compact. Cape Verde was selected in fiscal year 2010 and Georgia and Ghana in fiscal year 2011.

In our approach to subsequent compact design, MCC focuses increasingly on specific constraints to investment and private sector engagement; by removing such constraints, MCC helps to expand opportunities for U.S. businesses in emerging markets. This is in line with the President's Global Development Policy directive to foster the next generation of emerging markets by encouraging broad-based economic growth and democratic governance.

MCC supports this effort by reaching out to the private sector, by grounding our investment choices in a constraints analysis that identifies specific obstacles to private sector-led growth, by introducing financial instruments designed to enhance access to capital, and by promoting innovative project content in areas of potential growth, such as alternative energy, applied technology and financial inclusiveness.

The potential to leverage MCC funding with a direct impact on investment growth serves as one of the screens for evaluation of second compact programming, in addition to MCC's mandate to promote poverty reduction through economic growth. By helping these countries solidify the progress they have made and become better integrated in the global market system, the United States is opening new investment opportunities for American firms, as well.

## MCC BELIEVES CORRUPTION ERODES PRIVATE SECTOR GROWTH

I would like to discuss another critical topic, which is how MCC deals with corruption in potential or current partner countries. Because corruption has the power to completely undermine private sector growth—as well as any investment MCC or other donors make in developing countries—we take this issue very seriously.

MCC's approach to fighting corruption begins before we even select a country for eligibility. MCC's corruption indicator is a key part of country eligibility decisions. In fact, it is the only "hard hurdle" in the eligibility system. Our scrutiny does not stop after selection. Corruption is closely monitored as a country develops a compact and proceeds into compact implementation. MCC has a publicly available antifraud and corruption policy that outlines precautions that we take and describes ways of responding to any instances of corruption in a compact program. We are currently training our local Millennium Challenge Account accountable entities on how to apply this policy and develop risk assessments for their own work.

In addition to protecting against corruption in our compacts, and assessing individual cases of corruption, MCC assesses broader patterns of government actions that undermine institutions of accountability: courts, anticorruption commissions, auditors, and the media. Governmental actions that undermine these institutions of accountability make individual instances of corruption more likely, enable corruption to flourish, and cultivate a culture of impunity. By emphasizing the institutional response, MCC incentivizes governments to take greater responsibility for rooting out corruption.

For example, MCC and several other donors made clear to the Government of Senegal that recent changes to their procurement code and the regulatory entity responsible for its oversight, in part due to legitimate national security concerns, were an accountability concern to us. In response, the government entered into discussions with donors, including MCC specifically, to address our concerns as they further revised the procurement code. Consequently, they have taken steps to amend the objectionable changes—including a January 2011 decree and a more recent draft decree under consideration by the Government of Senegal and various stakeholders. MCC is studying these amendments.

Working with some of the poorest countries in the world means working with countries that struggle with policy performance including corruption. MCC's challenge is to find the right way to pursue poverty reduction while staying true to our model of selectivity and accountability, and this is particularly true in the case of corruption.

## MCC'S PROPOSED LEGISLATIVE CHANGES WOULD STRENGTHEN AN ALREADY STRONG MODEL

We hope to work with members of this subcommittee again this year on passage of a package of legislative changes to MCC's current authorities, including allowing for concurrent compact authority and longer compacts in certain circumstances.

The proposed changes are based on lessons learned since MCC's creation in 2004 and will provide the flexibility needed to maximize the impact of MCC programs through more innovative approaches to development assistance.

Concurrent compact authority would allow MCC to sign separate compacts with a country based on the specific timing requirements of individual projects rather than as part of a package driven on a single timeline. Concurrent compacts would improve MCC's ability to manage our compact pipeline with greater predictability and serve as an added incentive for policy reforms in partner countries.

With concurrent compacts, the agency could move forward with projects that are investment-ready, instead of putting several projects at various stages of readiness into a single compact or delaying compact signing for a promising but less-developed project. As part of a larger, cohesive framework, concurrent compacts will allow for smaller, staggered agreements; speed implementation; improve project management by allowing countries to focus on managing fewer projects at a time; build management capacity with early projects; ease the current burden of managing large, complex compact programs; and foster innovation by allowing MCC to pursue new approaches and partnerships that could otherwise slow down the compact development process.

Additionally, while having definite timeframes for MCC compacts is an important best practice for effective foreign assistance, in some cases projects face implementation challenges that mean they cannot be completed within the mandated 5-year period, particularly given MCC's emphasis on country-led implementation and MCC's high accountability standards. In these cases, MCC's options for responding to implementation challenges are limited by the 5-year timeframe. Allowing MCC, in exceptional circumstances, to extend the duration of our 5-year compact period

for up to 2 additional years would allow MCC and our partner countries to pursue a fuller set of options for managing challenges and achieving compact objectives.

MCC also has sought legislative changes aimed at ensuring that changes in countries' income categories do not necessarily prevent the agency from working with the best policy performing countries that also have populations living in extreme poverty. Each year, countries abruptly graduate from one income category to another with no transition period. Sudden shifts in income category, due in part to changes in exchange rates, pose serious issues for MCC. This impacts whether they can be candidates for MCC assistance at all, and changes both the policy performance standards against which they are measured and the levels of funding they can receive.

#### CONCLUSION

With that, Chairman Coons, I would like to again state my appreciation for your continued support of results-based foreign assistance, and we look forward to continuing our strong working relationship with you, Senator Isakson, and other members of the subcommittee.

I would be happy to answer any questions that you may have.

Senator COONS. Thank you very much, Mr. Fine and to all the members of the panel for your testimony today. I know members of the committee will have access to your full statements which will be submitted for the record.

I would like to now begin the questions, if I can, in 7-minute rounds. My first question is literally to the whole panel, if I might, and it might take up my whole first 7 minutes.

In a recent dinner that I attended, Shimon Peres said that America is the first great nation that became great not by what it took from other nations, but by what it gave to other nations. And I am interested in and challenged by the comments across all four of you about what we have accomplished in recent years and yet what our challenges are to sustain America's engagement through development and assistance. So if you would, please identify areas of success that you would like to highlight for the American people when helping explain why they should support foreign aid to Africa, and why are the requested levels of funding here worth the investment for the United States taxpayer at a time when we are under many other pressures and concerns? And what are the metrics that you use to measure and demonstrate the impact and effectiveness of our bilateral aid and assistance?

If you would, Secretary Carson.

Mr. CARSON. Thank you very much, Chairman Coons.

Let me start by emphasizing the important role that we play in encouraging the development of strong democratic institutions across Africa. Our USAID aid dollars, our economic support fund dollars have helped to contribute to the spread and growth of democratic institutions and democracy across Africa. We have funded support for parliamentary institution-building in countries across the continent. We have funded election monitoring and observation. We have supported countries to develop strong electoral commissions. We have helped to strengthen judiciary and judicial training. And I think all of these things have helped to strengthen democracy. We have also found that where we have democratic societies in Africa, strong democracies, we also have countries that respect the rights of their citizens, are generally observant of economic contractual agreements, and are generally partners with us in the international community.

Our money has also gone to work on combating a whole host of transnational issues, global issues of concern to African countries, as well as us. These are in the areas of counterterrorism, narcotrafficking, and in the prevention of trafficking in people. When we work with African governments in these areas on these global issues, these are also things that help benefit us as well.

So, yes. I do not want to monopolize this, but our dollars do help. They help us enormously promote democracy, improve economic development and prosperity, and every country that is economically viable and strong is a country that we do not have to come in to rescue with a humanitarian assistance or relief package. So our dollars are working and they are working effectively in many places across Africa.

Senator COONS. Thank you, Mr. Secretary.

Other members of the panel who would like to speak to that question, please, if you would.

Mr. FINE. Yes; I would love to.

MCC works with emerging markets, and the resources that we provide help to strengthen those markets so they can become trading partners for us and so they can become good, stable members of their regional community.

Let me give an example of Honduras where we had a program that worked with farmers who were traditional farmers growing beans and corn. Through the financing of MCC, those farmers—over 6,000 of them—shifted to high-value crops. They increased their incomes by 88 percent, going from an average of about \$700 per hectare to over \$2,000 per hectare per year. And they became exporters of vegetables to Wal-Mart. So if you are buying your vegetables at Wal-Mart, you may be buying vegetables that were produced as a result of MCC financing. It is a very clear example of how our resources are helping people lift themselves out of poverty through hard work and at the same time benefiting us.

Senator COONS. Thank you.

Ambassador Goosby.

Ambassador GOOSBY. Thank you, Chairman.

The HIV/AIDS epidemic, at 33 million people on the planet burdened by this disease, having extraordinary amounts of suffering and mortality, 22 million of these 33 million are in sub-Saharan Africa. The impact that this has had on the continent is hard to conceptualize. But coming back now over the last few weeks from Ethiopia, from Botswana, from South Africa, and from Haiti as a contrast, has been one of the most remarkable transformations that we have seen. Taking a disease that had saturated and burdened the medical delivery systems to the point where people were congested in waiting areas in the inpatient areas, three, four people per bed, people underneath the bed, people in hallways burdened by opportunistic infections that were essentially going to take their life eventually, only to return them to a trajectory that would inevitably 100 percent of the time end in their death. The chaos that that created in families, in communities, and in the societies both from a personal and economic perspective was extraordinary and was crescendoing.

The PEPFAR intervention, beginning in 2004, created an emergency response that basically stopped the hemorrhaging. It devel-

oped, in partnership with country leadership and civil society, a response that put a clinical capability in play that identified, tested, and treated individuals who were HIV-infected and moved the response that was predominantly inpatient to what is now moving into an outpatient-dominated response. That decompressed the medical delivery systems to allow them to open to others with other diseases that needed care and treatment and allowed doctors and nurses to shift toward a more holistic primary care response, not based in an inpatient setting but try to move it down to the village level in health centers and clinics.

PEPFAR has been a remarkable catalyst in this and indeed has driven the shift in a way that no other country's contributions have put forth. Talk is cheap. Actions speak louder than words. The American people should be very proud of the ongoing and continuing contribution they have made to stop the death and dying and put people back to concerns around living and participating, going back to work, participating in economic growth, et cetera.

I have been humbled by the number of lives we have touched because it is such a profound ripple by that individual, that family, that community, and the country.

The big pivot that we are on now is soliciting engagement from our partner country leadership. It is the sustainability of these programs that we are now struggling to put in place and have begun an aggressive strategy to engage our partner countries in taking ownership of management, planning, and direction of these programs, allowing our resources to shift more from an implementing focus to that of technical assistance. We are now in a position to better ensure that these resources are increasing in their impact, hitting and impacting more lives, saving more lives, but also positioning the country to continue to manage, grow, and maintain these services into the future.

Senator COONS. Thank you.

Raja, we are into our next round, but I would appreciate a brief answer.

Ms. JANDHYALA. In terms of results, I think the issues that we see every day on TV that move us in many ways—two main issues that I would like to bring to your attention is the sexual and gender-based violence in Congo that I am asked routinely about what are we as the United States doing about this, about women and children who are caught in this conflict. And that is a constant question. That is the first question I always get about our assistance.

And I would just like to give you a bit of brief on this. To this date, our money has helped 20,000 women access critical care and treatment. We have served 5,000 local doctors and health clinics to teach them how to do surgeries that repair the horrific violence that is undertaken on them.

We are working with UNICEF to deal with child soldiers, young children who were recruited at the age of 6 or 7 and have been held in militias for over 5–10 years, who have not had any education, who had been potentially recruits for other people for criminal and violence and law and order problems.

So it is a huge effort that we have made in the Congo regarding this issue.

On the issue of water and health, I was recently in Zanzibar in support of the health care systems in Tanzania. I was really amazed that our malaria assistance—that means distributing bed nets, doing treatment of malaria—brought infant mortality rates down by 30 percent. And I was actually stunned that our malaria program had such a huge impact on infant mortality. And those kinds of connections that we had not even thought about in some ways had really stunned us.

So there are many cases like this around the continent where we have had impact on jobs, on water, on sexual or gender-based violence, and really not only helping their basic needs today but actually supporting their aspirations of having jobs and living in a safe society.

Senator COONS. Thank you. Thank you to the panel.

Senator Isakson.

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

Mr. Fine, I, in my opening remarks, commented on my tremendous support for the Millennium Challenge, and it is the right way to invest foreign assistance money because of the payback.

And I want to ask you to do something for me. On page 6 of your prepared testimony, there is a statement that for the investment of \$7.9 billion in taxpayer money, we expect to generate \$12.3 billion in increased incomes for 172 million people. I would love for you to ask whoever came up with that result to call me and meet with me. I think it is probably higher, if you want to know the truth. But I would like to see how they did their economic modeling on that, because in your story, with regard to the soybeans—the chairman thinks they came from Delaware—I think they came from Georgia. [Laughter.]

I will also comment that if we are successful in making the Republic of Georgia the poultry capital of the world, it will mean the two capitals of the world in poultry are Georgia in the United States of America and Georgia in the old Soviet Union.

But I would appreciate your having whoever did that modeling call me, if you could.

Mr. FINE. I will do that, and thank you for your support.

Senator ISAKSON. Got you.

Ms. Jandhyala. Is that correct?

Ms. JANDHYALA. That is correct.

Senator ISAKSON. Close enough?

Ms. JANDHYALA. Close enough.

Senator ISAKSON. I have got a name like Isakson.

One of the things I said in my opening statement was that the whole budget is going to be under scrutiny and all the appropriations are, and we are going to evaluate them with cost-benefit analysis. In your remarks you talked on the climate change issue, and in Johnnie Carson's remarks, he talked about, I think, the largest increase by percent, not by dollars, but the largest increase is 140 percent increase in budgetary requests dealing with global climate change.

I am wondering: Is that an appropriate increase in volume and in size for a thematic program that is not necessarily consistently agreed to around the world, in political philosophy as well as scientific philosophy?

Ms. JANDHYALA. The way we sort of approached this issue is what are the impacts on agricultural production in terms of water, ecosystems, livestock, and how does sort of ecosystems impact economic growth and production on a country. So in many ways, we are working in that economic framework at this stage in our support.

Senator ISAKSON. The followup question I would make is this. The Food for the Future—I believe that is what it is called—which is an outstanding program because, as I understand it, we are teaching people to farm and develop their own food products and improve their quality of life. Is that not correct?

Ms. JANDHYALA. Yes.

Senator ISAKSON. Food for the Future.

Ms. JANDHYALA. Feed the Future, yes, sir.

Basically there are three main objectives. It is increasing production both at the small holder farmers but as well as scaling up with firms. Two is having those productions actually benefit in the economic trades of goods and services that increase income. And last, it is how it will reduce our food aid which in some ways might have taken away from local food production systems and added to the economic growth of the country.

Senator ISAKSON. I guess my question would then be: If we are doing climate change primarily in its focus on agriculture and its effect on agriculture, why would that not be a part of the Food for the Future appropriation rather than being titled “climate change”?

Ms. JANDHYALA. Maybe I would like to also add that currently we have many programs on different aspects of climate change or how we are dealing with it. But at this stage, I think what we would like to kind of focus on is a different—we have a program called CARPE that covers eight countries in central Africa. And we are working with communities to maintain local forests that they would live off of to earn income on livestock. So we kind of see all our efforts about improving populations who have to manage their environment better and how they use that environment to improve their economic livelihoods.

Senator ISAKSON. Mr. Goosby, I want to thank you for saying what you said at the very end of your remarks because your comments about sustainability in-country of the PEPFAR program, to me, is going to be probably the critical challenge, because, thanks to the initiative of President Bush and continued by President Obama, we have made a dramatic impact on the African Continent.

But one of the things I have observed in being on the continent is that most of that delivery is U.S. NGOs and it is CDC—American people delivering the retrovirals—the testing mechanisms, et cetera. And that is very expensive to do. But there is a lot of equipment now that, if the African countries could begin to take over the management of the PEPFAR program, of the screening, and we can continue to be a partner, it could lessen some of the financial burden on the United States and yet sustain what has been a proven program of success.

What are you doing to try and get the countries to buy in on a responsibility to help sustain that program within their own resources?

Ambassador GOOSBY. Well, thank you, Senator. That was very nicely stated.

It is the serious issue in front of us at this point, the sustainability. We are at a pivot moment in PEPFAR's maturation as a program. To now move our emergency response into, just as you said, a more sustained, lasting response that will be there for the duration of its need which will mean 20 to 30 years into the future already at the given burden of disease.

In order to do that, we need to change the way we engage in a dialogue with country. Country, both government as well as civil society, is in a shared relationship in the response, in mounting and defining the response in-country. We have used a tool, the Partnership Framework instrument, to give our Ambassadors in-country a tool to engage in a dialogue with government around what specific issues should be addressed over the next 5 years, and in addressing these issues, what are you engaged with as the partner government and what are the United States responsibilities in respective areas of prevention, care, and treatment. This is something that was in the reauthorization language. It was something that this committee felt very strongly should be part of the new evolution of PEPFAR to ensure or better ensure that that sustainability was achieved.

We are pivoting into that now in every country that we are in in sub-Saharan Africa. The dialogue is new for USG to engage in such an aggressive dialogue with country leadership, but we have been very gratified in every instance with the response that we have received.

For example, Nigeria has gone and moved from a less than 5-percent portion of their medical health dollar going toward HIV committing to, over the next 5 years, moving it up to 55 percent. We have had similar but not quite as big, but the same type of jumps in Botswana and in Namibia and in South Africa.

These dialogues have not been hostile or angry. They have been serious and there is a lot of tension in the dialogue because it has brought Foreign Ministers of Finance into the dialogue sometimes for the first time around projections that allow them to commit, such as South Africa has done in 2006 to increasing its contribution to care, prevention, and treatment services in South Africa to basically move into the 50- to 60-percent range. These are extraordinary changes from prior commitment, and I would say through these partnership frameworks and the partnership implementation plans that follow, we should be able to actually move significantly in this direction over the next 5-year period.

Senator ISAKSON. Thank you very much.

Senator COONS. Senator Lee.

Senator LEE. Thank you, Mr. Chairman. Thanks to each of you for joining us today. I appreciate your testimony.

Mr. Carson, I appreciate what you wrote in your written remarks. You have your opening statement regarding the sustainability of United States involvement in Africa when you said when Africans take ownership of their own security responsibilities, we are more likely to have the requisite trust and political buy-in of key players than if quick-fix solutions are imposed by outsiders. I

think this idea of buy-in has been a consistent theme that several of you have mentioned, and I agree that that is important.

But my question is: With over 75 percent of the administration's budget request going toward the Global Health Initiative, \$5.4 billion, or 70 percent; Feed the Future, \$500 million, about 6 percent of the request; and the Global Climate Change Initiative, \$100 million, or about 1 percent of the request, have you seen similar buy-in of key players or African nations into these programs?

Mr. CARSON. Senator Lee, thank you very much for your question. The answer is "Yes," and in many ways. We see African countries stepping up and engaging increasingly more frequently in peacekeeping programs, peacekeeping programs in very difficult places like Sudan, both north and south, in Darfur. We see them engaging in Somalia. We see them engaging in Cote d'Ivoire. We see Africans willing to be peacekeepers and to help mitigate conflicts. That is a clear example of this sort of a buy-in.

We also have recorded increases in the amount of money that we have spent on democracy and governance issues, and while the amount is not nearly as large as it is for the Global Health Initiative, we have seen increasing amounts of money go to strengthening democratic institutions, enabling Parliaments to do their work better, helping African judiciaries become more independent and professionally strong, helping to strengthen the independent media, working with civil society spending money as we have done recently in support of the Nigerian election commission, helping to create strong independent election commissions capable of administering and carrying out free and impartial elections. All of these are part of the effort to help empower African countries, and as we spend money on these issues, we also find that Africans are willing to spend more money on these institutions and efforts themselves.

Senator LEE. So the buy-in is something you are seeing not just in the security area but also in other areas of health, climate change, and so forth?

Mr. CARSON. Yes. No; absolutely. We recognize that our funds are frequently catalytic in nature. They are force multipliers. They not only incentivize African governments to make contributions, but they also incentivize our partners in the global community to make contributions as well. We work very closely with any number of the Western European and international donor agencies, and when we engage in activities and put our money on the table, it frequently brings in additional moneys from our partners, our democratic partners around the world, and it also incentivizes and brings in money from African countries too.

Senator LEE. OK. I think that is important.

There is a divergence of viewpoint, especially as we are going through difficult economic times. A lot of Americans feel differently about foreign aid than others. In other words, there is a wide spectrum of viewpoint. There are some who say when we are \$15 trillion in debt and acquiring new debt at a rate of \$1.7 trillion a year, we should not be doing that. On the other hand, you can point to some clear constitutional responsibilities, including providing for our national defense. Many of our foreign aid expenditures are security-related, directly tied to security, and in one way or another affect our national security.

So it seems to me whether you are very much in the proforeign aid camp or in the antforeign aid camp, I think most or all people would agree with you that buy-in is good, and that it is also a good thing to have foreign aid directed in such a manner that it, in time, obviates the need for itself; in other words, teach the people on the ground to do that which you are trying to do. And I think everyone would agree with that.

Do you see any way of measuring, any kind of metric or standard for the success in Africa in any of these programs that we could use to measure the buy-in for the security programs or for the President's three main initiatives? Do you have a way of measuring that or gauging it?

Ms. JANDHYALA. We are working with each of the governments in terms of the initiatives to really work on, first, the strategies and getting policy right, getting the regulatory framework and the legislative framework. So we are able to influence very early on the legal and the regulatory frameworks for these initiatives to work with. So that becomes the fundamental basis for us having the tools necessary to monitor our support. If we have agreed with them on the strategy, if we have agreed with them on the legal framework, and we have agreed with them on the regulatory, on the broad, sort of at the higher level, then what we do is kind of spend time with our partners who are helping them, who are financing, to say where are the weaknesses in the system. If we are going to build a car and we do not put fuel to run it, then let us find those weaknesses because we know they are there in those systems.

So we have spent an enormous amount of time saying if this is going to be sustainable, we need to understand their systems better, acknowledge their tremendous weaknesses in some areas, and how do we mitigate that and how do we deal with that risk that we are dealing with, and really have sort of a monitoring and evaluation system that is very consistent, regular, and it is a mutual compact between the government and ourselves that we are in this together and that we can hold each other accountable. And we want the broader population participating in it so we are not the only ones holding them accountable. We want the population to hold that government accountable for these initiatives.

Senator LEE. Thank you.

Senator COONS. I will continue in the same vein, if I might, perhaps just to continue along the same question.

Secretary Carson, you talked about how in the global competition for influence and ideas we are making progress in terms of the development of democratic institutions in the continent. You are making investments, continuing to make investments in democracy and governance.

I see that Mr. Fine would like to add, as well as Ambassador Goosby. If I could just suggest in continuing answers to this question, how you have struck the balance between regional institutions that contribute to civil society, democracy. I note a modest reduction in the funding to the African Union, for example, and regional institutions like ECOWAS or SADC I think are critical. But you have also got nations where is real positive and sustained progress

democracy, Botswana, Ghana; others where there is real challenges in front of us, Mozambique or Zimbabwe—excuse me—Angola.

Help me understand how you strike the balance between, given that it is a relatively modest percentage of the total funding, individual countries, regional structures and how we can report back or expect some sort of positive progress or measurable outcomes, if I can suggest that, in the democracy and governance field. If you would, Secretary Carson, and then Mr. Fine, you would have a chance to extend.

Mr. CARSON. If I could, we have focused our efforts primarily on 13 countries in Africa and these are countries where we pay particular attention in our efforts. These countries are countries that are democratic—some of them are countries that are democratic and are making great strides, and we want to help accelerate that development, countries like Tanzania, Ghana fall in this category. And we put our democracy and governance money into these countries, but we also focus the entire range of U.S. Government assistance here.

