

**NOMINATIONS OF THE 112TH  
CONGRESS—SECOND SESSION**

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**HEARINGS**

BEFORE THE

**COMMITTEE ON FOREIGN RELATIONS  
UNITED STATES SENATE**

ONE HUNDRED TWELFTH CONGRESS

SECOND SESSION

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FEBRUARY 7 THROUGH NOVEMBER 28, 2012  
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Printed for the use of the Committee on Foreign Relations



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S. HRG. 112-735

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COMMITTEE ON FOREIGN RELATIONS  
112TH CONGRESS—SECOND SESSION

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**NOMINATIONS OF FREDERICK D. BARTON,  
WILLIAM E. TODD, AND SARA MARGLIT AVIEL**

**TUESDAY, MARCH 13, 2012**

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

Hon. Frederick D. Barton, of Maine, to be an Assistant Secretary of State (Conflict and Stabilization Operations) and to be Coordinator for Reconstruction and Stabilization  
Hon. William E. Todd, of Virginia, to be Ambassador to the Kingdom of Cambodia  
Sara Margalit Aviel, of California, to be United States Alternate Executive Director of the International Bank for Reconstruction and Development

The committee met, pursuant to notice, at 10:05 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Tom Udall presiding.

Present: Senators Udall and Corker.

**OPENING STATEMENT OF HON. TOM UDALL,  
U.S. SENATOR FROM NEW MEXICO**

Senator UDALL. The Senate Foreign Relations Committee will now come to order.

Let me welcome our nominees who are here this morning: the Honorable Frederick D. Barton, of Maine, to be Assistant Secretary of State for Conflict and Stabilization Operations and also the Coordinator for Reconstruction and Stabilization; the Honorable William E. Todd, of Virginia, to be Ambassador to the Kingdom of Cambodia; and Ms. Sara Aviel, of California, to be the United States Alternate Executive Director of the International Bank for Reconstruction and Development.

We meet this morning to consider these three nominations, which are important to achieving the smart power goals of the United States—Ambassador Frederick Barton to be Assistant Secretary of Conflict and Stabilization, as I have said, and the Honorable William Todd and Mrs. Sara Aviel. All of these nominees play a crucial role in promoting the smart power of the United States.

In 2009, Joseph S. Nye Jr., a Harvard professor, former Assistant Secretary of Defense for International Security and a former chair of the National Intelligence Council, wrote a piece in Foreign Affairs titled, “Get Smart: Combining Hard and Soft Power.” In

this piece, he began with a statement by Secretary of State Hillary Clinton, who, at her confirmation hearing, stated: "America cannot solve the most pressing problems on our own, and the world cannot solve them without America. We must use what has been called smart power, the full range of tools at our disposal."

Joseph Nye Jr. would conclude in his piece that, "The United States can become a smart power by once again investing in global public goods, providing things that people and governments in all quarters of the world want but cannot attain on their own. Achieving economic development, securing public health, coping with climate change, and maintaining an open, stable international economic system all require leadership from the United States.

"By complementing its military and economic might with greater investments in its soft power, the United States can rebuild the framework it needs to tackle tough global challenges. That would be true smart power." And he ended