Tanzania, for example, is a country that is benefiting from a large MCC grant. It is a recipient of a Feed the Future grant. It is a participant in our Global Health Initiative, and it is also a participant in our Climate Change. The desire in providing this kind of assistance to a country like Tanzania and a country like Ghana, both of whom are similar, is to help them accelerate their growth and development, to be models for the neighboring states in their development, their economic development, the strength of their democracies, and their contribution both to regional stability and their own growth. So we are putting our resources into countries like this to jump start them and to move them along.

We are also focusing on a number of countries that are coming out of conflict, countries that have been torn apart for many years by internal civil strife, countries like this would be—Liberia would be a classic case in which we are spending a great deal of money and time—Sierra Leone and the Congo. There our efforts are designed to prevent those countries from falling back into instability, helping them to strengthen their democratic institutions by putting money into parliamentary strengthening and to judicial strengthening so that they will be more effective democracies.

But equally we are putting development assistance moneys into these countries to help them deal with their social and economic systems that have largely fallen into disarray as a result of years of conflict. We believe that if we can move these countries forward both economically and socially, they will probably not fall back into instability and conflict.

We can, in effect, strategically measure what our resources do. I think over the last 2 decades, if you look at where Africa is today and where it was 20 years ago, there is, in fact, a larger number of African countries that are clearly democratic. Those countries have been assisted by the United States, and we are not just talking about one or two countries. All too frequently the discussion falls on the difficult cases of Somalia and Sudan and Cote d'Ivoire. But what has happened in Africa is a rising number of countries that have turned to democracy, have embraced free market and economic reforms. These are the South Africas, the Botswanas, the

Mauritiuses, the Malawis, the Namibias, the Ugandas, the Kenyas, the Malis, the Senegals, the Cape Verdes. They are the Benins. They are out there. And so frequently we dismiss them or forget them as we look at the major problems that exist in some African countries, but progress is being made.

If we see successful democratic elections in the second and third rounds of the Presidential and gubernatorial elections in Nigeria, Africa's most populous country, over the next 2 weeks, if those elections go as well as the elections a week ago for their Senators and House of Representatives Members, we will see a major change in that country in strengthening its democratic performance and activities. A lot of that will have been driven by resources put in by the United States and the United Kingdom and the European Union. We have put our democracy dollars into strengthening that country's independent electoral commission. These are the way our dollars benefit. If Nigeria is strong and democratic, it is a source of stability in West Africa and a potential source of greater growth and progress.

So I think that there are ways at the strategic level to look at this, and I think that over the last 20 years, not measuring year by year but increments of 4 or 5 years, we have seen progress. A lot of that progress is due to our consistent support for institutions of democracy and our support for promoting economic policy change that has been embraced by these governments.

Senator COONS. Thank you, Mr. Secretary.

Mr. Fine, I am going to give you, if I might, with your dispensation an opportunity to answer the question of some time ago.

Mr. FINE. Thank you so much. I just wanted to say a word about buy-in because it is such a critical factor.

One of MCC's principles is country ownership. And the way we pursue that is we make countries responsible for the success of these programs themselves. They implement the programs. They are on the hook to deliver these programs. And it is not just an administrative hook or diplomatic hook. It is a political hook with their own constituents, and it is a powerful motivating force.

You asked about how do you measure that. One way to measure it is what Raja was talking about. Do they take policy actions? Do they reform their institutions in a way that demonstrates that they are really serious about achieving long-term sustainable objectives?

So in some of our programs, for example, in Malawi, they are raising tariffs toward a more economic rate so that they can have a sustainable electrical system.

In other countries where we financed roads, countries have taken decisions to overhaul the way their maintenance works, their policies around maintenance of roads. And we see them allocating more funds to road maintenance than they ever have in the history of their nations.

So those are very clear examples of a real commitment.

The other thing that I see that signals real commitment that you can measure is what the countries put into the programs themselves. In the case of MCC, countries expend significant amounts of money in designing the programs that they eventually submit to us for financing. In the case of Zambia, for example, the Zambians have spent more than \$4 million designing a compact that we hope

to present later this fiscal year. That shows a real commitment. It shows real ownership.

Senator COONS. Thank you.

Senator Isakson.

Senator ISAKSON. I was going to ask Secretary Carson. Senator Leahy made a point which has been illustrated to me graphically with regard to our national security. I think I am correct in this. Correct me if I am not. But, because of our engagement and the special envoy to the Sudan and the people of Darfur and because of the end of the civil war and ultimately the successful referendum in the south, the successful completion without violence, a by-product of that investment has been a tremendous help in terms of thwarting any terrorism flow into southern Egypt and ultimately into Gaza, if I am not mistaken. Is that not correct?

Mr. CARSON. That is indeed correct. And we think that by pressing for the changes that we are seeing between north and south Sudan and the ultimate independence of the south, we have been able to effectively engage the government in the north on issues related to counterterrorism issues. This has been a by-product of this; yes.

Senator ISAKSON. Well, I want to commend you and Secretary Clinton because the leverage of our support in those critical days leading up to that referendum and for what you did vis-a-vis the offers on their help with terrorism and other things has been instrumental for our country and very successful, and I appreciate it and commend you for what you have done on it.

Mr. CARSON. Thank you very much, Senator Isakson.

I think that a great deal of the progress that has been made to date in the completion of the comprehensive peace agreement between north and south Sudan is a result of active and sustained U.S. diplomacy. And if in fact we are successful in seeing Southern Sudan independent in July of this year, we will have brought to an end a conflict that has lasted on and off for the better part of 40 years, most recently 20 years up until the CPA was signed in Naivasha in January 2005. That will end suffering. It will end the need for sustained humanitarian support and will help to, we hope, move a country and an area which has been dependent on international support to a country which can, in fact, begin to become self-sufficient and increasingly less dependent on international assistance for its survival.

Senator ISAKSON. I think the end result is that we gain two friends in one part of the world with all our effort.

Ms. Jandhyala, in your testimony you talked about women are the backbone of Africa. I think that was the word you used. In talking about the food program, Feed the Future, you are trying to ensure the African countries consider gender in all those programs. From my visits, it is the women that are doing the work in a lot of cases and the most responsible in economic development.

When you say "gender," you are referring to get the guys to do as good as the women are already doing. Is that what you meant?

Ms. JANDHYALA. I say that to my husband every day. Yes. [Laughter.]

Senator ISAKSON. That is what I thought you meant. But I have been there and seen it with my own eyes. I think we have got an

NGO based out of Atlanta, GA, CARE, that has the village savings and loan concept that they are doing in a number of countries in Africa. And, it is the women that are the key ones to pull off not only the economics of developing a savings account and making loans and creating microbusinesses but in fact also starting the businesses themselves. So the more of that we can do and include the guys to get them concentrating on that as well, the better economic development I think we will see in that part of the world.

I just want to thank all of you for what you do because I do think this is a critical part of the Department of State, and I think Africa is a critical continent to our country in the future. And all of your leadership is most well noted and most appreciated.

Senator COONS. Senator Lee.

Senator LEE. Dr. Goosby, I understand that bilateral aid to sub-Saharan Africa has had quite a significant bump over the last decade. In fiscal year 2002, I think we were spending about \$1.1 billion on that, and in fiscal year 2010, I think it had bumped up to \$8.1 billion, if I am not mistaken, largely I think because of increased spending in health assistance predominantly HIV/AIDS. This started under the Bush administration and has continued in the last few years.

Do you see this as sort of a one-time bump that has produced some short-term results that are substantial and can be measured, or is it a funding trend that will continue? In other words, is the graph likely to continue on the same angle or are we likely to see that go back down as a result of the success of these efforts?

Ambassador GOOSBY. Thank you, Senator Lee. I think that is an astute question.

PEPFAR's response and the Global Health Initiative more recently is building on the successes of programs that have already moved into early implementation, have set themselves up, built the infrastructure, deployed, and now are looking to take those structures that we have put in place and move them to sustainable delivery systems and move the management, operational, defining the unmet need, prioritizing the unmet need, making the allocation decisions to country leadership, country leadership to include both government and, very importantly, civil society. We are at that moment in most of our Global Health Initiative activities and specifically in PEPFAR's activities.

That transition through these partnership framework discussions is moving—that steep trajectory of resource allocation will begin to flatten out as we shift into a shared responsibility, “shared” meaning ourselves continuing to contribute, country governments continuing to increase their contribution relative, and governments outside of the partner government, USG, European governments, other foundations.

But the most significant contributor to our effort really is the Global Fund. This is the most effective conduit through which other countries that do not have bilateral programs can contribute resources that address unmet needs in these countries. Our ability to partner with the Global Fund's resource infusion into country, strategize around planning and implementation issues is the most significant factor that will start to flatten out the need and demand on USG resources. We are well along the road to that flattening.

Senator LEE. When you say “well along the road,” do you have any particular timeframe in mind? I understand if you just cannot—obviously, you cannot read the future. But do you see that flattening within any particular horizon?

Ambassador GOOSBY. Well, I think that is a fair question. I think it is different, as you have alluded to, for each country. But we are looking at Botswana, Namibia, South Africa, Angola, possibly Nigeria in the 5- to 10-year timeframe who will move very strongly into being able to sustain and support these efforts. Middle-income countries, those countries with higher HIV burdens, TB burdens will come in later, but I think that the convergence of the global economic picture, activities such as the MCC giving and infusing resources to stimulate economic investment and growth—we all reap the benefits from that—will move this in the right direction.

I believe it is truly a difficult dialogue to get our partner country leadership to play that orchestrating role with all these divergent funding lines that come into their country, for them to organize themselves so they can effectively define that unmet need and make those allocation decisions, even with divergent resources coming in. Part of our technical assistance strategy and MCC’s strategy, if I might add, is focused on developing that capacity in-country to manage large sums of money, divergent resources.

Senator LEE. Thank you.

I have also got a question for Mr. Fine. In your written statement, you indicated that if the United States cuts back on some of our development efforts and our aid in Africa, we will leave a vacuum of the particularly dangerous sort that other nations or other entities might fill, ceding valuable opportunities to build trade relationships, create American jobs, and promote American interests.

Can you give any specific examples of where that has happened, or is this more of a predictive statement?

Mr. FINE. Thank you. I do believe the extent to which we reduce our engagement with these countries, that we are going to see our geopolitical competitors come in, and in particular, China. I have been living and working in Africa for 30 years. One of the big differences that I see today as compared to, say, in the 1980s or the 1990s is when you are in a country—I was in Malawi last week, and the number of signs that you see in Chinese and when you are in restaurants or hotels, the number of Chinese business people that you see there is just a completely new phenomenon compared to, say, 10 or 12 years ago.

Senator LEE. Are they good Chinese restaurants, just out of curiosity? [Laughter.]

Mr. FINE. These were British restaurants.

I believe that there is a real competition. I believe that we play a critical role, a positive role in terms of development, in terms of promoting ideals of respect for human rights, for example. So I do not want to see us stepping away.

Senator LEE. Have you seen some benefits from the investment that you have seen from China? Has that assisted in the development in some of these countries?

Mr. FINE. You know, I think it is a mixed picture. One of the things that we see is that the Chinese way of doing business is often at odds with the efforts by other members of the international

community to promote good governance. And so things like combating corruption and respect for human rights and democratic ideals does not seem to be at the top of their agenda.

Senator LEE. Not exactly the same way we would want to do business.

Mr. FINE. Not the way we would want to do it.

So there are some examples where their engagement has not been supportive of what other members of the international community have been doing to try to promote good governance.

Ultimately, we believe that in order for a country to become prosperous, it requires good governance. If a country is corrupt, if a country does not respect human rights, if a country does not respect democratic rights, it is not ultimately going to be able to create sustainable prosperity. That is why it matters, and that is why having other actors who do not support that is problematic.

Senator LEE. Thank you very much.

Senator COONS. I would like to follow up, Mr. Fine, if I might, on the question of corruption. You have got about 20 countries, I think, where you have got threshold programs, and I am just interested. I have a few questions for the whole panel, if we can focus briefly. I am just interested in how you see the MCC going forward. You are facing a fairly significant cut in the continuing resolution vote we are, I think, going to take in about an hour here. I think it was about \$380 million, if I am not mistaken.

What sort of challenges does MCC face? I support and see real value in your work to build capacity to fight corruption across dozens of countries in the world. Are you raising expectations of the possibility of future grants, given the budget environment may not materialize? And what are the most effective tools in fighting corruption?

Mr. FINE. I am really worried about the budget situation in part because of the commitments that our partner countries make themselves, and I think that it can be very damaging to U.S. credibility if we are in a position of having to step back.

In terms of corruption, the most effective tool that I see are the sets of incentives that MCC creates that says you are not going to qualify for one of our investments unless you demonstrate that you are serious about combating corruption. And that incentive is taken very seriously by countries, and we see it really modifying their behavior, or once they have a program with us, that if we see evidence that there is a pattern of actions that is corrupt, that can lead to the suspension and termination of the compacts. And we are serious about that and we have done it.

Senator COONS. Talk about Senegal for a moment.

Mr. FINE. So I was going to mention Senegal as a specific example. In Senegal last year, there was a decree. They have an institution which oversees public procurements, and it has been seen as a powerful or as an effective institution for cleaning up public procurements which was a major source of corruption. Last year, there was a decree to weaken the authorities of that institution and to put in less capable people. The U.S. Government, not just the MCC, but the State Department was a major spokesman. Ambassador Bernicat, our Ambassador, got right out on this. But also

MCC took a stance. The U.S. Government took a very hard stance about this.

And what we have seen is that the Government of Senegal has amended that decree to take out those sections of their modification that weakened the authority. They have appointed a U.S.-trained CEO of this agency, who is a person that we believe really does have fighting corruption at heart. So they have stepped back in a very public, politically difficult, way, because they had to backtrack publicly from a stance that they took, instead reempowering this agency that oversees public procurements. And I think it is a good example of where U.S. influence and leverage played a very positive role.

Senator COONS. Thank you. That is an area I am interested in pursuing further in the future, the tension between growing Chinese influence, our commercial competition, and then our multilateral efforts to combat corruption.

Ambassador Goosby, I am interested in how your efforts have been adapted to or challenged in failed or failing states, some of the places where there also happen to be fairly high infection rates. And briefly, if you would, I would be interested in hearing about blood supply and things that have been done. This country has done a great deal in the last few decades to ensure that our blood supply is secure. What sorts of work have you been able to be a part of on the continent of Africa around a safe blood supply?

Ambassador GOOSBY. Thank you, Senator. That is an excellent question, the failing state question.

Cote d'Ivoire is a good example of a recent situation that has been in the news that put a challenge in front of us to address the continuation of treatment specifically with antiretroviral therapy for 147 different sites in the country. We, with the help of Phil Carter, the Ambassador in Cote d'Ivoire, were able to put a plan of action in place that allowed us to avoid stock-outs completely, no interrupted therapy, and cover the needs of orphans and vulnerable children that we also have many programs in Cote d'Ivoire focused on in a way that was respectful of the changing security issues that happened daily, hourly indeed, did not put our people, USG and Foreign Service nationals, in undue threat of violence, gave that decisionmaking to the sites themselves, but at the same time anticipated the need to store antiretrovirals and some antibiotics, cotrimoxazole, for the continuation in the populations that we had already committed to. That took an orchestration of many individuals, including NGO's in the country that was really quite extraordinary and is still going on as we speak. But I would highlight that as an example of us avoiding what could have been a disaster because of a whole-of-government approach really orchestrated by the Ambassador in-country.

Your second question with the blood supply issue. We have seen blood supply since the beginning of PEPFAR as a central foundation of our prevention interventions in-country. The ability to stop HIV through the blood supply and indeed the hepatitis A, B, and C, as well as syphilis, have been a focus really since day one. We are in 14 different efforts. We have completed this in 13. We also have this activity in terms of blood bank restoration and technical assistance to them in at least double that amount. So we have com-

pleted it in 14 countries in sub-Saharan Africa and are engaged in most of the countries in a blood bank reform effort. So a high priority pretty much in every country we are engaged with.

Senator COONS. Thank you. There is a Delaware group, Safe Blood International, that has been historically engaged.

Secretary Carson, if I might, the Lord's Resistance Army was one other topic I wanted to get to before I am going to have to leave. The LRA has terrorized a wide range of communities over many, many years, and I am just interested in what your implementation plans are for the Lord's Resistance Army disarmament and Northern Uganda Recovery Act, in particular, the appointment of a Great Lakes Coordinator, sort of what you see as the best and most likely to be successful path forward in dealing with the enduring challenge to the region and to human rights and security of the LRA.

Mr. CARSON. Mr. Chairman, thank you. We have worked very closely with the Ugandan Government to do as much as we possibly can to disable the LRA and to capture Joseph Kony. We have provided the Government of Uganda substantial millions of dollars to provide them with logistical support to travel into northern Uganda, into the eastern part of the Congo, and into the Central African Republic. We have shared information and intelligence with them as we have acquired it, and we have provided them with additional communications and logistical and administrative support in their efforts.

We have encouraged them to work closely with the governments and militaries in the DRC and also in the Central African Republic.

As a part of our renewed efforts to assist them, we are in the process of providing them with some U.S. personnel who will provide them with additional training and technical support.

Our efforts, in conjunction with the Ugandans, have not resulted in the capture of Joseph Kony, but we believe that we have done an effective job of reducing the size of his militia, capturing a number of the senior leadership, and reducing their threat to the communities in which they are operating. But we are committed to working with the Ugandans on this effort because we believe that Joseph Kony remains one of the most serious threats to stability in the central African region.

Senator COONS. Thank you, Mr. Secretary.

I would like to welcome Senator Inhofe and encourage you to ask a round of questions.

Senator INHOFE. Well, I do not really have a round of questions, but since you were talking about Joseph Kony when I came in—nice to see you, Mr. Secretary. I hope we will have a chance to have a personal visit at the conclusion of this.

It has been going on for a long time, the problem with the LRA. And I have had occasion to be up in Gulu and actually see the results, the mutilation of these kids and all the things that are going on.

Also, we came very close to being there at the same time in east Congo in Goma, just a matter of maybe 2 days before he left, and he left a trail of blood behind him.

I authored the bill that would give us, I think for lack of a better term, a policy of this country to try to eradicate this monster, and

I know that we are working with you folks, as well as the Department of Defense and others that have an interest. For a long time, it seemed like President Museveni and President Kagame and President Kabila were not really working together. It is the very nature sometimes of people, particularly Presidents who come in from the bush, that they do not want people to think that they need help to do it. Now they are all working together. We have this as a policy of the United States.

So I join the chairman in being most interested in any kind of progress, and what we will do is share information because mine mostly is from what we are doing through the military. So I appreciate you are the right guy to be at the head of this thing, and I am glad you have that as a priority. It is well placed.

Mr. CARSON. Thank you very much, Senator Inhofe.

Senator COONS. If I might, forgive me for checking my electronic device. I am getting notice of some impending votes.

I am grateful to the whole panel for your testimony today, for your participation. I look forward to working together in the 112th Congress. I am grateful to the other members of the committee who came and asked great questions, and I just want to join the other members of the committee who have offered our thanks for your service to our Nation over so many years. I am facing a particularly highly qualified and expert panel, and we are grateful for the great work that you are doing on behalf of our Nation, its security, and the human rights and interests and development of the people of Africa. Thank you very much.

I will keep the record of this hearing open until, I believe, April 15 for members of the committee who might wish to submit questions for the record. I am grateful for your testimony before us.

This hearing is adjourned.

[Whereupon, at 4:25 p.m., the hearing was adjourned.]

---

#### ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

##### RESPONSES OF ASSISTANT SECRETARY JOHNNIE CARSON TO QUESTIONS SUBMITTED BY SENATOR RICHARD G. LUGAR

*Question.* The relatively peaceful and apparently successful Referendum on Unity for Southern Sudan has provided an end date for CPA activities.

- What are the resource plans for a post-CPA (July 2011) U.S. assistance strategy for the Republic of Southern Sudan that Secretary Clinton indicated the United States would recognize?

*Answer.* Since the Comprehensive Peace Agreement (CPA) was signed in 2005, U.S. assistance has focused on helping the CPA parties to support the implementation of the agreement and mitigate potential threats to it. This has included providing assistance to critical power-sharing milestones, helping to stand up the new Government of Southern Sudan, as well as providing the visible dividends of peace to the conflict affected communities, including delivery of basic services and infrastructure.

As Southern Sudan approaches statehood in July 2011, USAID is finalizing a new transition strategy for South Sudan, with the overall goal of helping to make South Sudan increasingly stable in the post-CPA era. This transition strategy is based on the premise that increasing stability in South Sudan depends on three things:

- a. Strengthening of core governance institutions and increasing the inclusiveness, accountability, and transparency of governance processes.
- b. Government of Southern Sudan (GoSS) capacity to respond to expectations of citizens for essential services and improved livelihoods.

c. Ability of the GoSS to contain conflicts that may erupt, and addressing the grievances that drive them.

The transition strategy addresses critical local drivers of conflict through flexible and quick-impact conflict mitigation interventions in flashpoint areas that will be implemented in partnership with local officials and traditional authorities. USAID will support broad initiatives to strengthen effective, accountable, and inclusive governance, the lack of which underpins and deepens grievances that can be mobilized for conflict in South Sudan. Citizens' grievances against the state will be addressed through support to both the "supply" (government-provided) and "demand" (citizen-demanded) sides of governance. USAID assistance will target specific institutions, processes, and actors to build effective and transparent institutions at the executive level, reduce corruption, and foster a stable macroeconomic and legal framework that encourages investment. USAID also will strengthen the capacity of citizens, civil society, media, and other nongovernmental actors to hold the GoSS accountable and ensure that it is responsive to its citizens.

GoSS and private sector efforts to address citizens' high expectations for delivery of essential services will be strengthened at the state and local levels, in coordination with ongoing humanitarian programming, and with an aim to transition from relief to recovery to development and from aid dependency to GoSS self-sustainability. USAID will support, with other donors, the oil sector and oil revenue management since South Sudan will likely remain primarily an oil-based economy for some time to come. At the same time, USAID will support sustained and inclusive agriculture sector-led growth to develop this sector of the economy, enhance economic resiliency and reinforce stability. Economic interdependence will be reinforced through increasing household productivity and linking communities to markets, providing access to credit for agribusinesses and small-scale farmers, and building strategic partnerships to better enable south Sudanese to capture market opportunities and enhance stability in targeted areas where lack of economic opportunity is part of the conflict dynamic.

*Question.* What priority does the stability of Southern Sudan have in our global interests?

*Answer.* Bringing lasting peace to Sudan is a key foreign policy priority for the U.S. Government. We are committed to full and timely Comprehensive Peace Agreement (CPA) implementation, a definitive end to the conflict in Darfur, and making sure Sudan does not support terrorism. We look forward to working with southern leaders as they undertake the tremendous amount of work necessary to prepare for independence in July and as they collaborate with northern leaders to ensure a peaceful transition. The United States will maintain a strong national interest in Southern Sudan and its transition to an independent state that is stable, democratic, economically viable, and at peace internally and with its neighbors, both now and beyond the expiration of the CPA. The United States is the largest single international donor to Sudan.

*Question.* What impact would instability in Southern Sudan have on our interests in the region?

*Answer.* Although the South will become independent July 9, the futures of both north and south are delicately intertwined with each depending on the political and economic stability of the other. Southern Sudan will face a number of external and internal threats to its stability including: relations with its northern neighbor, armed movements within its borders, and ongoing power struggles and ethnic division. The United States continues to press for full implementation of the CPA and resolution of post-CPA issues including: security, natural resource management, currency, and citizenship issues. A failure to solidify arrangements or create continuing mechanisms to manage interstate relations could perpetuate a vicious cycle of support to proxies and violent conflict, economic disruptions and opportunities for a return to war.

*Question.* The President named long-time diplomat, Princeton Lyman, as his next Special Envoy for Sudan. The current SE for Darfur falls under SE Lyman as I understand it. While the significant diplomatic and President's emphasis had a profound effect on the conduct of the Referendum on Unity, there is no indication that this will be sustained for Darfur or continue for the Sudans.

- What resources have been made available to SE Lyman for his work on the Sudan portfolio, including Darfur?

*Answer.* The Special Envoy has the same resources at his disposal as his predecessors, because the commitment of the United States has not wavered. The situation in Darfur and in all of Sudan remains a U.S. Government foreign policy pri-

ority. Special Envoy Lyman has the full support of the administration in both the achievement of a peaceful resolution in Darfur and the full implementation of the Comprehensive Peace Agreement (CPA) along with the peaceful transition to an independent Republic of South Sudan.

On the issue of Darfur, Senior Advisor for Darfur Dane Smith actively engages with the African Union/United Nations Hybrid Operation in Darfur (UNAMID), the African Union, the Government of Sudan, local officials, armed movements, humanitarian aid agencies, the diaspora, and Darfuri civil society (including displaced persons) about what is needed to achieve a lasting peace in Darfur.

*Question.* What diplomatic and resource commitment will be made to help facilitate the conclusion of a political resolution to Darfur?

Answer. Senior Advisor for Darfur Dane Smith has been engaging actively with the African Union/United Nations Hybrid Operation in Darfur (UNAMID), African Union, the Government of Sudan, local officials, armed movements, humanitarian aid agencies, the diaspora, and Darfuri civil society (including displaced persons) about what is needed to achieve a lasting peace in Darfur.

The United States is committed to ensuring that as comprehensive an outcome document as possible is produced in Doha between the Government of Sudan and the armed movements that are currently engaging in the process. To that end, the Office of the Special Envoy to Sudan maintains a presence to monitor the progress in the negotiations and to pressure the parties to negotiate directly and in good faith. Additionally, the United States is encouraging armed movements not currently participating in the Doha negotiations to participate in or associate themselves with the process. The resulting agreement of the Doha meetings could serve as a framework for stability, civil society, and peace in Darfur.

Furthermore, the U.N. and the African Union are launching a Darfur-based popular consultation process called the Darfur Political Process (DPP). While the United States is not opposed in principle to such a process, it remains concerned that a sufficiently secure and permissive environment for such consultations does not yet exist. The United States is engaging in conversations with UNAMID, the African Union High Level Implementation Panel (AUHIP), and international partners about what would be needed to create a permissive environment for a Darfur-based process.

In concert with international partners, the United States continues to focus on efforts to improve UNAMID and humanitarian access in Darfur, as well as the protection of civilians.

*Question.* Somalia: The new Ambassador to Kenya will no longer be responsible for the Somalia portfolio aside from administrative support.

- Who is the U.S. Chargé d'Affaires for Somalia?

Answer. There is not a U.S. Chargé d'Affaires for Somalia. The U.S. Ambassador to Kenya oversees U.S. Government activities relating to Somalia. He is assisted in this responsibility by two senior Foreign Service officers and a small Somalia unit in the Embassy's political section.

- What role will the office for Somalia in Nairobi play? What is the staffing level and what resources are available for FY10, FY11, and requested for FY12?

Answer. The Embassy Nairobi Somalia Unit will remain, on behalf of the U.S. Government, the overall coordinator in the field for reporting, outreach, discussions and diplomatic initiatives for U.S. engagement on Somalia. As called for under the Dual Track approach to Somalia, we will maintain a U.S. diplomat of ambassadorial rank within Embassy Nairobi to oversee pursuit of our policy objectives in Somalia, working actively with partners throughout the region, including in Ethiopia, Djibouti, and other capitals. The Somalia Unit maintains a staff of approximately 15 officers and locally employed staff.

In FY 2010, the enacted bilateral assistance level for Somalia was \$133.8 million. State and USAID's central budget offices are currently reviewing the FY 2011 appropriation language and funding levels, and have not yet made country-specific allocation recommendations. In FY 2012, \$82.4 million was requested for Somalia in the Congressional Budget Justification, in addition to the \$91.8 million request within the Contributions for International Peacekeeping Activities (CIPA) account.

- Who is responsible for the regional integration and coherence of Somalia policy with other U.S. missions and policies?

Answer. In general, the development of U.S. policy resides with the Secretary of State and her representatives in Washington, DC.

In the case of Somalia, Embassy Nairobi remains, on behalf of the U.S. Government, the overall coordinator for reporting, outreach, discussions and diplomatic ini-

tiatives for U.S. engagement on Somalia in the field. As called for under the Dual Track approach to Somalia, we will maintain a U.S. diplomat of ambassadorial rank within Embassy Nairobi to oversee pursuit of our policy objectives in Somalia, working actively with partners throughout the region, including in Ethiopia, Djibouti, and other capitals.

*Question.* AFRICOM is now seized with planning and coordination for U.S. military activity and other responses to the political instability and revolutions in North Africa.

- How have recent events and tasking influenced AFRICOM cooperation and coordination with our missions in sub-Saharan Africa?

*Answer.* AFRICOM's participation in the NATO efforts in Libya has not deterred the cooperation and coordination between U.S. Africa Command (AFRICOM) and our missions. Congressional appropriations levels for the Department of Defense provide AFRICOM the resources to cover its personnel and program costs in both North Africa and sub-Saharan Africa. AFRICOM has been able to continue funding its personnel who are integrated into many of our embassies across the continent and are valuable members of our country teams. As such, they are a permanent presence within each mission. They have not been reassigned for operations such as Libya. These permanent positions provide direct and sustained support to both State Department and Defense Department-funded activities.

*Question.* What are the priorities, from a State Department perspective, for AFRICOM in sub-Saharan Africa?

*Answer.* President Obama's speech in Accra in July 2009 laid out a clear set of priorities for our policy in Africa, and we believe that AFRICOM plays an important role in supporting our broader policy framework. AFRICOM does this by building professional, capable militaries that respect human rights and civilian control, which in turn supports efforts to resolve armed conflicts, address transnational challenges, and safeguard democratic institutions. Given the important role militaries play in the region, Africa Command's work is critical to the success of our broader efforts to build a peaceful, prosperous, and democratic Africa.

*Question.* What are State Department expectations of the AFRICOM role and how have they measured up to those expectations to date?

*Answer.* State Department's expectation is that a unified military command for Africa would simplify our coordination with the Department of Defense; it has indeed been easier to coordinate with the one command instead of three separate commands. We expected that AFRICOM would facilitate capacity-building programs on the African Continent, and they are starting to fulfill that role. AFRICOM and the Department of State collaborate across Africa on an array of military professionalization, capacity-building and security sector reform programs.

*Question.* What challenges exist between the individual embassies and AFRICOM? Please provide a range of examples both positive and negative.

*Answer.* The biggest challenge that has emerged between our missions in Africa and AFRICOM is our ability to support the increased DOD presence. Many of our facilities are now above their capacity to support an increased DOD presence that requires housing and administrative/logistical support on both a temporary and permanent basis. The Department of State often does not have the amount of personnel necessary to support the increasing amount of DOD activities on the continent. It is imperative that we carefully calibrate the growth of DOD programs and personnel on the continent, in order to ensure that our embassies can provide proper support, policy guidance, and oversight.

*Question.* USAID Administrator Raj Shah recently testified that sharp cuts in U.S. Assistance would bring about death of tens of thousands of Africans.

- Is the United States responsible for all preventable deaths across Africa?

*Answer.* The United States has made a substantial commitment to addressing Africa's humanitarian needs and to lowering mortality rates. Our efforts to respond to famine in the Horn of Africa, address long-term food security through the Feed the Future Initiative, and continuing efforts to combat HIV/AIDS in Africa illustrate three ways in which we are striving toward these goals.

The current drought in the eastern Horn of Africa demonstrates the need for the United States and other donors to work with African countries to respond to the humanitarian crisis. We are moving aggressively on a number of fronts to respond to this situation and to provide life-saving food and other humanitarian assistance. In FY 2011, the United States has provided approximately \$459 million in humanitarian assistance to the eastern Horn of Africa to date.

Additionally, the United States, through the President's Emergency Plan for AIDS Relief (PEPFAR), directly supported life-saving antiretroviral treatment for more than 3.2 million men, women, and children worldwide as of September 30, 2010, up from less than 2.5 million in 2009. Through its partnerships worldwide, PEPFAR directly supported 11 million people with care and support, including nearly 3.8 million orphans and vulnerable children, in fiscal year 2010 alone. The United States is also the largest donor to the Global Fund to Fight AIDS, TB, and Malaria, a key vehicle for shared responsibility. To date, the Global Fund has disbursed about \$7.8 billion to combat HIV/AIDS, tuberculosis (TB), and malaria in Africa.

*Question.* Who or what are the top 10 donors, annually over the last 10 years, to sub-Saharan Africa? Please include multilateral institution funding?

*Answer.* According to the OECD—Development Assistance Committee (OECD/DAC) the top 10 ODA donors in USD million, net disbursements between 2000–09 are provided below.

ODA: TOTAL NET  
(USD millions)

Donor	2000-2009	Percent distribution
United States .....	41,412.27	15
IDA .....	33,965.01	12
EU Institutions .....	30,475.06	11
France .....	27,121.23	9
United Kingdom .....	23,329.93	8
Germany .....	16,772.40	6
Japan .....	11,496.16	4
Netherlands .....	11,229.47	4
AfDF (African Dev. Fund) .....	9,555.42	3
Sweden .....	6,541.58	2
Other Donors .....	73,694.14	26
Total net ODA .....	285,592.67	100

*Question.* Are these countries responsible for all preventable deaths across Africa?

*Answer.* No; donor countries are not responsible for all preventable deaths across Africa.

RESPONSES OF ASSISTANT SECRETARY CARSON TO QUESTIONS SUBMITTED  
BY SENATOR CHRISTOPHER A. COONS

*Question #1. FOREIGN AID:* Why are the requested levels of funding worth the investment for the U.S. taxpayer, and what metrics do you use to measure aid impact and effectiveness?

*Answer.* Helping African countries realize their full potential and succeed as economically viable democracies is in our national interest. If fledgling democracies are allowed to fail and undemocratic regimes are allowed to endure unchallenged, then people will lose confidence in democracy and free market economic principles, and we will find ourselves on the defensive in the global competition for influence and ideas. Many sub-Saharan African countries face enormous challenges to their survival as functioning states, and we must continue to help them meet those challenges so they can better help us as we deal with our own. In the coming years, African cooperation will be increasingly essential in managing a wide range of global issues such as international terrorism, smuggling, piracy, migration, climate change, infectious disease, and food production.

The ties between Americans and Africans are deep and historic. With few exceptions, Africa is not a place where we see anti-American demonstrations and rhetoric. That is indicative of the prevailing appreciation for our country's longstanding commitment to democracy and human rights, and for our steadfast support in addressing Africa's many challenges during times of trouble. The spread of democracy in Africa over the past two decades and the vibrancy of pro-democracy activism across the continent is further evidence that most Africans share our political values. In the international arena, most governments in sub-Saharan Africa have been cooperative as we deal with a variety of global challenges. One recent example of this oc-

curred when Gabon, Nigeria, and South Africa voted in support of the U.N. Security Council resolution authorizing the use of force to avert a humanitarian catastrophe in Libya.

Our economic interests in Africa are clear and compelling. Approximately 14 percent of U.S. oil imports come from the region, making it a strategic part of our energy security portfolio. Imports from Nigeria alone are about 9 percent of our total oil imports and almost the same volume as those from Saudi Arabia. With promising exploration and development in countries such as Ghana, Uganda, Liberia, and Tanzania, sub-Saharan Africa's significance for global oil and gas markets will only increase in the coming years. Africa's enormous share of the world's mineral reserves is vital for sustaining continued growth of the global economy. Most importantly, sub-Saharan Africa's growing population makes it a market where U.S. firms will need to be players if they are to remain globally competitive. The region's share of the world's population today is approximately 12 percent, and it is estimated to grow to 20 percent over the next two decades.

We are managing a long list of near and long-term challenges that have a direct impact on U.S. security, political, economic, and humanitarian interests. Every dollar we invest in helping Africans build the capacity to address their problems and better capitalize on their opportunities goes a long way in preventing situations from getting worse and costing us even more money down the road. Many of our efforts have a very positive and significant impact on the lives of Africans. It is through our vigorous diplomacy and our targeted assistance programs that the United States will remain a player in Africa and protect and advance our interest there.

We are also able to leverage our assistance with other key U.S. Government and in-country stakeholders (including civil society, the private sector, foundations, other development partners, multilateral institutions, host governments, and regional institutions)—particularly the African Union and the regional economic communities). This internal and in-country coordination helps prevent duplication of effort, maximizes the impact of U.S. taxpayers' foreign assistance dollars, and heightens the effectiveness of programs. It also helps to ensure that U.S. assistance is aligned with countries' national priorities and supports country ownership. In addition, where feasible, we work together with other partners on mutually reinforcing goals, to reduce the number of separate, duplicative missions and diagnostic reviews, while building on best practices and joint training.

We rely on a variety of metrics to measure aid impact and effectiveness. For example, Freedom House's "Freedom in the World" survey is the most commonly referenced indicator for measuring democratic progress in African countries. We rely on this data to track progress in Africa from year to year and over time (since 1972). Freedom House's "Countries at the Crossroads" country reports provide scholarly detail on government performance in African countries, allowing us to examine at a deeper level the democratic governance issues in the countries where we work.

To assess progress toward reducing conflict in sub-Saharan Africa, we track the percentage of U.S.-trained African units deployed to peace support and humanitarian response operations, along with the number of African armed conflicts resolved and peace support missions concluded. To measure the effectiveness of efforts to promote agricultural development and enhance food security in sub-Saharan Africa we look for increases in rural household incomes, and increases in the number of farmers adopting new technologies and improved agronomic practices. In-depth analyses of the level of two-way trade between the United States and sub-Saharan Africa, excluding U.S. energy-related imports, offer insights on our goal of increasing Africa's share of trade in the global market place.

To assess the effectiveness of our efforts to improve health and social development indicators in sub-Saharan Africa, we: (1) track the number of adults and children in the region diagnosed with new HIV infections each year; and (2) track the number of people protected against malaria with a prevention measure—Insecticide Treated Net and/or Indoor Residual Spraying in countries included in the President's Malaria Initiative.

In sum—Africa matters. The history and culture of the United States and Africa are inextricably linked. Our partnership with Africa is based on our mutual desire to promote democracy, good governance, and respect for human rights; to achieve peace and security throughout the continent; and to promote economic growth and prosperity for all. While Africa's future is up to Africans, the United States will continue to play a major role with its African partners in shaping that future.

*Question #2.* CR CUTS: How will proposed budget cuts in the continuing resolution, or CR, impact the administration's ability to implement its policy agenda and priorities in Africa this fiscal year?

Answer. The President's FY 2011 request for Africa was robust, and we acknowledge that actual levels may be less than the request. State and USAID's central budget offices are currently reviewing the FY 2011 appropriation language and funding levels, and have not yet made bureau or country-specific allocation recommendations. As levels are developed, the focus will be to ensure that the President's priorities in food security, health, and climate change are addressed, as well as ensuring that joint State/USAID priority countries receive appropriate funding.

We look forward to discussing our specific funding levels and allocation rationale as part of the 653(a) consultation process.

*Question #3. INTERAGENCY:* Describe levels of interagency coordination in developing the budget request for Africa.

- a. To what degree have you embraced a whole of government approach when implementing an Africa strategy?
- b. Secretary Carson and Deputy Assistant Administrator Jandhyala, please detail areas of cooperation between State and the Department of Defense—specifically, AFRICOM.

Answer (a). Active engagement in sub-Saharan Africa advances stability and U.S. strategic interests. Our close collaboration within the interagency community centers on a set of jointly agreed upon priorities for Africa. Together we remain committed to: (1) strengthening democratic institutions and the rule of law; (2) encouraging long-term development and growth, including food security; (3) enhancing access to quality health care and education; (4) assisting in the prevention, mitigation, and resolution of conflicts; and (5) working with Africans to address transnational challenges, including terrorism, maritime safety and security, climate change, narcotics trafficking, and trafficking in persons.

The initial input for developing the budget request for Africa comes from the Chiefs of Mission at each sub-Saharan post in response to these overarching policy goals through the submission of a Mission Strategic and Resource Plan (MSRP). The MSRP reflects the input of all U.S. Government partners at post, and lays out an integrated approach for meeting the diplomatic and development challenges in each country. In-depth reviews of the MRPs are conducted by the interagency community in Washington, program and funding decisions are made, and a joint State/USAID Africa Budget submission is prepared. The Africa Bureaus at both State and USAID work hand in hand throughout all phases of the budget development process—from the initiation of the request in the field to the development of final requests for the President.

Other U.S. Government partners are included throughout the planning and budget development process as appropriate for their areas of focus. For example, through the President's Emergency Plan for HIV/AIDS Relief (PEPFAR), the cornerstone of the Global Health Initiative, State's Office of the Global AIDS Coordinator leads an interagency process—including USAID, the Department of Health and Human Services, the Department of Defense, and the U.S. Peace Corps—in planning and implementing the comprehensive U.S. Government response to the HIV/AIDS pandemic.

This collaboration continues throughout the implementation of programs, with the submission of a joint State/USAID Operational Plan to detail programming of current year appropriations, and a joint State/USAID Performance Report on results achieved in the previous fiscal year. These efforts are reflected in the joint State/USAID Annual Performance Report covering activities worldwide.

The Secretary of State is the chairwoman of the Millennium Challenge Corporation (MCC) and the USAID Administrator along with other principals from the interagency community, including the Secretary of the Treasury, the U.S. Trade Representative, and others, serve as MCC board members. This participation ensures that our respective resources are brought to bear on common objectives that both increase the impact of developmental objectives and optimize stewardship of U.S. resources.

Answer (b). As Africa Command (AFRICOM) has developed since its establishment in 2008, it has brought greater depth and understanding to many issues we must address in a coordinated manner. This is a process that requires constant communication to make sure that AFRICOM's activities support our broader foreign policy goals and objectives. Areas on which we cooperate include: military professionalization in Africa; counterterrorism capacity-building of key militaries in West and East Africa; enhancement of disaster management capacity; peacekeeping capacity-building; humanitarian operations coordinated with USAID; counter piracy off the Somalia coast; capacity-building for maritime safety and security; and civil-military cooperation in medical and other areas. The Department of Defense elements in our missions in Africa implement Department of State Foreign Military

Financing (FMF) and International Military Education and Training (IMET) programs, which further U.S. interests in Africa by ensuring that coalition partners and friendly foreign governments are equipped and trained to work toward common security goals and share burdens in joint missions.

*Question #4. CHINA:* Describe the extent and nature of China's influence in sub-Saharan Africa, and the degree to which it impacts America's role in the region.

Answer. China enjoys a degree of influence which one might expect from a major trading nation with significant economic ties to most of sub-Saharan Africa. China is an aggressive and determined commercial competitor, but we do not assess that the United States is in strategic competition with China in sub-Saharan Africa.

- a. Are there areas of cooperation we have not fully explored with China that may allow us to better meet shared regional goals?

Answer. During our annual bilateral talks focused on sub-Saharan Africa, we have proposed cooperation with the Chinese Government in the areas of health and food security. China has agreed to explore cooperative projects in these areas, and we have begun the preparatory steps which will allow these projects to start. China is also an active participant in the international effort to counter piracy off the coast of Somalia.

- b. What steps are we taking to mitigate areas of tension with China in Africa?

Answer. Currently, there is very little tension between the United States and China on the African Continent. While we disagree on policy in a few African countries, for the most part our relations with China around sub-Saharan Africa are very cordial. In order to address the few areas of tension which do exist, our two governments meet formally at least once a year for bilateral consultations on Africa. In addition, we often meet informally with Chinese officials responsible for Africa policy on the margins of international meetings like the U.N. General Assembly or African Union summits.

- c. How are U.S. businesses faring in Africa given the economic competition with China?

Answer. China's total trade with Africa is larger and increasing more rapidly than United States-Africa trade. While there are many reasons for this, one factor is China's investment and competition across all sectors of African economies—from consumer goods to large infrastructure projects to oil and gas exploitation. Some American companies have found success in Africa, but China is indeed a fierce economic competitor. Although it is often difficult for American companies to compete on price or offer comparable financing terms to African purchasers, in many cases our companies are stymied by their perception of the risks associated with operating in sub-Saharan Africa and do not compete for the business. The Department of State, both in Washington, and on the continent at our embassies and consulates, considers assisting American companies to be a top priority. The African Growth and Opportunities Act (AGOA) also serves as a useful tool for promoting U.S. business opportunities by providing a mechanism to focus dialogue on improving the investment climate and facilitating two-way trade.

*Question #5. PRIORITIES:* I am struck by the fact that more than 75 percent of our budget for Africa goes toward the three initiatives—global health, food security, and global climate change. These are critically important programs, but the allocation of resources involves difficult choices, and only 23 percent of the total budget remains for noninitiative spending such as security assistance, democracy and governance, peacekeeping, and other programs.

- a. Explain the rationale for emphasizing health and food security in Africa at the expense of other priorities.

Answer. Africa continues to have the highest poverty rates in the world. In the United Nations' Human Development Index, 25 of the bottom 26 countries designated in the "low human development" category are in Africa. Additionally, sub-Saharan Africa is more heavily affected by HIV/AIDS than any other region—around two-thirds of the global total. The ongoing degradation of Africa's soil, water, and biodiversity resources is also a significant threat to the economic well-being of future generations.

The President's Initiatives—Feed the Future (FTF), Global Health (GHI), and Global Climate Change (GCC)—are responsive to these challenges in Africa. These initiatives are core elements of the President's development policy—the Presidential Policy Directive on Global Development. The directive recognizes that development is vital to U.S. national security and is a strategic, economic, and moral imperative for the United States. It calls for the elevation of development as a core pillar of

American power and charts a course for development, diplomacy, and defense to mutually reinforce and complement one another in an integrated comprehensive approach to national security. As reflected in the Quadrennial Diplomacy and Development Review, these initiatives pioneer an unprecedented integration of efforts between the Department of State and the U.S. Agency for International Development.

Decisions regarding the selection of key countries that benefit from the initiatives, and the determination of overall initiative funding levels, are made through inter-agency working groups with participation of all key partners, including the National Security Staff as well as through working groups that include sector specialists from the Africa bureaus and relevant functional bureaus at the Department of State and USAID, in coordination with the Office of the Director of U.S. Foreign Assistance.

FTF dedicates resources to addressing the root causes of hunger and poverty through agriculture development in select countries in Africa. In FY 2012, our efforts will continue to help farmers grow and sell more of their produce, and reduce under nutrition, as well as foster thriving rural economies in countries that offer strong opportunities for improvement in food security, and in the regional economic communities (the Common Market for Eastern and Southern Africa, the Economic Community of West African States, the East African Community, and the Southern African Development Community). We also will promote reforms and build the capacity of African institutions to support broad economic growth through agricultural development in the future.

GHI builds on the foundation laid by the previous administration through the creation of the President's Emergency Program for AIDS Relief (PEPFAR). Taking into account the lessons learned over the last decade, and with an eye toward achieving greater and more sustainable impact, the GHI expands the administration's global health effort and impact by improving disease treatment, integrating interventions, and expanding investments to strengthen health systems, improve maternal child health, address neglected tropical diseases, and foster increased research and development.

Africa is the largest recipient of PEPFAR program resources, with 12 of the 15 original focus countries, and the program has made major strides in the fight against the deadly HIV/AIDS pandemic. Since its inception, over two million Africans have received life-saving antiretroviral treatment. The President's Malaria Initiative mobilizes global efforts to combat a major killer, especially of Africa's children. Malaria kills over 800,000 people annually, the vast majority being African children under the age of 5, and causes an estimated \$12 billion per year in economic losses in Africa. Through GHI, major efforts continue to address other critical health needs in sub-Saharan Africa, including polio eradication, control of tuberculosis, reduction of maternal and child mortality, access to voluntary family planning services and information, elimination of neglected diseases, strengthening disease surveillance systems for the prevention of and rapid response to epidemics, and strengthening of African health systems.

U.S. assistance will also promote the productive and sustainable management of natural resources, while helping to reduce long-term threats to the environment. Africa is one of the most vulnerable continents to global climate change and climate variability, and there is enormous untapped potential to control emissions growth on the continent. Through GCC, programs will focus on helping countries assess their vulnerability to climate change, and on building the information systems and governance mechanisms to adapt to these expected changes. These programs also will help African countries reduce greenhouse gas emissions through improved land management and greater use of clean energy. In addition, they will build the capacity of countries to enter international carbon markets, thereby capturing and sequestering carbon from global greenhouse gas emissions while preserving economically and ecologically important African landscapes.

- b. How do you prioritize and direct the remaining 23% of the budget left for everything else?

Answer. The FY 2012 budget request for Africa includes \$1.8 billion (23 percent) in noninitiative funding requests. Roughly \$878 million in noninitiative funding is for the Bureau's two highest priorities: (1) strengthening democratic institutions and the rule of law and (2) the promotion of long-term development and economic growth.

The biggest governance challenge in Africa in FY 2012 will be the peaceful establishment of an independent and democratic nation for the people of Southern Sudan. We will continue to build the capacity of government institutions in Southern Sudan, and support the resolution of disputes in and around the Abyei border region. We will also support election officials, civil society, political parties, and the media to prepare for, monitor, and conduct credible elections in the Democratic

Republic of the Congo and Liberia, just as we have recently supported elections in Nigeria and Uganda. Our democracy and governance assistance will also support reforms in Kenya and Zimbabwe to lead those countries out of their current transitional governments through a series of constitutional and legal reforms toward peaceful and credible elections. Investments in this sector will bolster our initiative efforts by strengthening democratic institutions and promoting accountable governance.

African countries need rapid, sustainable, and broad-based growth to reduce hunger and poverty, create jobs, and expand health and education services. We will support African countries' efforts to achieve this growth, in coordination with FTF, by supporting measures that increase agricultural productivity in a sustainable way, strengthen markets, improve the management of renewable and nonrenewable natural resources, support small and medium business growth, promote trade, and strengthen the institutions of economic and political governance. Trade and investment programs will improve sub-Saharan Africa's capacity for trade and its export competitiveness. We also will continue to expand African trade with the United States and other trading partners under the African Growth and Opportunity Act.

Roughly \$430 million (24 percent) of our noninitiative funding request would be used to support programs and activities to prevent, mitigate, and resolve conflicts in the region, including those focused on strengthening stabilization operations, security sector reform, peacekeeping operations, targeted counterterrorism and counternarcotics initiatives, and maritime safety and security.

The FY 2012 noninitiative request also seeks \$267 million (15 percent of the noninitiative request) for basic education activities that will assist Africa in meeting the Millennium Development Goals for education, including increasing transparency and accountability, and improving management of the education system. Programs will focus on improving the quality of education through professional development for teachers and administrators. Supporting community involvement in education will continue in FY 2012, to increase access to educational opportunities for girls and other marginalized populations.

The remaining \$220 million (12 percent) in noninitiative funding would be used to support Food for Peace, Title II (P.L. 480) programs; efforts to improve access to high quality water and sanitation services; humanitarian assistance programs; higher education programs; and other social services programs.

Sixty-six percent (\$5.1 billion) of the total FY 2012 request for Africa consists of bilateral assistance for 13 priority countries. They include six African states facing major humanitarian problems or recovering from serious conflict—Sudan, Liberia, the Democratic Republic of the Congo, Kenya, Zimbabwe, and Somalia; and three countries—Ethiopia, Nigeria, and South Africa—because of the important roles they play in advancing regional security and economic growth. These nine countries play a major role in determining the prospects for conflict or stability and development in their regions.

In addition, we have a special focus on strengthening elected municipal-level officials and their civil society counterparts in relatively well-performing African countries—specifically Ghana, Mali, Mozambique, and Tanzania. These countries have adopted progressive policies and are building democratic institutions that promote economic development and improve the lives of their citizens. They serve as models for their neighbors and voices for reform in regional bodies such as the African Union.

- c. What is the process by which these decisions are made?

Answer. The initial input for developing the budget request for Africa comes from the Chiefs of Mission at each sub-Saharan post through the submission of Mission Strategic and Resource Plans (MSRPs) that incorporate overarching policy goals established by the Assistant Secretary of State. The MSRP reflects the input of all U.S. Government partners at post, and lays out an integrated approach for meeting the diplomatic and development challenges in each country. In-depth reviews of the MSRPs are conducted by the interagency community in Washington, program and funding decisions are made, and a joint State/USAID Africa Budget submission is prepared. The Africa Bureaus at both State and USAID work hand in hand throughout all phases of the budget development process—from the initiation of requests in the field to the development of a final request for the President.

*Question #6.* ESF CUTS: We all recognize that budget cuts are necessary in these difficult financial times, but we also need to understand the impact of the cuts to foreign aid. In the FY11 CR, Economic Support Funds, or ESF, will be cut by \$1.8 billion below the President's request.

- a. Please describe the objective and impact of ESF programs in Africa, highlighting areas where we have seen sustained measures of success.

Answer. Economic Support Funds (ESF) are programmed bilaterally in rebuilding countries; i.e., those that are in or coming out of conflict, such as the Democratic Republic of the Congo, Liberia, Sierra Leone, Somalia, Sudan, and Zimbabwe. ESF programming in these countries focuses on efforts to strengthen stabilization operations and security sector reform initiatives; conflict mitigation and reconciliation programs; good governance practices, including the rule of law and respect for human rights; political competition and consensus-building strategies; civil society organizations; and social and economic services and protection for vulnerable populations. ESF-supported programming in the rebuilding countries also includes projects that address a variety of transnational crime issues such as trafficking in persons and narcotics smuggling, as well as efforts to strengthen basic education systems and to promote economic growth.

The Africa Bureau also uses regional ESF primarily to support programs in African countries that do not typically receive bilateral assistance and programs that cross geographic boundaries to address regional issues. Examples of regional programs supported with ESF include the Trans-Sahara Counterterrorism Partnership Program (TSCTP) and the Partnership for Regional East Africa Counterterrorism (PREACT, formerly known as the East Africa Regional Strategic Initiative or EARSII). Through TSCTP and PREACT, regional funds are being used to promote security sector capacity-building and cross-border cooperation in West and East Africa. Mali, for example, cooperates closely with the United States in counterterrorism primarily through the interagency (Department of State, USAID, and Department of Defense) TSCTP program. The United States supports Malian counterterrorism planning and accelerated training, and equipping of specialized Malian task forces responsible for counterterrorism operations in northern Mali.

In January 2011, millions of Southern Sudanese citizens voted overwhelmingly in favor of the peaceful separation of their region from the rest of Sudan. Supporting the environment in which the Sudanese people were able to conduct a free and fair referendum on the issue represented a key achievement of bipartisan U.S. foreign policy since the signature of the Comprehensive Peace Agreement (CPA) in 2005. Just as U.S. assistance played a critical supporting role in the implementation of the CPA and the referendum, continued U.S. support through ESF is essential to the success of the world's newest nation when full independence is achieved later this year.

Security-sector reform efforts supported with ESF in Somalia and the Democratic Republic of the Congo incorporate training in human rights and gender-based violence. In FY 2010, regional ESF resources were used to advance a constitution-drafting process in Somalia organized by the United Nations Development Program. The United States supported the work of the Independent Federal Constitution Commission in its efforts to develop and enhance the skills necessary to support the transitional process. As a direct result of program-related workshops, training events, and consensus-building activities, members of all 72 parliamentary committees were trained on consensus-building techniques and were subsequently able to develop the draft constitution law.

In Tanzania, FY 2010 regional ESF resources supported civic education activities conducted to help address the lack of understanding of electoral processes in rural areas of the country. Focus groups included women, youth, and people with disabilities, and topics covered important key issues associated with understanding constitutional rights and duties in the electoral process. More than a million people now have a better understanding and appreciation of their role in the electoral process as a consequence.

- b. How will the CR impact levels of ESF for Africa, and will a lower bottom line for FY11 decrease the expected amount of ESF allocated for FY12?

Answer. The President's FY 2011 request for Africa was robust, and we acknowledge that actual levels may be less than the request. State and USAID's central budget offices are currently reviewing the FY 2011 appropriation language and funding levels for all accounts, including ESF, and have not yet made bureau or country-specific allocation recommendations. As levels are developed, the focus will be to ensure that the President's priorities in food security, health, and climate change are addressed, as well as ensuring that joint State/USAID priority focus countries receive appropriate funding.

We look forward to discussing our specific funding levels and allocation rationale as part of the 653(a) consultation process.

*Question #7. DEMOCRACY:* Sub-Saharan Africa has had a mixed record when it comes to democratic institution-building. While there are some models for success—such as Botswana and Ghana—there are also some areas of concern—such as Uganda, Angola, and Zimbabwe, among others. Unlike health programs, it can be difficult to measure success in democracy and governance, or D&G, programs.

- What are examples of countries on both upward and downward trajectories, and how to you prioritize D&G resources when they are so scarce?

*Answer.* The fact that there are 13 elections this year shows how much our investments of money and time have paid off. It was not that long ago that an entire year could pass in Africa without any democratic elections whatsoever. Indeed, our assistance has resulted in positive returns in helping institutionalizing key democratic institution such as electoral commissions in countries in Africa including Mali, Benin, Ghana, Sierra Leone, and Liberia, among others. USG assistance has helped each of these countries consolidate democratic gains over several electoral cycles. At the same time challenges for democracy remain in countries like Ethiopia, Zimbabwe, Rwanda, and Gambia.

The USG's approach to supporting democracy and political processes has evolved based on the belief that elections are a critical component of the democratic process worth prioritizing. As a result, election support programs are best suited if they cover the entire election cycle, from technical assistance in drafting election laws and political party finance reforms, through preelection voter registration and education, to the administration and monitoring of elections themselves, and increasingly, to the resolution of post-election disputes.

We agree that elections alone do not make a democracy or even assure democratic transformation. That is why the USG also focuses its scarce resources on programs which bolster the rule of law, improve governance, support a dynamic civil society, protect human rights, and promote a free and independent media—all critical elements that create the foundation for long-term democratic change and stability.

Going forward, we hope to amplify and further refine our democracy and governance assistance activities in Africa. Accountability at the local level is often the key to public confidence in democracy. In addition, we believe that it is critical to move beyond technical support to election commissions and international observation to focus equally on increasing societal demand for democracy in general.

In that context, we are prioritizing work with local civil society groups to assist in their advocacy. We have seen that support for civic education and election commissions in the few months prior to elections is insufficient to build the strong democratic states needed in Africa. Rather, we must expand assistance activities to maintain a consistent, holistic approach on this issue.

*Question #8.* You just returned from Nigeria, where you witnessed the parliamentary elections and preparations for Saturday's Presidential election. What is your view of the steps taken by the Nigerian Government to ensure these elections are free and fair—especially compared to their flawed elections in 2007—and what are potential regional implications of positive elections in Africa's most populated country in light of disturbing events surrounding elections elsewhere, such as Cote d'Ivoire?

*Answer.* Nigeria has just completed its most successful elections since its return to multiparty democracy in 1999. Despite some technical imperfections and isolated incidents of violence, those elections represent a substantial improvement over the flawed 2007 electoral process and reverses Nigeria's downward democratic trajectory. It also provides the country a solid foundation for strengthening its electoral procedures and democratic institutions in the years to come.

The appointment last June of Attahiru Jega as Chair of the Independent National Electoral Commission (INEC) raised expectations that this year's elections would meet minimum standards of credibility. Dr. Jega—a respected civil society activist—brought well-needed integrity and competence to the position and inspired many Nigerians to insist on greater transparency to combat fraud. Dr. Jega gave domestic and international observers greater access to INEC and the voting process, and encouraged observers to utilize technology, such as mobile phones, to inform authorities of irregularities. While the elections were far from perfect, INEC and the security services performed admirably and should be applauded for addressing challenges and improving efforts with each progressive election. We will urge INEC leaders to continue steps to further improve the electoral process and strengthen Nigeria's democratic institutions.

The success of the Nigerian elections sends a strong signal on the importance of credible elections and democratic transition across Africa. The people of Nigeria have clearly demonstrated aspirations to have a democratic government and participate in democratically run elections, a desire of many people across Africa. If Nige-

ria, with its troubled electoral history, large size, and large and diverse population, can run and manage successful democratic elections, it is possible for other African states to do so as well. We will continue to work with our African partners to ensure similar success in upcoming elections on the continent.

*Question #9.* Kenya is preparing for elections in 2012, and is currently undertaking the process of implementing a new constitution approved by an overwhelming majority of the population last year. Given the difficult history of Kenya's last election and subsequent violence, what are your expectations for the upcoming elections? Describe our democracy and governance assistance programs in Kenya and the extent to which we are assisting Kenyans lay the groundwork for elections that are free and fair.

*Answer.* The 2012 election in Kenya will be an important test of the progress the country has made on its ambitious political and institutional reform agenda set out as part of the Kofi Annan mediated power-sharing agreement that brought the 2007–08 post-election violence to an end. Some progress has been made, in particular the adoption of a new constitution in August 2010 that, if robustly implemented, will provide a solid foundation for a peaceful, democratic future in Kenya.

To assure a fair and credible election in 2012, it is important that reforms move forward. Kenyan leaders must work together to put in place legislation necessary for constitutional implementation, appoint the best qualified people to key positions in the judiciary, and support efforts to hold accountable those responsible for the 2007–08 post-election violence.

In support of implementing the reform agenda, including the new constitution, U.S. democracy and governance programs support a range of government and non-government actors with responsibility for, and a stake in, implementing the reform agenda.

To help ensure that electoral mechanisms and procedures are transparent and credible—and have the confidence of the Kenyan people—we are building on the effective work with the Interim Independent Electoral Commission (IIEC) on voter registration, results management, monitoring, and civic education carried out in advance of the August 2010 constitutional referendum. We will continue to help strengthen Kenya's electoral institutions, including the permanent Electoral and Boundary Commission once it is established. We also are supporting the professionalization of political parties, civic and media education on elections and electoral processes, and civil society monitoring and observation capacity.

We are continuing support to parliamentary capacity-building, which is especially important in light of the need to pass more than 50 pieces of legislation to implement the new constitution and its expanded responsibilities under it. U.S. programs focus on support to committees, including oversight committees. We also will support provision of technical expertise on legislative drafting if requested by the Government of Kenya.

U.S. democracy and governance programs support a broad array of programs with civil society, including youth, to support their efforts to effectively promote reform, reconciliation, and conflict mitigation. We also partner with the media on activities to educate citizens about the reform process and are increasing our collaboration with the National Commission for Integration and Cohesion, which is responsible for monitoring and combating hate speech.

*Question #10.* CONTINGENCY PLANNING: Obviously, there are a range of contingencies which arise in a given fiscal year, some of which are foreseen by the State Department as it drafts its budget request—such as the creation of a new state in Southern Sudan—and some of which are unforeseen—such as the unrest on Cote d'Ivoire and subsequent flow of Ivorian refugees across borders.

- What is the process by which the State Department prepares for these contingencies and what is the funding mechanism by which we will assist the people of South Sudan and Cote d'Ivoire this fiscal year?

*Answer.* We rely on in-depth analyses and ongoing reporting on political, economic, and humanitarian issues in Cote d'Ivoire and Sudan, submitted by the Chiefs of Mission and reporting officers in both countries, to guide policy and programming decisions, including those related to contingency planning.

U.S. strategy and assistance in Cote d'Ivoire for the foreseeable future will focus on political reconciliation, economic recovery, and security sector reform initiatives, as well as the continuation of humanitarian response activities, as part of the international effort to support President Ouattara's outlined plan for governing and as is permitted with the section 7008 sanctions that are in place. We are exploring the process for lifting those sanctions in order to broaden the types of assistance we can provide. Our strategy and assistance in Sudan is focused on achieving a lasting

peace throughout Sudan by ending the conflict and abuses in Darfur, fully implementing the Comprehensive Peace Agreement (CPA) and all post-CPA arrangements negotiated between the North and South, supporting the establishment of two states, and ensuring that terrorists do not find safe haven in either Sudan or South Sudan.

The United States will work to mitigate conflict in both Sudan and the new state of South Sudan upon its independence in July 2011, as they both face significant challenges in adjusting to the results of separation and internal and external challenges to their stability. The capacity of the Government of South Sudan has improved, but it will require continued assistance to build capacity to govern effectively, deliver basic services, and broaden its economic base beyond petroleum. In Darfur, the United States remains very concerned about the humanitarian and security situation. We continue to work with the United Nations, the African Union, and others to find a comprehensive resolution to the Darfur conflict and improve local security.

State and USAID's central budget offices are currently reviewing the FY 2011 appropriation language and funding levels, and have not yet made bureau or country-specific allocation recommendations. We look forward to discussing our specific funding levels and allocation rationale as part of the 653(a) consultation process.

*Question #11.* Although Gbagbo has been arrested, there is a long road ahead for Cote d'Ivoire.

- a. What comes next in terms of reconciliation and accountability?Q02

Answer. President Ouattara has pledged to make national reconciliation a primary focus of his presidency. He recently created a Dialogue, Truth, and Reconciliation Commission (DTRC), and named former Prime Minister Charles Konan Banny as chairman. While its specific plan of action has not been finalized, President Ouattara has indicated that the DTRC will also include two religious leaders (a Christian and a Muslim). The DTRC will serve as a vehicle for a national dialogue and reconciliation process.

In terms of accountability, President Ouattara has called for an independent investigation into all alleged human rights abuses carried out since November 28, to include allegations against both sides, and has pledged to hold perpetrators from both sides accountable. A Commission of Inquiry from the United Nations Human Rights Council is currently in Cote d'Ivoire carrying out its own independent investigation; the United States supports the work of the Commission of Inquiry and looks forward to reading a comprehensive report.

- b. Describe levels of U.S. support for President Ouattara and his military.

Answer. Due to restrictions, some of which have been in place since 1999, U.S. assistance to Cote d'Ivoire is currently limited to humanitarian programs including disaster relief and the President's Emergency Plan for Aids Relief. We are exploring the process for lifting those restrictions in order to broaden the types of assistance we can provide. U.S. strategy and assistance in Cote d'Ivoire for the foreseeable future will focus on political reconciliation, economic recovery, and security sector reform initiatives, as well as the continuation of humanitarian response activities, as part of the international effort to support President Ouattara's outlined plan for governing.

- c. What is the status of the cocoa industry exports?

Answer. Following the European Union's lifting of sanctions against the Port of Abidjan, several companies have begun exporting cocoa again in recent days. The resumption of cocoa exports is an important element of Cote d'Ivoire's overall economic recovery.

- d. What comes next for Mr. Gbagbo?

Answer. Former President Gbagbo remains under house arrest in northern Cote d'Ivoire under the protection of UNOCI. President Ouattara's government is conducting an investigation to determine what charges can be brought against Gbagbo and his coterie domestically, and also has indicated that it supports the ICC's role in investigating alleged abuses since the November elections.

*Question #12.* LRA: The Lord's Resistance Army, or LRA, has terrorized remote communities in central Africa since 1986 and continues to do so, undermining U.S. investments in peace and stability in South Sudan and the DRC. Last year, the administration released its strategy to support the disarmament of the LRA, as mandated by the Lord's Resistance Army Disarmament and Northern Uganda Recovery Act.

- a. What are the State Department's priorities for implementing this strategy and how are these priorities reflected in the budget request?

Answer. The administration's LRA strategy is focused on simultaneously supporting regional and multilateral partners to maintain pressure on the LRA, both militarily and diplomatically; increasing options for LRA fighters and associated persons to surrender; increasing the protection of civilians; and providing humanitarian assistance to affected communities. Strategy implementation priorities include strengthening our diplomatic efforts, including at the U.N., the AU, regionally and bilaterally, to draw international attention to the LRA crisis; developing broad support and capacity for counter-LRA actions; supporting organizations responding to the urgent humanitarian needs of civilian populations in LRA-affected areas; providing recovery, transition, and livelihood support for LRA-affected populations; and encouraging contributions by our partners, particularly the European Union and member states.

To support efforts to apprehend or remove from the battlefield Joseph Kony and senior commanders, the Department of State intends to continue funding logistical and operational assistance to regional and multilateral partners through the Peacekeeping Operations (PKO) account. Our FY 2012 request includes \$7.15 million in PKO funds as part of the Africa Conflict Stabilization and Border Security (ACSBS) program, a portion of which could be used to support counter-LRA efforts, as needed.

Our conflict mitigation and reconciliation activities in Uganda, much of which target former LRA-affected areas in northern Uganda, are funded through bilateral Development Assistance. Our FY 2012 request includes \$4.4 million for these activities.

Our FY 2012 request for Contributions for International Peacekeeping Activities (CIPA) includes \$408 million in assessed contributions for the U.N. Stabilization Mission in the DRC (MONUSCO) and \$298 million in assessed contributions for the U.N. Mission in Sudan (UNMIS), a portion of which will continue to support these peacekeeping operations' activities, including the protection of civilians in LRA-affected areas.

The FY 2012 budget includes support for humanitarian operations in the DRC, Central African Republic (CAR), and Southern Sudan within the Migration and Refugee Assistance (MRA) and the International Disaster Assistance (IDA) accounts. PRM and USAID will continue to monitor the humanitarian needs of LRA-affected communities in the DRC, CAR, and Southern Sudan and will continue to promote civilian protection and deliver humanitarian assistance throughout the region.

- b. What is your view of the appointment of a Great Lakes Coordinator or Advisor, as I have advocated for along with Senator Kerry?

Answer. We have considered the recommendation to name a special envoy or adviser for the Great Lakes Region. At this time, based on extensive discussions with NGO groups, regional states, donors, and others with interest in the Great Lakes Region, we believe the appointment of such an envoy or representative would not be the most effective means to advance U.S. interests or to utilize limited resources. We have found that the regional leaders have not been particularly receptive to Great Lakes special envoys—either from the United States or from other governments and have been reluctant to engage with them. Instead, each government has sought the support of bilateral ambassadors who could also address other problems and challenges specific to the country. Engagement through our resident ambassadors, with support from senior U.S. Government officials, has proven significantly more effective from both diplomatic and resource perspectives. My team and I are actively managing the Great Lakes regional portfolio in close coordination with the Chiefs of Mission in relevant capitals, as well as with the concerned governments and regional organizations.

- c. What steps is the administration taking to protect civilians in LRA-affected areas and remove Joseph Kony from the battlefield?

Answer. The Department of State has been working with the Department of Defense to provide enhanced integrated logistical, operational, and intelligence assistance in support of regional and multilateral partners in an effort to apprehend or remove from the battlefield Joseph Kony and senior commanders. Since the launch of Operation Lightning Thunder (OLT) in 2008, we have obligated \$29.1 million in PKO resources to provide non-lethal equipment, logistics support, and supplies to the Uganda People's Defense Force (UPDF) in support of its effort to defeat the LRA. This includes \$6 million of FY 2011 PKO funds to support the efforts of Uganda and CAR to defeat the LRA through early May 2011.

To support the protection of civilians, the Department of State and USAID are installing high-frequency radio networks to expand communication and providing support to U.N. peacekeeping missions and humanitarian agencies in LRA-affected areas. In FY 2010, the United States provided \$387.7 million in assessed contributions for MONUSCO's overall budget, a portion of which supported LRA-affected populations. In FY 2010, the United States provided \$361.1 million in assessed contributions for UNMIS' overall budget.

*Question #13.* DRC: The FY12 budget request includes \$19 million for peacekeeping operations in the Democratic Republic of Congo, or DRC. Despite an effort by the United States to highlight human rights violations and gender-based violence, mass violence and rapes continue in alarming numbers. What is the U.S. strategy for addressing this deeply troubling issue in the DRC?

Answer. We remained deeply concerned by the ongoing violence and human rights abuses against innocent civilians in the DRC. The United States works in partnership with the DRC government in its efforts to foster peace and provide security throughout the country, build functional and accountable government institutions, and deliver public services. Our strategy to address sexual and gender-based violence (SGBV) and other human rights violations falls under the umbrella of our overall DRC strategy.

Our overall human rights strategy includes the following objectives: (1) build Congolese capacity to address the root causes of insecurity and protect civilians; (2) support justice sector development to combat impunity, enhance judicial independence, and increase access to justice, including through the establishment of mobile courts to bring essential judicial services to remote areas; and (3) build the capacity of civil society to promote and protect human rights, including those of the most vulnerable groups.

Our strategy to address SGBV specifically includes four key objectives: (1) reduce impunity for perpetrators of SGBV; (2) increase prevention of and protection against SGBV for vulnerable populations; (3) improve the capacity of the security sector to address SGBV; and (4) increase access to quality services for survivors of SGBV. Our holistic approach focuses on strengthening the prevention of and response to SGBV throughout the country. We fund programs that: improve access to care and treatment services for survivors, fight impunity for perpetrators through support for legal reform—possibly including support for specialized mixed courts, assist legal aid clinics that facilitate prosecutions, build capacity of the civilian and military judicial systems, and promote community awareness of the response to SGBV. The United States also recognizes that effective prevention of SGBV requires efforts to address women's and girls' low status in society. The DRC cannot move ahead without the full inclusion of women—including politically, economically (through agriculture and beyond), and socially, through a robust civil society movement.

In instances when the DRC Government has failed to take actions to prevent human rights abuses, we have taken strategic actions in the past year, such as removing the DRC from the list of eligible countries to receive benefits under the African Growth and Opportunity Act (AGOA) in January 2011. This action has created an opportunity to work with the Government of the DRC to improve the human rights situation, including reducing sexual and gender-based violence. Further, as a result of pressure from the United States and others in the international community, the GDRC recently convicted high-profile perpetrators of a mass rape attack that occurred on New Year's Day. To reiterate, our strategy is to help the DRC Government build its capacity so that it will establish the government institutions necessary to eventually take control of these deeply troubling issues.

*Question #14.* QDDR: Late last year, Secretary Clinton and Administrator Shah released the results of the first Quadrennial Diplomacy and Development Review (QDDR), which examined the need for enhanced interagency cooperation and additional staffing to address the numerous emerging global issues. Many of these emerging issues exist in Africa, including food security, transitions in governance, terrorism, and narco-trafficking.

- How does the administration's FY12 budget request for Africa reflect and implement the objectives of the QDDR?

Answer. Although the QDDR was finalized and distributed after the submission of the FY 2012 budget request, the Bureau incorporated many of the report's initial objectives and findings into its budget submission. These included concerted efforts to strengthen the links between diplomacy and development, and to better align policy priorities, strategic responses, budget planning, and performance management. As noted in the QDDR, Chiefs of Mission at sub-Saharan African posts function as chief executive officers of multiagency, whole of government efforts.

The initial input for developing budget planning and performance management strategies in sub-Saharan Africa stems from the Chiefs of Mission through the submission of Mission Strategic and Resource Plans (MSRPs) that incorporate overarching policy goals established by the Assistant Secretary of State. The MSRP reflects the input of all U.S. Government partners at post, and lays out an integrated approach for meeting the diplomatic and development challenges in each country. In-depth reviews of the MSRPs are conducted by the interagency community in Washington, program and funding decisions are made, and a joint State/USAID Africa Bureau submission is prepared. In keeping with QDDR objectives, the Africa Bureaus at both State and USAID work hand in hand throughout all phases of the budget development process.

The Africa Bureau's FY 2012 budget includes funding requests to address several of the emerging global issues referenced in the QDDR. For example, a total of \$507.3 million is requested for the Feed the Future (FTF) Presidential Initiative which dedicates resources to addressing the root causes of hunger and poverty through agricultural development in select countries in Africa. This represents a 20-percent increase (\$84.94 million) over the FY 2010 enacted level for FTF programming. The FY 2012 request also includes a total of \$371.2 million in funding to support the Bureau's highest policy priority of strengthening democratic institutions and the rule of law. This is 19 percent higher than the FY 2010 enacted level of \$311.7 million. Additionally, the Bureau's FY 2012 request for \$185.8 million in funding to address transnational challenges such as counterterrorism, narcotics trafficking, and trafficking in persons is nearly 28 percent higher than the FY 2010 enacted level of \$145.7 million.

We are able to leverage our assistance with other key U.S. Government and in-country stakeholders (including civil society, the private sector, foundations, other development partners, multilateral institutions, host governments, and regional institutions—particularly the African Union and the regional economic communities). This internal and in-country coordination complies with QDDR directives and helps prevent duplication of effort, maximizes the impact of U.S. taxpayers' foreign assistance dollars, and heightens the effectiveness of programs. It also helps to ensure that U.S. assistance is aligned with national priorities and supports country ownership. In addition, where feasible, we work together with other partners with mutually reinforcing goals, to reduce the number of separate, duplicative missions and diagnostic reviews, while building a community of best practice and joint training.

*Question #15.* On the issue of Somalia, the Transitional Federal Government (TFG) has demonstrated a lack of capacity to expand its institutional presence beyond Mogadishu.

- How can we reach the governments and district administrations in Somaliland and Puntland given the severe restrictions on U.S. diplomatic personnel?

Answer. Under the Dual Track approach to Somalia announced in September 2010, the United States will broaden our approach by taking into account the complex nature of Somali society and politics. On Track One, we continue support for the Djibouti Peace Process, the Transitional Federal Government (TFG), and the African Union Mission in Somalia (AMISOM) as a first line of effort to stabilize Somalia, as well as to blunt al-Shabaab's efforts in Mogadishu. On Track Two, we are deepening our engagement with the regional Governments of Somaliland and Puntland, as well as with local and regional administrations throughout southcentral Somalia who are opposed to al-Shabaab, but who are not affiliated with the TFG.

State Department and USAID officials have made three brief trips to Hargeisa since August 2010. While the United States must work to overcome strategic disadvantages inherent in the absence of a sustained diplomatic presence inside Somalia, our absence from Somalia is driven by concerns for the safety and security of U.S. personnel as dictated by local conditions. Nevertheless, we plan to provide Somaliland and TFG police with Anti-Terrorism Assistance training before the end of the calendar year and support several community-based income generation, vocational training, and healthcare projects in northern Somalia and in southern and central Somalia.

USAID has been engaged for several years with the Somaliland and Puntland central administrations in a range of governance activities, including parliamentary reform and elections administration. Moreover, the majority of USAID's programs in Somalia target these two regions. USAID implements extensive youth outreach, vocational training and livelihoods programs, as well as teacher training and basic education through an innovative radio-based program. We are further engaged in conflict mitigation through assistance to local community groups for dialogue and mediation (with a particular emphasis on women and youth). For several years, we

have supported the multi-donor Joint Program on Local Governance operated by the United Nations Development Program nationwide. In addition, USAID has launched two new development programs in early 2011 that will be primarily implemented in Somaliland and Puntland.

In April of this year, as part of the ongoing political process and continued efforts to encourage greater reconciliation and stability in Somalia, we worked with U.N. and AU partners to convene a High Level Consultative meeting in Nairobi. This meeting brought together representatives from several administrations and Somali political entities, including the Transitional Federal Parliament, Puntland, Ahlu-Suna Wal Jama (ASWJ), and regional administration representatives from Galmudug, for dialogue on the political way forward in Somalia.

Long-term efforts on Somalia will continue to focus on security, governance, humanitarian, and development assistance as we deepen our engagement outside of Mogadishu and, security permitting, find it possible to operate from inside Somalia on a more regular basis. As security permits, we will seek to expand possibilities for U.S. personnel to travel into Somalia, including Mogadishu, Boosaaso, and Gaalkacyo, in order to more easily and effectively identify and establish working relationships with key players on the ground.

*Question #16.* African Union: The FY12 budget request includes a \$500,000 decrease in funding for the African Union (AU). The AU continues to play a significant strategic role in conflicts across the region, including the Sudan, Cote d'Ivoire, and Libya. Please discuss the decision to decrease funding to the AU and how the administration anticipates the AU will move to absorb the funding reduction.

*Answer.* Funding for the African Union in FY12 was determined in the context of the overall spending levels established in the budget for sub-Saharan Africa. Having fewer resources available for foreign assistance meant that we had to make difficult choices for programs worldwide. Our appropriated funds for the African Union are provided to support election monitoring and other democracy and governance programming under the Governing Justly and Democratically objective. The United States has been a major donor to the African Union's Democracy and Electoral Assistance Unit for several years. We believe that the funding levels requested by the Administration are sufficient to achieve U.S. objectives during FY12.

*Question #17.* ELECTIONS: The administration has declared democracy and governance programs its top noninitiative priority in Africa, but the budget request proposes decreasing funding to transitioning governments in Niger and Guinea. There are 27 African countries which are holding, or have already held, elections in 2011, including Nigeria, Rwanda, South Sudan, Uganda, and the DRC. How does State intend to maximize the impact of limited funding for democracy and governance, and how will the decreased funding affect programming in countries such as Niger and Guinea?

*Answer.* We are pleased that our assistance has helped build electoral systems and to consolidate democratic gains in key democratic countries in Africa including Mali, Benin, Guinea, Niger, Ghana, Sierra Leone, South Sudan, and Liberia.

Going forward, we plan to amplify and further refine our electoral assistance activities in Africa. We will continue to work closely with African governments and civil societies to strengthen the infrastructure for credible elections not only at the national but also at the provincial and local government levels? Accountability at the local level is often the key to public confidence in democracy. In addition to election observation, we will focus on increasing societal demand for credible elections. In that context, we to expand work with local civil society groups to assist in their advocacy for election reforms and to enable them to carry out their own domestic monitoring of elections. We have seen that support for voter education and election commissions in the few months prior to elections is insufficient to build the strong democratic states needed in Africa. Rather, we must more be more creative and efficient in accomplishing a consistent, holistic approach on this issue.

USAID recently mobilized assessment teams to Guinea and Niger to survey the post-transition landscape and develop recommendations for democracy and governance programming. These recommendations are informing our budget discussions, including on necessary steps to adapt to constrained budgets and design programs that will strengthen democratic institutions and assist civil society in both countries.

*Question #18.* According to recent reports, the police have arbitrarily arrested dozens of protesters, journalists, and community leaders in Swaziland. Please explain what the State Department is doing to respond to this issue.

*Answer.* During the April 12-13 demonstrations, police detained leaders of labor unions, political activists, journalists, and members of civil society, largely in order

to halt the protest, deemed “illegal” by Prime Minister Barnabas Sibusiso Dlamini. Police released all individuals detained during the protests. In the days following the demonstrations, police arrested and charged two people for offenses related to the possession of explosive devices.

On April 12, Embassy Mbabane released a widely distributed press statement calling on the Swazi Government to uphold the freedom of association and expression as guaranteed by the Swazi Constitution and expressed our concern over the detentions. U.S. Ambassador to Swaziland Earl Irving contacted the Foreign Minister and met with the Prime Minister, Commerce Minister, and representatives from the Ministry of Labor to express U.S. Government concerns over violations of the freedom of association, speech, and universally recognized human rights. Embassy Mbabane continues to meet with host government officials regarding these issues.

Many of the activists detained by police participate in Embassy Mbabane’s human rights working group, which meets monthly. This working group initiative aims to provide union leaders, political party members, government representatives, academics, and members of civil society with an impartial forum to discuss human rights challenges in Swaziland.

---

RESPONSES OF AMBASSADOR ERIC P. GOOSBY TO QUESTIONS SUBMITTED  
BY SENATOR CHRISTOPHER A. COONS

*Question.* SHARED RESPONSIBILITY: How does the U.S. commitment to preventing and treating HIV/AIDS compare to other international donors? Describe the model of “shared responsibility” used by the Global Fund, whereby the U.S. commitment may represent no more than one-third of the total funding, and each dollar we spend is matched by more than \$2 from international donors.

- Is this model working well and can we emulate it elsewhere in global health programs and aid to Africa in general?
- How have other donor countries adjusted their contributions to the Global Fund as a result of the global economic crisis?

*Answer.* The U.S. Government (USG) commitment to HIV/AIDS is the largest international health initiative any country has ever focused on a single disease. The USG commitment on HIV/AIDS far outpaces that of any other country, with the USG providing an estimated 58 percent of donor resources for global HIV/AIDS. There is a strong need for other donors to increase their commitment as the USG has done, and the Global Fund is the key vehicle for them to do so.

Overall, the USG believes the Global Fund model is an effective mechanism for mobilizing resources from a diverse array of public and private donors and leveraging USG investments in combating HIV/AIDS, TB, and malaria to support country-owned responses to the three diseases. The Global Fund is the world’s largest multilateral financing mechanism for global health, and has a strong track record in saving and improving lives.

The Global Fund is a key vehicle for promoting shared responsibility for global health efforts and has successfully attracted contributions of \$19.1 billion from public and private donors, including more than \$5.1 billion from the USG. The USG’s financial contributions and political commitment to the Global Fund, along with the congressional requirement that the USG can provide no more than 33 percent of all contributions to the Global Fund, have played a vital role in mobilizing financial contributions from other donors. Importantly, the Global Fund provides a mechanism through which countries and organizations that do not have the ability or in-country presence to support major bilateral health programs can contribute in a meaningful way to the fight against the three diseases. Since the inception of the Fund, non-G8 donors have contributed \$5.4 billion to the Global Fund, or 29 percent of all contributions. In addition to mobilizing donor resources, the Global Fund is actively seeking to ensure the additionality of its investments, including through strengthened cofinancing requirements that require recipient countries to contribute.

The Global Fund has proven an effective mechanism for promoting shared responsibility and supporting country-owned health responses. A critical element of the Global Fund’s success is its focus on results. The Global Fund’s ability to mobilize international resources depends heavily on its ability to demonstrate clearly the results achieved through its grants in terms of services delivered and lives saved. The Fund’s track record of success has enabled it to generate continued international support despite the global economic crisis.

At the Third Voluntary Replenishment Meeting in October 2010, donors pledged \$11.7 billion to the Global Fund over 2011–13, including a pledge from the USG to

seek \$4 billion. The USG pledge was tied to a Call for Action for reform to improve the efficient and strategic disbursement of resources and to maximize the impact of Global Fund resources. In total, the pledges represent the largest ever financial pledge for the international effort to fight the three pandemics. Several donors decreased their pledges and/or contributions to the Global Fund based on their domestic budget environments, including Italy and Ireland, but overall, international commitment to the Global Fund remains strong. This is a significant achievement, especially in light of the economic climate.

*Question.* COUNTRY OWNERSHIP: One of the focuses of PEPFAR is “country ownership,” or partnering with NGOs to build the institutions, infrastructure, and health systems so countries may run the programs themselves.

- Describe the challenges of pursuing a “country ownership” model of bilateral assistance, especially in countries that are not financially strong enough to assume control.
- What steps can be taken to advance efforts to build African countries’ capacity to sustain U.S. health programs in the near and long term?

*Answer.* A central focus of PEPFAR’s strategy is promotion of country-led sustainable programs. Strong government leadership of the health system is integral to long-term success, and health systems are strongest where governments have leadership and technical skills to address health system weaknesses. Civil society at the country level also plays an important role in providing feedback on service delivery. PEPFAR’s NGO partners are playing key roles in building country-level capacity, both in governments and in civil society, to respond to the epidemic. Unfortunately, in many countries both government health systems and civil society are extremely fragile, and underresourced in human resources and infrastructure.

We have defined country ownership around the themes of political ownership and stewardship, intuitional ownership, capabilities and mutual accountability, in order to promote a common understanding with our partners. We have seen some early wins using the partnership framework process around country ownership. There are nonetheless challenges already identified in resource constrained countries such as Tanzania, Mozambique, and Malawi where the economic growth rate is still nascent and it may be years before some recipients of bilateral U.S. assistance can directly fund the majority of programs. It will also be a challenge to maintain commitments made to finance health programs in environments where there is political instability. Significant challenges to capacity-building include —lack of budget or operational planning; limited infrastructure for service delivery; inadequate skills for programmatic oversight. However, we are taking deliberate steps to direct country teams to inventory required capabilities, and prioritize the interventions that will help partner countries overcome these obstacles.

As encouraged by Congress in its reauthorization, PEPFAR is promoting steps to build country-capacity through Partnership Framework agreements. Each is a 5-year joint strategic framework for cooperation between the USG, the partner government, and other partners to combat HIV/AIDS in the host country through service delivery, policy reform, and coordinated financial commitments. Frameworks have provided the basis for discussions with governments on long-term planning and alignment between PEPFAR and national strategies. They provide the mechanism for dialogue around investments in capacity by both the partner-country government and PEPFAR, which both have roles to play.

Through the Partnership Framework mechanism, we have seen many countries taking ownership of their health programs. Financing is not the only element in country ownership, but it is part of the discussion in each country, based on the available resources in the country. For example, as part of the Partnership Framework on HIV/AIDS between Nigeria and the USG, the Government of Nigeria is committed to being the leader and steward of its efforts to fight HIV/AIDS. This includes increasing its financing from 7 percent of the national HIV/AIDS response in 2008 to 50 percent of the cost by 2015. To date, 19 countries and two regional programs have signed Partnership Frameworks.

To cite an example of PEPFAR’s efforts to build African countries’ capacity to sustain U.S. health programs in the near and long term, PEPFAR recently launched the Medical Education Partnership Initiative (MEPI), which seeks to transform medical education and dramatically increase the quality and quantity of health care workers in Africa. In partnership with the National Institutes of Health’s (NIH) Fogarty Center and the Department of Health and Human Services (HHS) through Health Resources and Services Administration (HRSA), PEPFAR is making direct grants to African institutions, which are leading a network of U.S. medical schools, regional partners, and country health and education ministries.

Through PEPFAR, the United States will provide about \$130 million in MEPI grants that are awarded directly to African institutions, including two in South Africa. By providing grants directly to African institutions and supporting their partnerships with U.S. and international medical schools and universities, we support their leadership in developing programs that will train and retain future health care leaders, and tailoring education to meet the needs of the populations they serve. In some cases, the opportunities for medical faculty to continue their professional development and engage in research are powerful incentives to remain in their countries and promote excellence in medical education and practice.

In addition, PEPFAR has partnered with HHS/HRSA on a Nursing Educational Partnership Initiative (NEPI) with similar goals and objectives as MEPI, except with a focus on nurses and midwives. The NEPI is a \$35 million award over 5 years awarded to countries, as opposed to academic institutions, and managed by a Ministry of Health workgroup established to represent the key nursing and midwife educators, providers, and policymakers in the country. To date, there are three NEPI countries—Lesotho, Zambia, and Malawi.

*Question.* BLOOD SAFETY: I understand that some PEPFAR funding for blood safety programs ended in March 2010. What measures are being taken by PEPFAR to ensure blood safety, and what progress has been made to help countries oversee the viability and safety of their blood supply? How does this factor into your FY12 budget request?

*Answer.* The President's Emergency Plan for AIDS Relief (PEPFAR) agrees that adequate supplies of safe blood in resource-challenged countries are important components of comprehensive HIV prevention programming. Our blood safety work is a strong example of our efforts to promote country ownership of HIV/AIDS responses. We are partnering with countries to build their capacity to ensure a safe blood supply, with valuable technical assistance from technical partners. This capacity-building not only helps countries' HIV responses, but their efforts to address other diseases as well. Since its launch in 2004, PEPFAR has directly provided direct support to 14 Ministries of Health or National Blood Transfusion Services (NBTS), including 12 in sub-Saharan Africa, with the goal of eliminating transfusion-transmitted HIV infections. All 14 countries achieved universal screening for HIV at these NBTS centers; 13 countries achieved universal screening for hepatitis B, hepatitis C, and syphilis. The United States will continue to support blood safety activities through both PEPFAR and the broader Global Health Initiative (GHI).

The Centers for Disease Control and Prevention (CDC) awarded a PEPFAR Blood Safety Technical Assistance task order contract in September 2010 as a key strategy for building blood safety capacity. Task orders are established at the request of U.S. country teams to meet their country's specific needs. Multiple meetings and exchanges with Ministries of Health (MOH) and National Blood Transfusion Services (NBTS) are needed prior to submitting a task order request to identify needs and assure that PEPFAR programming is complementary to the country's own efforts. In addition, assessment and prioritization of identified blood safety needs are required. These activities took a number of months to complete and resulted in the identification of 22 different task orders. Funding for blood safety activities was released via PEPFAR's Congressional Notification in March 2011, and all 22 task order requests are expected to be awarded in the near future.

*Question.* STRETCHING FUNDS: In this difficult budgetary environment, how are you stretching each dollar through smart investments to ensure taxpayer dollars are going toward programs that have proven to save lives in terms of treatment and prevention?

*Answer.* Accountability to Congress and the American people is the chief priority of the Global Health Initiative, regardless of the budgetary environment. But in these difficult times, it is especially important to ensure that taxpayer dollars are used efficiently and effectively to meet the ambitious targets we have set and save lives.

Despite challenging economic times, we have achieved impressive life-saving results by stretching every dollar through smart investments. Allocating resources based on impact and efficacy; incorporating innovations that promote efficiency; and increasing collaboration with governments and stakeholders to align programs and target investments are critical components of our effort to do more with less. We have also looked inward, reducing costs by streamlining U.S. Government operations and pursuing the best available, all-inclusive commodity pricing. Through all of these smart investments, we are supporting countries as they try to build an effective, durable continuum of care that meets the needs of their people. The more

impactful and efficient our investments, the greater the developing country's ability to create a sustainable response.

Coordination across the whole of government is also critical in creating cost saving efficiencies that allow us to make life-saving investments. Coordination means, at a minimum, that programming within and among U.S. agencies takes advantage of each agency's strengths, avoids duplication, and increases the efficiency and effectiveness of each dollar spent. Better coordination of programs and delivery platforms provides opportunities to strengthen the integration of health services at the point of delivery to meet more of the health care needs of individuals, as well as ensure satisfaction with, and increase demand for, those services. For example, in Mali five separate annual campaigns designed to provide nutrition and NTD treatments were integrated into one, streamlined pilot program. The pilot actually boosted health coverage while cutting the cost of delivery in half. This single campaign approach is being brought to scale, with hopes of expanding it to cover 80 percent of pregnant women and children under 5. This will help ensure that more people have access to high-quality care everywhere we work.

We are grateful for the continued support of Congress in the implementation of this critical work. By making smart investments with taxpayer dollars, we will save more lives. This is and will remain the first priority of the Global Health Initiative.

*Question.* GLOBAL FUND: As a board member of the Global Fund to Fight AIDS, Tuberculosis, and Malaria, how have you responded to the reported misuse of funds in 4 of 145 grant countries, and what steps have been taken to enhance oversight, transparency, and auditing of the Global Fund?

*Answer.* The USG has zero tolerance for fraud and corruption, and we are working aggressively with and through the Global Fund Board, Secretariat, and our bilateral programs to strengthen internal oversight systems, increase country-level capacity to comply with Global Fund requirements, and ensure resources reach those in need and are used effectively to save and improve lives.

The United States has been a leader in calling for reform of the Global Fund. In October 2010, we called upon the Board to develop an action agenda that includes clear timelines and measures progress so all parties can be held accountable for the strong action steps that must be taken to improve the impact of grants and ensure the effective, efficient, and accountable use of resources. The Board embraced this call to action and created a Working Group, led by the Board Chair and including a USG representative, to recommend action steps to improve Fund procedures relating to performance and impact. Through this reform process we have called upon the Fund to take clear steps to: strengthen fiduciary controls; strengthen grant management; deliver better value for money in grants; and improve governance. We believe the package of reforms being presented to the Board for consideration and approval in May 2011 will result in significant improvements in Global Fund operations, oversight, and impact.

The USG is also deeply engaged in supporting country-level oversight of Global Fund grant management and implementation through technical assistance and engagement with Country Coordinating Mechanisms. The USG strongly supports the Fund's Office of the Inspector General and its efforts to prevent fraud and misuse of funds, identify them when they occur, and take immediate steps in coordination with the Secretariat and relevant national authorities to recover funds, prosecute individuals implicated, and strengthen national systems in order to prevent them from recurring. The USG pushed for the creation of the OIG in 2005, links our contributions to the Global Fund to its maintenance of an independent OIG, and has consistently supported its work and advocated for transparent followup on its findings. In 2008, the USG pushed the Global Fund Board to adopt a policy reiterating its zero-tolerance policy for corruption and prohibiting the approval of new grants in countries under OIG investigation. In 2010, the USG again supported significantly increased funding and staff for the OIG and urged greater attention to OIG findings and accelerated followup on OIG recommendations. Finally, we have called upon the Fund to strengthen its day-to-day working relationship with the OIG, implement recommendations made by the OIG, expand the capacity of Country Coordinating Mechanisms to monitor grant performance, improve the oversight capabilities of Local Fund Agents, and track reporting data more effectively. We have also strongly supported the establishment of an independent High Level Panel on Fiduciary Controls, cochaired by former Governor Leavitt and former President Mogae (Botswana), which has been tasked with reviewing the Global Fund's fiduciary controls and oversight mechanisms. We look forward to the Panel's report and recommendations, which will be presented to the Global Fund Board later this year.

*Question.* MOTHERS AND GIRLS: Describe PEPFAR's focus on preventing mother-to-child transmission and other programs for mothers and girls, including in countries afflicted with gender-based violence, such as the DRC.

*Answer.* Prevention of mother-to-child transmission (PMTCT) is a significant cause of new HIV infections worldwide—causing one in every seven new infections. Yet PMTCT interventions are extraordinarily effective. Because it works so well and touches so many lives, PMTCT is a smart investment for PEPFAR—high-impact and cost-effective. In FY 2010 alone:

- PEPFAR directly supported HIV counseling and testing for nearly 8.4 million pregnant women;
- More than 600,000 HIV-positive pregnant women received antiretroviral prophylaxis to prevent mother-to-child transmission; and
- Through these PMTCT efforts in 2010, more than 114,000 children are estimated to have been born HIV-free (adding to the nearly 340,000 from earlier years of PEPFAR).

PEPFAR is leading the global effort on PMTCT and working to ensure that every partner country with a generalized epidemic achieves 80 percent coverage of testing for pregnant women at the national level, and 85 percent coverage of antiretroviral drug prophylaxis and treatment, as indicated, of women found to be HIV-infected.

In 2010, PEPFAR also established “PMTCT Acceleration Plans” for six countries with high burdens of vertical transmission. PMTCT Acceleration Plans provided \$100 million in additional FY 2010 PEPFAR funding—above the more than \$956 million spent on PMTCT from FY 2004–09—to fund plans targeting bottlenecks to expanding services. Based on the encouraging early results of this effort, PEPFAR has continued this funding in FY 2011.

In addition to significantly reducing mother-to-child transmission, PMTCT efforts have benefits for overall health care for women. Linking HIV testing with antenatal care helps to identify women who are in need of HIV care, and whose infants will need additional followup. Counseling and testing can also help women who are HIV-negative remain HIV-free. PEPFAR is also starting to scale up screening for gender-based violence (GBV) in PMTCT clinics it funds, as well as providing linkages and referrals to other key services, such as family planning, malaria prevention, and clinical services for under-5. The availability of these additional services provides an incentive for women to seek antenatal care. In Kenya, Uganda, South Africa and other countries, strong linkages among PMTCT, maternal and child health and other programs dramatically increased program coverage, allowing programs to focus on the needs of each woman and family in a more holistic way.

Beyond PMTCT, PEPFAR also helps women and girls lead healthier lives through integrated programming that addresses their unique needs. Gender sensitive programming is a priority across the entire prevention, treatment, and care portfolio. This includes:

- Increasing gender equity in HIV/AIDS programs and services;
- Reducing violence and coercion;
- Engaging men and boys to address norms and behaviors;
- Increasing women's and girls' legal protection;
- Increasing women's and girls' access to income and productive resources, including education.

PEPFAR is also committed to preventing and mitigating the effects of Gender-Based Violence (GBV). PEPFAR supports significant work in the field to mainstream GBV into existing HIV programs. In FY 2010 PEPFAR provided an estimated \$68 million in bilateral support for activities addressing GBV in more than 28 countries. Through the Gender Challenge Fund, PEPFAR makes additional resources available to country programs on a matching basis. To date, 15 countries have received additional resources through the Gender Challenge Fund. Current activities funded through the Gender Challenge Fund include expanding the response to GBV in Haiti, enhancing PMTCT projects to address barriers and involve men in Uganda, and raising awareness of new laws to protect women in Swaziland.

In addition, PEPFAR is now investing in an intensified scale-up of the response to GBV in three countries—the DRC, Tanzania, and Mozambique. These programs seek both to prevent GBV and to respond to it, ensuring that women and girls targeted with violence have access to appropriate services. Within the DRC, for example, activities focus on expanding access to post-rape care for victims of sexual assault, including developing national guidelines for this care; mobilizing communities to resist GBV; a national level communication campaign to increase awareness of GBV, especially as it relates to HIV; and specific programming addressing norms and behaviors, GBV and coercion, and women's legal rights and protection related to HIV risk reduction. By addressing sexual and other forms of gender violence,

PEPFAR is working to strengthen communities and reduce the structural factors that place women and girls at greater risk for HIV/AIDS.

*Question.* The FY12 budget request includes increases for nutrition and maternal and child health programs. How does the administration plan to maximize the impact of these funds in the coming year? What prompted the increased focus on these concerns?

*Answer.* Nutrition and Maternal and Child Health (MCH) are key components of the Obama administration's international development objectives. Nutrition lies at the intersection of Feed the Future and Global Health Initiatives, since achieving improved nutrition outcomes requires adequate health and sanitation services, as well as access to and the availability and utilization of nutritious foods. Maternal and child health programs, from maternity and newborn care to immunizations and the treatment of life-threatening childhood illnesses, save lives and provide direct investments in the human capital of populations in great need.

Under the Global Health Initiative we are strategically integrating our program support for women and families including in family planning, maternal and child health, and nutrition programs. Country teams in the 28 priority countries are developing strategic action plans that we call "BEST"—BEST Practices at scale in home, community, and facilities for smart integration that draw on latest evidence and best practices. Through these plans, USAID is sharing learning, increasing transparency, enhancing monitoring and evaluation and promoting innovation to accelerate use of new technologies and approaches to bring life-saving care to women.

The administration will maximize the impact of funding by continuing to implement programs that adhere to the principles of effective development, as outlined in President Obama's Global Development Policy. Feed the Future and the Global Health Initiative will draw upon interagency cooperation that leverages expertise and experience across the U.S. Government—including USAID, the Department of State, the Department of Agriculture, the Department of Health and Human Services, Peace Corps, and others—to ensure the application of all relevant knowledge to achieve the best possible outcomes. Initiative efforts will be targeted toward countries and sectors where U.S. support has the greatest comparative advantage, allowing us to scale up and focus resources for maximum effectiveness. Furthermore, we will emphasize the importance of country leadership and accountability by aligning our investments to plans and priorities identified by the countries themselves. We will further expand our impact by leveraging the resources of multilateral institutions and supporting global efforts, such as the Scaling Up Nutrition movement and the U.N. Secretary General's Global Strategy for Women's and Children's Health. We will pursue innovative research programs to develop and disseminate new knowledge and technologies, such as introduction of new vaccines and more nutritious crop varieties, and draw upon public-private partnerships like the "Helping Babies Breathe" initiative for additional resources and expertise. Last, we will hold ourselves accountable through a rigorous program of monitoring and evaluation that will allow us to assess our impact, improve results, and develop best practices for future efforts.

The administration's increased focus on nutrition and maternal and child health stems from its recognition that healthy and well-nourished populations form a foundation for successful economic development and poverty alleviation. The loss of productive lives of women who die or are incapacitated as a result of unsafe childbirth, and of young children who die or whose physical and mental capacity is permanently reduced from preventable and treatable illness and malnutrition, are among the greatest losses of human capacity in developing countries. Experts and economists have recently pointed to improved nutrition as one of the most effective solutions to the world's most pressing challenges. Moreover, scientific evidence has highlighted the critical importance of proper nutrition during the window of time between the start of a mother's pregnancy and a child's second birthday. Inadequate nutrition in this period of approximately 1,000 days can have detrimental and irreversible effects on a child's physical and cognitive development, with repercussions throughout life that impact an entire society.

Fortunately, proven and cost-effective solutions exist, and U.S. maternal and child health and nutrition investments will focus on scaling up such solutions. The 2007–08 food price crisis and the recent global economic crisis led to an increase in poverty and hunger for millions of people, as well as continued concerns about the impact of rising food prices and the limited availability of health care on the most vulnerable. These experiences illustrate the great need for increased resources devoted to improving maternal and child health and nutrition and food security more broadly.

RESPONSES OF MCC VICE PRESIDENT PATRICK FINE TO QUESTIONS SUBMITTED  
BY SENATOR CHRISTOPHER A. COONS

FOREIGN AID

*Question.* Why are the requested levels of funding worth the investment for the U.S. taxpayer, and what metrics do you use to measure aid impact and effectiveness?

*Answer.* Recent U.S. national security strategies, both under Presidents Bush and Obama, have identified U.S. support for global development, especially sustained economic growth, as essential for U.S. national security, global leadership, and guiding values. MCC understands that U.S. resources for development are scarce. For this reason, MCC's model is designed to meet the high expectations of U.S. taxpayers and partner countries themselves—that resources be used well, and that they yield good and measurable returns in terms of poverty reduction and growth.

MCC has a singular focus with partner countries: to promote poverty reduction through economic growth, as evidenced through increased incomes of program beneficiaries. This approach demands metrics and approaches that are designed for long-term investments and that enable MCC and country partners to set clear priorities, measure cost-effectiveness, estimate returns, track progress, and rigorously measure impact. MCC's approach to impact and effectiveness centers around five key questions.

*Question.* 1. Which investments proposed to MCC will best support economic growth and poverty reduction?

*Answer.* Most poor countries have many development needs, and stakeholders, both local and international, often struggle with setting priorities. There are also many needs that reflect objectives other than economic growth. To identify cost-effective investments in long-term economic growth from among this range of needs, MCC and partner countries begin the compact development process with quantitative analyses to identify the main barriers to investment and growth. Once countries propose projects within these priority areas, MCC uses economic analysis to estimate the increase in local incomes these proposals will generate. These analyses allow MCC and partner countries to set priorities, and identify the implementation targets that are the drivers of expected incomes gains that will accrue largely after compact completion.

*Question.* 2. Who will the investments benefit, and by how much?

*Answer.* MCC and country partners use beneficiary analysis to assess how the total income gains of proposed projects will be distributed across different income groups.

*Question.* 3. How do we know investments are on track to be successfully implemented?

*Answer.* MCC and partner countries use monitoring and evaluation (M&E) plans to track program performance against targets. These M&E plans track progress from the earliest phases of implementation through to completion. For example, the M&E plan for a farmer training program would link early inputs (farmer training) to outputs (number of farmers trained) to outcomes toward the end of a compact (number of farmers actually adopting new farming practices and hectares of land under improved production), and finally to the projected impact that will accrue during the years following program completion (higher local incomes). M&E plans also track progress against key policy and institutional reforms that are integrated into compact programs to enhance impact and sustainability. When program designs change due to new information on costs or implementation experience, MCC and MCA partners use M&E plans and underlying economic analysis to revise targets, and assess implications for expected income gains and beneficiary numbers.

*Question.* 4. Did investments achieve the projected impact?

*Answer.* Many factors can influence changes in income, so MCC uses independent evaluations to provide rigorous assessments of the cost-effectiveness of MCC investments. For example, an agriculture program might report income increases among the farmers who received training, but we would not know if these gains were caused by the program or by some other factor, such as ample rains or changes in agricultural prices that benefited all farmers. By measuring changes in incomes for both program farmers and farmers who received no training but were otherwise subject to the same influences, an impact evaluation can determine whether gains are attributable to the program itself.

*Question.* 5. What did we learn to help us improve our investments and better achieve our goals?

Answer. M&E reports and independent evaluations help us understand what works best, enhance ongoing implementation, and inform future project design. By making this information public, MCC contributes to the learning of the broader development community.

#### CR CUTS

*Question.* How will proposed budget cuts in the continuing resolution, or CR, impact the administration's ability to implement its policy agenda and priorities in Africa this fiscal year?

Answer. Since I testified before your committee, the Continuing Resolution has been signed into law, and contains \$210 million in cuts below the FY 2010 enacted level, which provided MCC with \$1.1 billion. MCC is beginning to consider the series of very hard choices that we will have to make. Cuts of this magnitude will impact Indonesia, Zambia, and Cape Verde.

#### INTERAGENCY

*Question.* Describe levels of interagency coordination in developing the budget request for Africa.

Answer. MCC is an active partner in the U.S. interagency process, including serving as colead for the Partnership for Growth initiative. At the country level, where programming occurs, MCC participates in the Embassy country team. We have been pleased with the level of collaboration in countries across our portfolio and on special initiatives such as Feed the Future.

*Question.* To what degree have you embraced a whole of government approach when implementing an Africa strategy?

Answer. MCC works with other U.S. Government agencies across a wide range of areas in Africa. For example, MCC and USAID are actively working to identify areas for collaboration in food security. In Mali, USAID is planning on complementing MCC's investments in land titling by supporting a legal framework to resolve land conflicts. In Senegal, MCC and USAID have identified opportunities for USAID programs in social services, farmer training and rural infrastructure to complement MCC's investments in road and irrigation networks. MCC and Peace Corps signed an agreement in September 2010 to enhance cooperation and share knowledge and resources in support of country-led development; this MCC/Peace Corps coordination is expected to be strongest in Africa. For example, in Lesotho, a Peace Corps Volunteer has been assigned to the partner government entity managing the MCC compact and is helping to implement a water supply and sanitation project. MCC is also working in Ghana and Tanzania with the Department of State, USAID, and other U.S. Government Agencies on a new Partnership for Growth, a whole-of-government effort intended to accelerate growth and remove key obstacles to investment in a small number of select countries.

#### CHINA

*Question.* Describe the extent and nature of China's influence in sub-Saharan Africa, and the degree to which it impacts America's role in the region.

- Are there areas of cooperation we have not fully explored with China that may allow us to better meet shared regional goals?
- What steps are we taking to mitigate areas of tension with China in Africa?
- How are U.S. businesses faring in Africa given the economic competition with China?

Answer. MCC looks to the U.S. State and Treasury Departments, coleads of the U.S. strategic economic dialogue with China, to frame and pursue U.S. engagement opportunities with China and steps to mitigate areas of tension with China in Africa.

#### CAPE VERDE

*Question.* What are the benefits and costs of a second compact with Cape Verde, and to what degree has it served as a regional model—originally qualifying as a low-income country, and later graduating to the “lower-middle” income category?

Answer. Cape Verde was selected by the MCC Board as eligible for a second compact in December 2009. MCC has made it clear to all current partner countries that

eligibility for a second compact is not automatic, and depends on policy performance as well as strong compact implementation performance.

Cape Verde's performance on MCC's eligibility indicators has been impressive. The country is the top performer for all lower and lower-middle-income countries in Africa on control of corruption. To become eligible for a second compact following a graduation from lower to lower-middle-income status, Cape Verde aggressively took on necessary policy reforms, such as reducing the time to start a business from 52 days to as little as 1 hour.

Despite their policy progress, Cape Verde still has 40 percent of its population living on less than \$2/day.

Cape Verde achieved significant results under the first compact. I met the beneficiaries of MCC investments in Cape Verde last year, discussed the training and technologies that will allow farmers to prosper by transitioning to higher value crops, and I visited the roads, bridges, and modernized port that are spurring growth in commerce. All civil works were completed on time, and important policy reforms were achieved under the compact, including a new microfinance law, launching the first private credit bureau in the country, and lifting a 20-year embargo on agricultural produce exports from the country's most agriculturally productive island.

The benefits of a second compact with Cape Verde are clear. First, Cape Verde's performance on the first compact demonstrated that it is a good partner with the United States and is committed to effectively employing foreign assistance funding. Second, Cape Verde serves as an example of an aggressive reformer committed to enacting and implementing the policies needed for growth. By investing in Cape Verde through a second compact, the United States will signal that it is also committed to backing countries that are pursuing smart, growth-oriented policies.

#### SECOND COMPACTS

*Question.* How do you determine the criteria for qualifying for a second compact, especially in light of budgetary constraints? What is the justification for opting to engage with the same country in a second compact as opposed to creating new opportunities in other countries? Please also discuss the proposed second compact with Ghana in 2012.

*Answer.* MCC's mandate is to partner with countries where investments will have the greatest potential returns in terms of poverty reduction and economic growth, and where U.S. taxpayer resources can be used most effectively. In some cases, the greatest opportunity for impact may be in deepening partnerships with existing MCC partner countries.

Second compacts may present some of the best opportunities to reinforce the key elements of the MCC model. By being very selective in choosing second compact partners, MCC creates a strong incentive for ongoing policy and implementation performance among country partners. By building on lessons and experience in first compacts, second compact provide good opportunities for innovation and new partnerships with private sector and civil society. Continued engagement with a well-performing country gives MCC the opportunity to help countries establish a firm path toward growth and greater private sector investment, and away from dependence on aid.

MCC does not have an inherent preference for working with new or existing partners. The MCC Board of Directors makes decisions on which countries are eligible for MCC assistance. The Board's determination of eligible countries is based primarily on country performance on MCC selection indicators. In determining country eligibility, the Board also considers the opportunity to reduce poverty and generate economic growth within a country and the availability of MCC funds.

In addition, for countries that are candidates for second compact selection, the Board considers each country's performance implementing its first compact. To assess first compact implementation performance, the Board considers country performance in three general areas:

- Progress toward achieving compact results, including significant progress relative to the planned compact timeline and on process and output indicators, the degree to which compact programs are on track to reach compact targets, and the level of commitment to monitoring and evaluation plans included in the compact.
- The nature of the country partnership with MCC, including political will and capacity to implement compact programs, pro-active management of implementation challenges, and achievement of policy reforms associated with compact investments.

- The degree to which the country has implemented the compact in accordance with MCC's core policies and standards, including in the areas of preventing fraud and corruption, procurement, environmental impact, gender integration, monitoring and evaluation, and legal provisions as defined in the compact agreement and other supplemental documents.

MCC's Board is selective when determining eligibility for subsequent compacts. Of the eight countries that will conclude compacts by the end of 2011 (Armenia, Benin, Cape Verde, Honduras, Ghana, Georgia, Nicaragua, and Vanuatu), MCC's Board has selected only three as eligible for a second compact—Cape Verde in FY10 and Georgia and Ghana in FY11.

MCC's engagement with partner countries is not open-ended. MCC carefully considers the appropriate nature and duration of each country partnership based on the country's policy and implementation performance, as well as the opportunities to have an impact on growth and poverty reduction. This includes consideration of the potential sustainability of MCC's investments and of the country's ability to attract and leverage public and private resources in support of development. MCC's targeted, selective engagements are critical to ending the cycle of aid dependency, ensuring sustainability, and promoting country ownership.

Ghana is a very poor country, but one of Africa's best governed. Ghana consistently performs well on the MCC indicator criteria. Its continued track record of democratic governance is demonstrated by its regular ranking among the top LIC performers in the "Ruling Justly" category.

Implementation of Ghana's Compact is on track to achieve its objectives, and the investment is managed by a strong Ghanaian-led and staffed team. The Ghana Compact has already generated tangible interest from the private sector.

Ghana was selected as second compact eligible in December 2010, and the compact development process began in 2011. The first step in the compact development process is for the Government of Ghana, with support from MCC, to conduct an analysis of binding constraints to growth. This analysis is still underway. Once the binding constraints to growth are better understood, MCC and the Government of Ghana, informed by a broad consultative process, will begin to set priorities for the second MCC compact.

#### POVERTY REDUCTION

*Question.* One of the stated goals of the MCC is to reduce poverty. How do you assess poverty reduction in Africa, and to what extent do you believe your measurements—which include household surveys—serve as a model which can be emulated by other U.S. Government agencies and international institutions?

Answer. In most contexts, it is common practice to use income levels that fall below some predetermined acceptable level to identify poor households. In development contexts, the international lines of \$1.25 and \$2 per day are generally accepted. We know that using such a measure misses a lot of information, but household income levels (usually measured using consumption expenditure information collected through household surveys) represent the best single indicator of household welfare levels.

Using this standard, recent experience in Africa is mixed, but probably is a lot better than many casual observers might think. In fact, 17 countries with a total population of more than 300 million people saw their average real incomes rise by 50 percent between 1996 and 2008. In these countries, the share of the population living on less than \$1.25 per day fell from 59 percent in 1993 to 48 percent in 2005. Another six countries experienced slower growth in the 13–24 percent range. Much of this impressive performance reflects improved democratic and economic governance.

Many of these countries are MCC partners, but it would be incorrect for MCC to claim credit for their macroeconomic successes. Instead, we need to look for investment-specific information that allows us to differentiate between the broader gains that are being generated by overall country performance and the increases in income that can be attributed to MCC programs. Household surveys are often an important source of such information, but in other cases, more targeted data collection suffices. For example, for some road investments, data on road quality (roughness) and traffic speeds and volume may provide an adequate basis for assessing impacts on local incomes.

MCC's framework for results goes beyond surveys. The main elements, and those worth considering for broader use, include: (i) ex ante projections of results using benefit-cost analysis; (ii) monitoring of performance during implementation against targets; and (iii) rigorous independent impact evaluations, which include surveys both before and after, and also often include designs that allow the evaluator to at-

tribute gains to the specific intervention. Although it may not be cost-effective to require each government expenditure to be assessed using such a framework, MCC has found that the clear delineation of program logic and expected returns imposes a useful discipline around investment decisions. This preparatory analysis, then, helps in constructing a monitoring plan that ties program input and output targets to the ultimate program objectives. The use of surveys and independent research designs to document what was actually accomplished satisfies MCC's strong commitment to transparency and accountability and to becoming a learning institution.

## INDICATORS

*Question.* Please discuss the range of inputs which inform MCC's assessment of indicators, and the requirement that a country must score above the median on performance indicators against other countries in their income bracket. For low-income countries, therefore, the bar is set quite low. Has the MCC considered changing its eligibility requirements?

*Answer.* In keeping with MCC's commitment to aid effectiveness through the regular evaluation of its own practices, MCC is undertaking a comprehensive review of its selection process in 2011. At the time the selection system was established, MCC's country scorecard represented the most effective way to compile third-party data to compare policy performance as objectively as possible across the broad majority of low- and lower-middle-income countries. After using this system for 7 years, MCC believes it is appropriate to undertake a review to ensure that the system remains the most effective indicator system for evaluating and selecting countries for eligibility. While the review may find that MCC should make no changes to the selection system, it may, alternatively, identify recommended adjustments.

MCC has, and will continue to use third-party indicators to identify countries with policy environments that will allow Millennium Challenge Account funding to be effective in reducing poverty and promoting economic growth. MCC evaluates performance in three areas—Ruling Justly, Investing in People, and Encouraging Economic Freedom—using 17 independent, third-party policy indicators. MCC favors indicators that:

- Are developed by an independent third party;
- Utilize an analytically rigorous methodology and objective, high-quality data;
- Are publicly available;
- Have broad country-coverage;
- Are comparable across countries;
- Have a clear theoretical or empirical link to economic growth and poverty reduction;
- Are policy-linked, i.e., measure factors that governments can influence; and
- Have broad consistency in results from year to year.

While MCC may work with both low-income countries (LICs) and lower-middle-income countries (LMICs), MCC is legislatively limited in the amount of assistance that it can provide to LMICs (no more than 25 percent of the amount of assistance provided in a given year). LICs are defined as countries with a GNI per capita of less than \$1,905 in FY11. There are 63 countries that fall into the LIC income classification in FY11. Among those countries, MCC is committed to working with the strongest performers, and the median system allows MCC to identify those countries. For developing countries, with attendant capacity and administrative challenges, the existing system is actually quite difficult to pass because countries must perform above the median on at least three indicators in each category, and must perform above the median on control of corruption. Over the past 4 years, only four LICs have passed every year (Tanzania, Lesotho, Bolivia, and Vietnam.)

## MALAWI

*Question.* A new MCC compact with Malawi was signed last week despite Malawi's recent enactment of new laws that tighten restrictions on free speech and criminalize female homosexuality. I know that those measures gave the MCC pause—given the brief suspension of the compact by the MCC Board—but the decision was made to move forward. Please explain the dialogue you had with the Government of Malawi before signing the compact, and the degree to which it presented an opportunity to engage African Governments on critical social issues.

*Answer.* In January 2011, the MCC Board of Directors approved a \$350.7 million compact to support the Government of Malawi's power sector reform agenda, as well as to improve the availability, reliability, and quality of Malawi's power supply by rehabilitating key power generation and distribution assets and improving service to electricity consumers. That compact was signed on April 7, 2011.

As you note, compact signing was delayed so that MCC could engage in a direct policy dialogue with the Government of Malawi about recent laws that could be used to restrict media freedoms and human rights.

Specifically, MCC was concerned that two clauses could be used to restrict media freedoms or individual human rights: a publications clause (section 46), which addresses the authority of the government to prohibit publications “contrary to the public interest;” and a human rights clause (section 137A), which criminalizes female homosexual conduct.

Following a constructive, high-level dialogue in Lilongwe, the Malawian President and Cabinet published a statement to clarify that the publications clause in the amendments was intended to prohibit child-pornography or incitements to violence (not to restrict political speech). The government publically affirmed the constitutional protections of free speech, noting citizens’ right to challenge the use of this law in the courts.

With regard to the amendment criminalizing female homosexual conduct, MCC has taken a clear public stand that such laws are inconsistent with a country’s human rights obligations, and with MCC’s own policy indicators. We have made clear to the Government of Malawi that if Malawi criminally punishes any LGBT individuals under this law, MCC would begin the investigations that represent a first step in MCC’s suspension/termination process.

I believe MCC’s actions have helped prompt a level of dialogue about human rights for LGBT populations in a country and a region where such rights are not always protected. In the President Mutharika’s own speech at the compact signing, he described the imperative of “uphold[ing] freedom of choice and freedom of religion, and freedom of pursuit” with regard to the transgender couple pardoned last June. To our knowledge, this was the first time President Mutharika has publically associated personal freedoms with LGBT issues.

The Malawi compact is an investment estimated to generate \$3.1 billion in income benefits for close to 6 million Malawians. MCC is watching closely to see that the Government of Malawi upholds its own commitment to citizens’ rights and freedoms. My agency has been very frank about this, both with the Government of Malawi, and with MCC’s own stakeholders here in the United States.

---

RESPONSES OF DEPUTY ASSISTANT ADMINISTRATOR RAJAKUMARI JANDHYALA TO  
QUESTIONS SUBMITTED BY SENATOR CHRISTOPHER A. COONS

FOREIGN AID

*Question #1.* Why are the requested levels of funding worth the investment for the U.S. taxpayer, and what metrics do you use to measure aid impact and effectiveness?

Answer. The United States has significant political, economic, and humanitarian interests in Africa. Disease and conflict know no borders, and undeveloped markets limit the potential of global economic growth. At the same time, we cannot turn our backs on those in need; the American people demonstrated their overwhelming commitment to help those in crisis through outpourings of donations after the earthquake and tsunami in Japan, the earthquake in Haiti, and other recent disasters. Assistance is an American value.

USAID’s efforts focus on responding to crises, combating disease and improving public health, helping to address transnational threats and challenges, strengthening democratic institutions and protecting the democratic gains of African countries, fostering broad-based and sustainable economic growth, and preventing, mitigating, and resolving armed conflict.

Since 1998, dozens of African countries have embraced democratic rule. Today, 9 of Africa’s 48 states are regarded as full democracies while 23 others are regarded by Freedom House as partial democracies. This is a remarkable achievement given that 30 years ago military dictatorships and one-party states predominated throughout the continent and we believe our sustained efforts to support democracy both diplomatically and through our assistance programs have played a key role in this success.

The number of conflicts that preoccupied Africa and the international community over the past decade has been sharply reduced. USAID employs a range of conflict mitigation and peace and reconciliation activities in Africa. In FY 2010, support to conflict mitigation and reconciliation in the region totaled approximately \$63 million, with the majority of funding to the Democratic Republic of Congo, Ethiopia, Somalia, and Sudan. USAID also supports conflict early warning and prevention mechanisms in Kenya and through the Economic Community of West African

States, the East African Inter-Governmental Authority on Development, and the African Union to analyze conflict trends and position resources to mitigate violence before it starts. African leaders recognize the negative impact of violent conflicts on their region and many of them demonstrate a willingness to assume greater responsibility for preventing and responding to conflicts. The participation of African states in subregional peacekeeping missions and the African Union's commitment to the establishment of five standby brigades across the continent attest to this fact. The African Union's principled stance opposing violent coups is another positive development, and USAID has been strengthening its coordination with the African Union with programming focused on conflict prevention, democracy and governance, food security, and health.

Africa's economies have also made measurable strides. African governments have liberalized their economies, embraced market reforms and adopted probusiness policies. Prior to the onset of the global financial crisis in 2008, Africa enjoyed nearly a decade of steady economic growth, averaging over 5.3 percent a year. Although much of this growth was driven by oil and gas exports, and the rise in mineral and commodity prices, significant policy changes by African governments, an upsurge in agricultural exports, and the expansion of Africa's entrepreneurial middle class also played a major role in this turnaround. USAID's priority is fostering this sustainable, broad-based economic growth—one of the fundamental forces that will eventually transform the developing world, by accelerating development and eradicating poverty. We envision a world where private sector investment drives sustainable growth and market-led development replaces foreign assistance.

Strengthening democratic institutions remains our most important policy priority, as weak governance dampens economic activity, undermines development progress, and can require costly humanitarian interventions. Democracy is a long-term process as opposed to a single event such as an election. We will continue to work in partnership with African governments and civil society organizations to strengthen their democratic institutions and to protect democratic gains. In Africa, USAID is working to combat corruption, and human rights violations by abusive governments and other nonstate actors. We encourage the development of independent judiciaries, strong legislative bodies, independent media, robust civil societies, and transparent budgets and elections. We help countries address technical, organizational, and political aspects of the election cycle. And we work to reverse democratic stagnation, military coups, and attempts by sitting presidents to illegally extend their mandates.

The Millennium Challenge Corporation (MCC) and the African Growth and Opportunity Act (AGOA) work to accelerate Africa's economic development and encourage progrowth policies. Our efforts through AGOA, which gives African countries duty-free access to the U.S. market, focus on diversifying African exports away from petroleum products. Supporting trade capacity-building assistance, integration efforts that eliminate regional trade barriers, and enhanced transportation infrastructure are important to assisting Africa to increase its share of world trade.

Africa's poverty puts it at a distinct disadvantage in dealing with major global and transnational problems like health pandemics, food shortages, and the illegal exploitation of maritime and mineral resources. Narcotics trafficking is an increasing problem in west Africa and could become a major destabilizing force if it is not stemmed. Africa is also acutely vulnerable to climate change, the effects of which will impact all areas, from food security and health to conflict and market access. USAID is leading efforts to ensure that African countries can adapt to climate change as they grow their economies. We help partner nations implement low-carbon development strategies to guide investment as well as to take concrete steps to achieve sustainable low-carbon growth. As Africa faces the impact of these transnational challenges, we must be equally active in working with leaders and governments across the continent and international partners to address issues that are global in nature, not just specific to Africa.

USAID recognizes the need to focus our resources to maximize the impact of our assistance. Our programs focus on six African states facing major humanitarian problems or recovering from serious conflict: the Democratic Republic of the Congo, Kenya, Liberia, Somalia, Sudan, and Zimbabwe. We are also providing continued significant support to Ethiopia, Nigeria, and South Africa because of their importance in advancing regional security and economic growth. These nine countries play a major role in determining the prospects for conflict or stability and development in their regions, making them critical priorities for U.S. investments. USAID is also supporting the relatively well-performing countries of Ghana, Mali, Mozambique, and Tanzania to strengthen local governance and accountability to consolidate and deliver the dividends of democracy.

## CR CUTS

*Question #2.* How will proposed budget cuts in the continuing resolution, or CR, impact the administration's ability to implement its policy agenda and priorities in Africa this fiscal year?

Answer. The President's FY 2011 request for Africa was robust, and we acknowledge that actual levels may be less than the request. State and USAID's central budget offices are currently reviewing the FY 2011 appropriation language and funding levels, and have not yet made bureau or country-specific allocation recommendations. However, as levels are developed, the focus will be to ensure that the President's priorities in food security, health, and climate change are addressed, as well as ensuring that joint State/USAID priority focus countries receive appropriate funding.

## INTERAGENCY

*Question #3.* Describe levels of interagency coordination in developing the budget request for Africa.

a. To what degree have you embraced a whole of government approach when implementing an Africa strategy?

b. Secretary Carson and Deputy Assistant Administrator Jandhyala, please detail areas of cooperation between State and the Department of Defense—specifically, AFRICOM.

Answer. Collaboration begins with a shared strategic vision with jointly agreed upon priorities for Africa. These are:

- Strengthening democratic institutions and protecting the democratic gains of African countries;
- Fostering broad-based and sustainable economic growth;
- Combating disease and improving public health;
- Preventing, mitigating, and resolving armed conflict; and
- Helping to address transnational threats and challenges.

The initial input for developing the budget request comes from the Chiefs of Mission at each sub-Saharan Africa post in response to these goals through a Mission Strategic Resource Plan (MSRP). This plan reflects the input of all U.S. Government (USG) partners at post, and lays out a USG-wide approach for meeting the development and diplomatic challenges in each country. Reviews of these MSRPs are conducted in Washington, program and funding decisions are made, and a joint State/USAID Africa budget submission is prepared. State Africa Bureau and USAID Africa Bureau work hand in hand throughout the budget development process, from the start of the request in the field to the development of final requests for the President.

Other USG partners are included throughout the process as appropriate for their area of focus. For example, under the Global Health Initiative, and particularly through the President's Emergency Plan for HIV/AIDS Relief, State and USAID are joined by Health and Human Services' Centers for Disease Control, the Department of Defense and the U.S. Peace Corps in developing a comprehensive multiagency response to the HIV/AIDS pandemic. The Feed the Future initiative leverages a range of resources from across the U.S. Government in a shared effort to sustainably reduce global hunger and poverty. In Washington, the interagency Feed the Future team includes members from USAID; the Departments of State, Agriculture, and Treasury; Peace Corps; Millennium Challenge Corporation; Office of the U.S. Trade Representative; U.S. African Development Foundation; and the White House through National Security Council, Office of Management and Budget, and Office of Science and Technology Policy. In the field, USAID missions engage and coordinate with relevant agencies at post to harness all available food security resources towards the goals of Feed the Future.

This collaboration continues throughout the implementation of programs, with the submission of a joint State/USAID Operational Plan to detail programming of current year appropriations, and a joint State/USAID Performance Report on results achieved in the previous fiscal year. These efforts are reflected in the joint State/USAID Annual Performance Report covering activities worldwide.

The USAID Administrator and the Secretary of State serve as board members for the Millennium Challenge Corporation (MCC), along with other principals from the interagency community including the Secretary of Treasury, the U.S. Trade Representative, and more—which provides the highest level forum to ensure that our respective resources are brought to bear on common objectives that both increase the impact of developmental objectives and optimize stewardship of U.S. resources. Examples of USAID and MCC collaboration include:

- In Mali's ongoing \$461 million Compact, USAID is working with MCC to advance work in land tenure and administration. Through the Feed the Future initiative, USAID and MCC work in complementary ways to strengthen local membership-based organizations for adoption of agricultural best practices and appropriate water management.
- In Burkina Faso, USAID directly administers the education component of the \$481 million Compact (\$28.9 million), implementing the second phase of a girls' primary school education program, which assists 132 communities throughout Burkina Faso's rural areas.
- In Tanzania, a 5-year, \$698 million Compact, USAID and MCC are collaborating to provide HIV/AIDS and other health services to construction workers and communities, and to mitigate the environmental impacts of MCC-funded infrastructure projects. Feed the Future draws upon MCC infrastructure project and procurement experience in local and international markets. Also, regional roads funded by MCC will greatly facilitate trade in target Feed the Future areas.

USAID and the Departments of State and Defense collaborate on issues of diplomacy, development, and defense, and this cooperation is fully operationalized at the U.S. Africa Command (AFRICOM). Security is essential for long-term development to take place, and development is critical for security to be sustained. Therefore, civil-military cooperation with AFRICOM is a vital part of a "3D" (diplomacy-development-defense) effort to achieve U.S. national security objectives. This cooperation takes the form of interagency staff liaisons and coordinated programming on three different levels: (i) in Washington, DC, (ii) in Stuttgart, Germany (AFRICOM headquarters), and (iii) on the African Continent.

In Washington, a liaison officer from AFRICOM serves in USAID's Office of Military Affairs, in the Bureau for Democracy, Conflict, and Humanitarian Assistance. In addition, a development officer in USAID's Bureau for Africa conducts civil-military coordination full time with AFRICOM and other Department of Defense offices active in Africa. In addition to these staff exchanges, senior staff from USAID's Bureau for Africa regularly interact with their AFRICOM counterparts as well as with the Deputy Assistant Secretary of Defense for Africa. In one recent example, USAID Deputy Assistant Administrator for Africa, Raja Jandhyala, participated in an interagency forum to discuss AFRICOM's defense posture, advising the command on ways to optimize its resources to support both its security mission and USAID's development mission.

In Stuttgart, a USAID Senior Foreign Service officer serves as the Senior Development Advisor to the AFRICOM Commander. A second USAID officer heads AFRICOM's Health and Humanitarian Assistance Branch in the Strategy, Plans, and Programs Division. Finally, an officer from USAID's Office of U.S. Foreign Disaster Assistance serves in AFRICOM's Operations and Logistics Division.

USAID's Senior Development Advisor works on a daily basis with AFRICOM's senior leadership and participates actively in the command's planning and operations activities, in conjunction with State Department's Foreign Policy Advisor, to ensure that USAID missions in Africa are fully aware of and coordinating with current and proposed AFRICOM activities.

USAID's Director of AFRICOM's Health and Humanitarian Assistance Branch is the only USAID officer in any combatant command that directly supervises military personnel and oversees military programs. The branch's Pandemic Response Program, funded by USAID, enables AFRICOM to assist African militaries to improve their pandemic planning and response capabilities. This team and USAID's officer in the Operations and Logistics Division created a Disaster Planning and Preparedness Program funded by AFRICOM to build African partner nations' capability to respond to natural and man-made disasters, using a coordinated civil-military approach.

USAID's AFRICOM team has clarified roles and responsibilities of the agencies in support of humanitarian assistance. This was especially important during Operation Odyssey Dawn in Libya, as well as during planning efforts for the Democratic Republic of the Congo, Somalia, and Sudan.

On the African Continent, the Combined Joint Task Force Horn of Africa (CJTF-HOA) assigns liaison officers at a number of USAID missions in east Africa and invites USAID to advise and coordinate on CJTF-HOA civil affairs projects throughout the region.

One best practice that has emerged from USAID-AFRICOM cooperation is the recent opening of the Guistir clinic in a remote corner of Djibouti, near the border with Somalia. Civil-military planning in Djibouti is an interagency effort that places the Government of Djibouti in the lead of identifying programs that advance its own development goals. A string of cemeteries lines the road from Guistir to the next

town, 20 kilometers to the west, where the nearest clinic was located; each grave represents a sick patient, perhaps a young mother in labor, who did not survive the journey. Since CJTF-HOA constructed the clinic in Guistir and USAID helped Djibouti equip and staff it, clinic staff have said they expect no more cemeteries would be needed along that road—a prime example of USAID’s development leadership simultaneously contributing to CJTF-HOA’s military objectives in the Horn of Africa.

#### CHINA

*Question #4.* Describe the extent and nature of China’s influence in sub-Saharan Africa, and the degree to which it impacts America’s role in the region.

a. Are there areas of cooperation we have not fully explored with China that may allow us to better meet shared regional goals?

b. What steps are we taking to mitigate areas of tension with China in Africa?

c. How are U.S. businesses faring in Africa given the economic competition with China?

Answer. China plays a significant role in Africa’s economic and human development, particularly through trade and infrastructure development—roads, ports, and health facilities—that could help increase farmers’ access to markets, improve regional trade integration, and improve health outcomes, which is in line with the U.S. Government’s priority investments in Africa.

Over the past several years, USAID has engaged the Chinese around development and humanitarian issues in Africa both bilaterally through annual high-level dialogues (U.S.-China Strategic and Economic Dialogue; U.S.-China Sub-Dialogue on Africa) and multilaterally through the China Organization for Economic Cooperation and Development (OECD) Development Assistance Committee. USAID, like many other donors, has been working to establish a regular development dialogue with China. Chinese officials have agreed verbally to explore collaboration with USAID in the health and agriculture sectors, with a special focus in Africa. However, progress has been slow.

On the margins of the May 2010 U.S.-China Strategic and Economic Strategic and Economic Dialogue, USAID Administrator Shah met with China’s Ministry of Health, Division of International Cooperation senior staff and discussed potential cooperation in select African countries in health and food security. We reached an agreement to conduct a joint assessment in health in Ghana and Liberia. The assessment was conducted in December 2010 and findings presented at the China-Africa International Health Conference in February 2011. The assessment allowed Chinese and U.S. health experts to examine jointly malaria, maternal health, and other public health programs, to determine how China and the United States could work together for greater development impact. The assessment concluded with a very strong recommendation, voiced by African health ministries and supported by representatives from key international organizations, that closer communication and collaboration between China, bilateral donors and other international organizations offered the potential to integrate China’s strengths as a partner in health into an effective African-led health planning and coordination system. We are encouraged that the Chinese Government has allowed representatives from government-affiliated think tanks to collaborate with USAID with the intent to improve health outcomes in Africa. Through this cooperation we hope to improve our understanding of Chinese foreign assistance structure, objectives, and goals to formulate an effective engagement process and mechanism to address issues that directly or indirectly affect overall U.S. foreign assistance programs and policies as a result of China’s development activities in Africa and around the globe.

In March 2011, USAID and the State Department held a food security and agriculture development workshop in Beijing that brought together United States and Chinese and U.S. agricultural and development policy experts to exchange information and discuss potential areas of collaboration, objectives, and complementarities. These modest collaborative efforts hold the potential in the long term to help developing countries, particularly in sub-Saharan Africa, make the best strategic use of opportunities and resources that China brings in support of economic growth and poverty reduction. Improvements here are particularly important in the agricultural sector, given the current significant levels of U.S. and international investment in support of the Comprehensive Africa Agriculture Development Program (CAADP).

We would like to encourage China to implement internationally agreed standards through mechanisms such as the Extractive Industries Transparency Initiative, World Health Organization recommendations on good quality malaria drugs, the 2005 Paris Declaration on Aid Effectiveness, and 2008 Accra Agenda for Action on issues such as transparency, harmonization, ownership, and alignment.

In 2009–10, China provided \$110 billion in loans to developing countries and the private sector, compared to the World Bank's \$100 billion. As the largest provider of infrastructure financing in Africa, China is making a substantial contribution to economic development. If managed well, China's assistance could help push Africa toward attaining the Millennium Development Goals. However, if managed poorly, achievements could erode and further weaken economic growth and poverty reduction efforts.

#### FEED THE FUTURE

*Question #5.* In 2009, President Obama pledged \$3.5 billion over 3 years to address global hunger and poverty, and a year later launched the Feed the Future Initiative. Twelve of the twenty Feed the Future focus countries are located in sub-Saharan Africa, and the FY11 budget request was the first to specifically include Feed the Future.

a. How is USAID implementing the Feed the Future effort in light of the reduction of funding in the CR?

b. How much closer does the FY12 budget request bring us toward achieving the goals established by the President in 2009?

c. What steps are being taken to encourage other donors to increase their pledges to fight global hunger?

Answer. Feed the Future (FTF) embraces the country-led approach to developing and implementing agriculture and rural development investment plans, which increases the efficiency and impact of donor resources. In Africa, the Comprehensive Africa Agriculture Development Program (CAADP) processes integrate donors into the planning process and CAADP country investment plans have improved coordination, alignment, and harmonization of donor resources.

In the past 2 years, FTF implementation progressed rapidly. In West Africa, for example, USG investments in food security facilitated a 5-percent increase in intraregional trade in three value chains—maize, onions, and livestock—by strengthening market information systems, holding trade-related events, and providing technical assistance to producers, trader organizations, and agriculture-related firms.

Half of the FY 2012 request for USAID and State Feed the Future activities is prioritized and concentrated in 20 focus countries with the political and investment environment that will produce the greatest impact in reducing global hunger and poverty. Of the \$568 million requested for the 20 focus countries, we have further prioritized this request by requesting \$284 million for five countries: Bangladesh, Ghana, Rwanda, Tanzania, and Uganda. In addition, FTF implementation is concentrating available resources based on policy, socioeconomic, and impact assessments conducted by U.S. Government country teams. The results of these assessments guide FTF investments to areas where there would be the greatest impact given available resources. FTF implementation is concentrating available resources. Specifically, investments are focusing on select crops, such as rice, sorghum, and millet in Mali, and legumes and dairy in Malawi, that would yield the greatest impact in securing broad-based reduction of poverty—particularly among women—and increasing nutritional outcomes for the most vulnerable. Investments are also geographically focused in regions with the greatest agricultural potential and beneficiary impact, and where overlapping regional benefits from existing U.S. Government programs have the potential to enhance outcomes.

Feed the Future also works to increase donor funding for agriculture-led growth. In line with the objectives of the administration's food security initiative, the U.S. Government supported the creation of the Global Agriculture and Food Security Program (GAFSP) trust fund which pools donor funds to provide an additional, unified source of financing to support sustainable food security strategies for those developing countries which demonstrate their commitment to addressing the food security needs of their population. The U.S. contributions to the GAFSP are leveraged by significant contributions from other donors.

At the G8 summit in July 2009, President Obama pledged to provide at least \$3.5 billion over 3 years (FY 2010–12) to attack the root causes of global hunger through accelerated agricultural development and improved nutrition. The U.S. Government commitment leveraged more than \$18 billion in support from other donors, creating the financial capacity to significantly reduce the number of people living in extreme poverty and suffering from hunger and undernutrition. The President's FY 2012 budget requests \$1.4 billion for State, USAID, and Treasury to meet the President's pledge.

Like other donors, the United States is facing a tight budget environment. Nevertheless, we are still on track to meet our L'Aquila commitment of \$3.5 billion over

3 years. To date, the United States has provided \$813 million in FY 2010 funding to meet the L'Aquila commitment.

Feed the Future establishes the United States as a political and moral force in the fight against hunger and poverty. The President's pledge at L'Aquila catalyzed over \$18 billion in commitments from other donors and institutions in support of food security. Our global leadership on this issue has brought various donors to the table in the country-led processes for developing and implementing investment plans.

More important than "new" versus "old" money is ensuring that pledges will be spent in support of the principles we all embraced at the 2009 G8 summit. We are encouraging other donors to ensure that is the case, as it is with our own pledge. Bilateral and multilateral development partners are working together to establish a mutual accountability framework, aimed at holding the partners accountable to each other at the global level; as well as development partners and beneficiary countries accountable to each other. The L'Aquila summit donors have provided breakdowns of their own pledges, which were compiled in a reporting tool designed by the Organization for Economic Cooperation and Development. This information is included in the G8 Accountability Working Group's report, released at 2010 G8 summit in Muskoka, Canada.

In addition, the United States-European Union development dialogue is pushing donor coordination and leveraging even further. Under the development dialogue we have agreed to work together in five pilot countries—Ethiopia, Mali, Zambia, Bangladesh, and Guatemala—and one region—ECOWAS (Economic Community of West African States). In these focus countries and region, the United States and European Union are jointly analyzing and reviewing country and regional plans, coordinating outreach to the private sector, jointly financing the CAADP Multi-Donor Trust Fund, and coordinating the provision of technical support for the development of country and regional investment plans.

*Question #6.* Describe the process by which USAID selected the 12 African focus countries for the Feed the Future initiative, especially because the initiative criteria extends beyond food insecurity. To what degree does governance and institution-building factor into your calculations in terms of a country's ability to effectively absorb funding?

*Answer.* Focus countries were selected based on five factors related to the needs and opportunities for reducing food insecurity:

- *Level of Need:* We assessed the level of need based on four primary factors (1) income levels, (2) poverty rates, (3) the Global Hunger Index (compiled by International Food Policy Research Institute [IFPRI] in conjunction with Deutsche Welthungerhilfe and Concern Worldwide), and (4) IFPRI's categorization of level of food security. The Global Hunger Index uses three equally weighted indicators to represent a multidimensional measure of global hunger—the proportion of undernourished as a percentage of national population, prevalence of underweight children under the age of 5, and mortality in children under 5.
- *Opportunity for Partnership:* We sought to work in countries that place a high priority on food security for all of their citizens and that are committed to working in partnership with, among others, donors, civil society, international organizations, and the private sector. Our assessment was based on a range of factors, including basic political stability and the absence of conflict, the quality of governance, the overall economic policy environment, and the commitment to design and implement a high-quality strategy to enhance food security.
- *Potential for Agriculture-led Growth:* Within our strategy, the principle mechanism for reducing extreme hunger and poverty is agricultural-led growth. Thus, we prioritized countries where poverty is still predominantly rural and where there is significant potential for improvements in agricultural productivity and market development.
- *Opportunity for Regional Synergies:* We prioritized countries that present strong opportunities to strengthen regional trade and development corridors, integrate markets and accelerate regional growth, and play a major role in regional trade.
- *Resource Availability:* A central tenet of our strategy is that creating lasting progress in food security will require deep investments in agricultural, economic, and social systems. To achieve this, our resources are concentrated in a set of countries that have committed a substantial proportion of their own resources to provide the level of support necessary to catalyze growth and significantly contribute to accelerating progress toward the MDGs. We are committed to coordinating with development partners to leverage additional resources, but recognize that prioritization and strategic choices are still required due to resource constraints.

USAID has also embarked on an ambitious reform effort, USAID Forward, to change the way we do business—with new partnerships, an emphasis on innovation and a relentless focus on results. FTF aligns with USAID Forward principles to provide grants to more and varied local partners, and to create true partnerships to create the conditions where aid is no longer necessary in the countries where we work. FTF host country systems are assessed for their capacity to effectively implement food security programs. Based on findings, USAID will use host country systems to implement FTF programs. In cases where a FTF focus country's institutions do not have the capacity to effectively implement food security programs, FTF investments will help strengthen local systems to produce efficient local governments, thriving civil societies and vibrant private sectors able to manage USAID investments.

#### ASSISTANT ADMINISTRATOR FOR AFRICA

*Question #7.* What limitations have been placed on USAID's work in Africa given the absence of an Assistant Administrator?

Answer. There are not limitations on our work in Africa, but the absence of a Senate-confirmed Assistant Administrator is less than ideal. Our White House and Agency leadership are aggressively working to identify a candidate. In the interim, we currently have two talented and experienced Deputy Assistant Administrators managing the Africa Bureau. The Senior Deputy Assistant Administrator in charge of the Bureau is a Senior Foreign Service officer with over 20 years of experience on the continent. A third Deputy Assistant Administrator will come on board soon.

#### GLOBAL HEALTH

*Question #8.* Advances in medical research around the world have led to the development of new, effective vaccinations that address some of the most pressing disease plagues facing sub-Saharan Africa. Given USAID's large role in implementing the Global Health Initiative, please describe how the budget request for FY12 will enable distribution of these lifesaving treatments. The administration emphasizes increasing "country ownership" of U.S. health assistance programs.

a. What does this mean in the context of Africa, where many governments are unable to assume significant financial control over global health programs in the near term?

b. What type of investments might advance efforts to build African countries' capacity to sustain U.S. global health programs?

c. What types of U.S. activities, if any, do you believe may complicate country efforts to assume greater control?

Answer. The implementation of the Global Health Initiative (GHI) is guided by several approaches that will optimize the development and distribution of lifesaving treatments, including an emphasis on accelerating results through research and innovation, strengthening and leveraging key partnerships, and strengthening health systems. The FY 2012 budget request reflects a comprehensive and integrated global health strategy to implement GHI by expanding the reach of our investments in the President's Emergency Plan for AIDS Relief (PEPFAR), the President's Malaria Initiative (PMI), maternal and child health, family planning, tuberculosis, neglected tropical diseases, and other programs, by tying individual health programs together in an integrated, coordinated system of prevention and care. This strategy will save lives while fostering sustainable health care delivery systems that can address the full range of developing country health needs.

USAID supports research through its programs and through multilateral organizations to determine the most effective ways to take advantage in the field of advances in medical technology. Active measures to share learning and best practices among U.S. Government health staff and implementers encourage adjustments that keep U.S. assistance at the forefront of technological effectiveness.

Under USAID Forward and the GHI principles, USAID is implementing a worldwide program to strengthen the capacity of government institutions to manage the financial resources in a transparent and accountable manner—to use country systems. As this capacity is developed, USAID will provide resources to the governments in an incremental manner even in the short run. Also, in strengthening countries' ability to make sound health financing policy, USAID has over 15 years of experience in developing the capacity of the countries to measure the flow of health expenditures using national health accounts. USAID assistance to build capacity in resource tracking and develop financial management systems has been successful in many African countries, especially in Kenya and Rwanda.

Throughout Africa, USAID supports countries' role in health sector planning and strategy development, where country leaders develop and own the priority-setting process, often leading to a comprehensive, sectorwide plan for health development (or SWAp). USAID participates fully in the SWAp process for planning and priority setting in African countries, often being selected to serve as lead donor in the SWAp meetings. USAID's longstanding technical leadership in health sector monitoring and survey statistics, such as through the signature Demographic and Health Survey, is relied on in many countries for tracking progress under the country's SWAp. USAID supports technical assistance in many countries for preparation of analyses used in SWAp planning.

USAID has a long history of strategic investments in health systems strengthening, providing assistance building management and policymaking capacity to countries in all the key functional areas: human resources, pharmaceutical management and logistics, strategic information, health financing, health governance and leadership, and service delivery. (See also the USAID Report to Congress on Health Systems Strengthening.)

Under GHI, USAID places a high priority on strengthening the management of health programs, moving away from an earlier era when programs often were led by individuals with only clinical training and without formal training in health management or finance. For example, USAID provided assistance to Kenya for a comprehensive review of management weaknesses in the Ministry of Health. In response, USAID/Kenya is supporting a large-scale program to provide management training to the health professionals. In other African countries, USAID is also placing a much stronger emphasis on strengthening the capacity of the health ministries in general and financial management in particular.

Some observers see a tradeoff between quick implementation of program activities and building country-owned institutions and individual managers' capabilities. This is a false dichotomy. Through GHI, USAID encourages achievement of ambitious goals for improved health and country-led programs, which emphasizes countries' ownership of planning, execution, and monitoring of results. USAID Forward supports the use of country systems, harmonization of aid mechanisms among donors, and unified tracking and monitoring processes. USAID staff members routinely consult with partner country leaders and managers to ensure we are following country priorities.

In all countries with weak health systems, USAID supports initiatives to building their public sector and private sector capacity for planning and management. This is a deliberate and long-term process which, over time, will permit countries to assume greater and greater control. In many African countries, USAID supports local universities and other institutions to build their capacity to train key health management and policy staff members, and provide consultations and advice to build systems.

#### FOOD AID

*Question #9.* Please describe the relationship between Feed the Future and U.S. emergency and humanitarian food aid programs, especially since Africa receives the largest share of both agricultural development assistance and emergency aid.

a. What are the linkages between the strategy and delivery of these two types of programs?

b. What measures are in place to avoid duplication of efforts?

*Answer.* The United States will continue to provide food aid during times of crisis, but a lasting solution to hunger requires a long-term commitment to agricultural growth. Agricultural growth fosters economic growth, reduces poverty, improves health, and is necessary to meet the needs of a growing world population in the face of climate change and other environmental challenges. The U.S. Government's Feed the Future (FTF) initiative addresses the root causes of hunger that limit the potential of millions of people, using a combination of bilateral programs and multilateral mechanisms. FTF promotes growth in the agriculture sector, facilitates local and regional trade, and invests in game-changing innovations and technologies to support productivity increases, so that countries are better able to combat hunger, feed their people, and contribute to stable global food supplies.

One of the key principles of FTF is to support country-led agriculture and food security efforts, including in the development of country-owned food security strategies and investment plans, with participation from U.S. food assistance implementing partners and their local counterparts. In sub-Saharan Africa, this support is provided within the framework of the Comprehensive Africa Agriculture Development Program (CAADP), a continent-wide, African Union-led commitment to agriculture that is changing the way governments, donors, private sector and other

stakeholders invest in agriculture and food security. At least 22 CAADP compacts and 19 CAADP country investment plans have been developed in Africa.

Through these country-led strategies, FTF collaborates with other U.S. agricultural programs, such as Food for Peace, to ensure efficiency and the greatest impact at the country level. Sub-Saharan Africa receives approximately three-fourths of worldwide USAID-managed food aid with 80 percent of food aid funding going to six countries. During FTF strategy development, USG country teams analyzed current country humanitarian food aid programs in the design of their FTF strategy, targeting regional interventions that are complementary to humanitarian food aid programs.

The administration's FY 2012 budget requests \$79 million for a Community Development Fund (CDF), which will play a catalytic role in bridging humanitarian and development assistance. CDF investments will fund community-based interventions aimed at increasing the economic and nutritional resilience of the rural poor and accelerating their participation in economic growth. Examples of activities that we expect to support within integrated community development projects include nutrition education, livelihood diversification, microcredit and savings, conservation agriculture and other interventions adapted to preserve natural resources, and vocational education. Increased emphasis will be placed on building local capacity to manage risk and protect community and household assets.

#### INITIATIVES

*Question #10.* How does Feed the Future, with its emphasis on sustainable agricultural development, and the Global Climate Change Initiative—or GCCI—collaborate and become mutually reinforcing initiatives in Africa, a region that faces significant food security issues and potentially devastating effects from climate change?

Answer. Climate change is inextricably linked to food security because of its wide-reaching impact on agriculture and landscapes. Studies carried out by USAID's Famine Early Warning System Network (FEWS NET) have found that total rainfall in east Africa for example has never been lower than over the last 5 years. Since 1980, total rainfall during east and southern Africa's long rainy seasons has declined an estimated 15 percent. How small-scale farmers are able to adapt to these challenges is an important consideration for USAID.

Under the Feed the Future initiative, USAID will invest in specific adaptive strategies such as sustainable agroecological methods and research into drought-resistant seeds. Of the \$145 million in agriculture research and development requested in the FY 2012 budget for Feed the Future, \$87 million will be spent in sub-Saharan Africa to increase productivity through breeding and genetics research for major food crops such as maize, sorghum, and rice, and to integrate adaptive technologies and practices in the production of various crops. Furthermore, there is potential for significant mitigation from agricultural lands through agroforestry and the adoption of perennial crops, which sequester carbon and reduce other agricultural based emissions, but also danger that agriculture will contribute to degradation of natural resources. Feed the Future will integrate indicators related to natural resource management and climate resilience into the monitoring and evaluation system to track the impact of agricultural productivity gains on resource management and climate mitigation within the initiative to provide information in case program modification is necessary.

Farmers across the Sahel have had to adapt to climatic variability for decades, and they have been a model for USAID as we develop and scale up Feed the Future adaptation techniques. Over the last 25 years, as land pressure and variability increased, Sahelian farmers adapted by turning to natural forest management. Trees are less susceptible to rainfall fluctuations, and tree products such as fruits, gums, and wood can find ready domestic and export markets. Niger's farmers are managing nearly 5 million hectares of farm forests, which were simultaneously yielding tree products and improving soil productivity. During the aftermath of Niger's 2005 drought and food crisis, one study found that villages that had established farm forests suffered no increase in child mortality, and while unable to produce grains, these villages were still able to sell tree products to purchase food. By adapting to their changing environment, Niger's tree farmers found a way to survive through a drought crisis—which, in the coming years, may unfortunately become less of an anomaly and more of a regular cycle.

However, integrating adaptive strategies of this type into food security programs on the ground will only get us so far. Two elements of the Global Climate Change Initiative will improve and reinforce the on-the-ground field work critical to the success of the Feed the Future initiative:

- Improving access to science and analysis for decisionmaking: Information and tools help nations and communities estimate the probability of different kinds of climate effects and project their likely impacts, assess the relative costs and benefits of different interventions, and find ways of encouraging adoption of the most cost-effective innovations. USAID invests through the global climate change initiative in scientific capacity, improved access to climate information and predictions, and evidence-based analysis to identify vulnerable sectors, populations, and regions and to evaluate the costs and benefits of potential adaptation strategies. These investments will result in better-informed choices among decisionmakers and increase the probability of success in reducing vulnerability to climate change. “Decisionmakers” includes government policymakers at all levels, communities, farmers, firms and entrepreneurs, and households.
- Improving governance systems around adaptation to climate change: Good decisions do not just require good science and analysis. USAID is supporting efforts to integrate climate information and analysis into inclusive, transparent decisionmaking processes, effective governmental coordination that is responsive to the needs of local constituents, improved public communication and education, and strengthened community, civil society, and private sector engagement. We will support processes that include a broad range of host-country stakeholders, including women, vulnerable populations, and indigenous and other ethnic minorities.

These additional activities, supported specifically through the Global Climate Change Initiative, complement and support the on-the-ground work that is informing the Feed the Future Initiative multiyear strategies.

USAID’s core country teams working on Feed the Future activities draw on climate change expertise from throughout the Agency. In addition, many of the USAID staff working on these two issues are colocated in the same field offices and work together to build sustainable economic growth. Both Feed the Future and the Global Climate Change Initiative provide important components addressing climate change stresses on food security. Especially in the Africa region, these programs are being designed in partnership in order to enhance complementarities and to build stronger capacity among our partner countries to address these critical issues.

#### CLIMATE CHANGE

*Question #11.* Please discuss the ways GCCI works with American institutions and companies to promote the use of adaptive technologies and clean energy best practices to stem the effects of climate change.

*Answer.* The activities of USAID’s African missions and the Africa Infrastructure Program (AIP) seek to support activities which help to attract and advance private investments into the clean energy and electricity sectors in sub-Saharan Africa. Most clean energy activities supported by USAID in Africa have the potential for supporting and creating attractive investment opportunities for private U.S. companies. Several ongoing USAID programs have been developed in response to conversations with U.S. companies regarding the greatest barriers to investment on the continent.

USAID’s bilateral missions in the Democratic Republic of Congo, Kenya, Liberia, Mozambique, and Nigeria will use climate change funds to support the planning and implementation of Low Emission Development Strategies, renewable energy micro-finance activities, rural energy development, and the strengthening of government institutional capacity to support and attract private investment into clean and renewable energy technologies. Nigeria is also supporting capacity and market development programs necessary to significantly reduce the practice of gas flaring in the west African region. USAID’s Africa regional missions, located in west Africa, east Africa, and southern Africa, will focus on developing regional institutional capacity to plan for and attract private investment into clean and renewable energy projects within their respective regions, and they are expected to continue some level of support for strengthening regional power pools’ abilities to deliver renewable energy to customers within their respective geographic areas.

USAID’s AIP seeks to attract U.S. and international private investment into larger scale electricity infrastructure projects in Africa. The program does not directly partner with U.S. companies. Instead, it provides technical assistance to strengthen foreign governments’ capabilities to successfully negotiate with U.S. companies trying to develop projects in Africa. Providing foreign officials with this expertise provides government negotiators with the understanding of what is required to attract and sustain private investment in their countries, and the confidence required to engage U.S. and other private sector interests to develop and obtain financing for proposed infrastructure projects on the subcontinent. The program is

currently providing capacity-building and transaction support assistance to 11 African governments which combined have the potential for constructing over 1,800 MW, or over \$3 billion of new, clean, and renewable energy power projects in Africa.

USAID's AIP is also currently seeking to make a significant commitment with other donors to building the capacity of governments in the development of significant geothermal energy opportunities in the East African Rift Valley Region. This effort could provide significant opportunities for U.S. geothermal companies which are highly competitive internationally.

Representatives of the AIP regularly communicate with private U.S. companies who are developing electricity sector projects in Africa in an effort to understand the barriers that they are encountering, the needs and the inadequacies of government officials negotiating with them, alert them to opportunities, and to listen to their recommendations on what will make projects financeable. On more than one occasion, U.S. companies have asked AIP representatives if they would provide governments who they are negotiating with the assistance to enable them to close projects in a more expeditious manner.

AIP also sponsors—along with U.S. Department of Treasury and the Infrastructure Consortium for Africa—a videoconference series that includes senior representatives of over six African governments, international financial institutions, U.S. project development companies, and other stakeholders that discusses what is necessary to financially close electricity sector projects in Africa, what is necessary to achieve common objectives and specific case studies of projects that have successfully reached financial closure.

USAID's Private Financing Advisory Network (PFAN) partnership is currently supporting programs in a number of African countries by bridging the gap between investors and clean energy entrepreneurs and project developers. The network brings in a range of skilled advisors including project finance experts to provide project developers with guidance on feasibility, project structure, investment and financing, preparation of the business plan and introductions to investors that are focused on economically viable projects with social and environmental benefits. For example, for proposed project activity in southern Africa, through capacity-building and network expansion activities, PFAN expects to accelerate closure of up to 30 clean energy projects with a total financing forecasted to range from U.S. \$58–\$372 million.

Under USAID's ongoing partnership with the National Association of Regulatory Utility Commissioners (NARUC), we are supporting several activities in Africa:

- In Nigeria, a USAID/NARUC-sponsored regulatory partnership between the Nigerian Electricity Regulatory Commission (NERC) and the Michigan Public Service Commission is underway to enhance NERC's ability to undertake market-based regulatory functions and provide effective oversight of the Nigerian electricity sector. As a result of focused discussion on consumer affairs to date, NERC opened a branch office in Lagos (with plans to open five more in Nigeria) to handle consumer complaints.
- In West Africa, USAID recently launched an 18-month technical assistance program between the ECOWAS Regional Electricity Regulatory Authority and the West Africa Gas Pipeline Authority, in partnership with the Organization of PJM States, Inc.,<sup>1</sup> to build the regulatory capacity of these recently established regulatory institutions.
- Under another USAID program, regulatory staff members from six African countries will participate in an ongoing internship program in the United States this summer to gain hands-on knowledge of establishing regulatory incentives for renewable energy.

USAID also partners with the U.S. Energy Association to implement the Energy Utility Partnership Program. USEA is an association of public and private energy-related organizations, corporations, and government agencies. The Energy Utility Partnership Program is focused on volunteer-based, practitioner-to-practitioner, multiyear partnerships between U.S. and developing country utilities, regulatory and energy agencies for the purpose of promoting the more efficient, sustainable, and environmentally sound supply and use of energy. USEA's approach is to transfer market-based approaches and "best practices" for energy system operation and regulation. USEA partnership focus on such topics as energy sector reform; energy markets; energy efficiency and renewable energy; energy information and research;

<sup>1</sup>An organization of statutory regulatory agencies in 13 American States and the District of Columbia, within which PJM Interconnection, LLC, a regional transmission operator approved by the Federal Energy Regulatory Commission, oversees the operation of the electric transmission grid and related services.

environmental improvement; and electricity generation, transmission, and distribution. In this unique public-private collaboration, U.S. partner institutions have demonstrated a commitment to the program by donating approximately \$1 in time and supplies for every U.S. Government dollar spent. The success of USEA's partnership program results from the extraordinary voluntary commitment and expertise of participating U.S. utilities. USEA has supported partnerships in Egypt, Ghana, Kenya, Namibia, Nigeria, Senegal, Tanzania, Zambia, and Zimbabwe.

#### COMPLEX CRISIS FUND

*Question #12.* The Complex Crisis Fund, first appropriated in 2010, is a flexible funding stream that allows civilian agencies to respond to emerging crises. How has the Complex Crisis Fund been used by USAID to effectively prevent violent conflict and mitigate escalating crises in Africa, and how does this fit into USAID's plan to implement the QDDR?

*Answer.* Complex Crisis Funds (CCF) have been used by USAID to effectively support efforts to prevent violent conflict and mitigate escalating crises in Kenya, Kyrgyzstan, Sri Lanka, and Yemen.

In Kenya, \$3.95 million in CCF was provided to mitigate the threat of renewed ethnic-based violence in areas at high-risk of conflict from the International Criminal Court (ICC) and referendum-related activities. The referendum was calm, and the ICC announcement had little impact on violence. While there were many factors involved in the stability during this period, there are many that credit USAID activities as playing a crucial role.

One way to improve civilian capacity is to expand our ability to use resources flexibly in dynamic environments. The CCF provides State and USAID the opportunity to quickly respond to rapidly evolving situations, which for various reasons, would have been difficult for the bilateral program funding mechanism to respond in a swift and appropriate manner.

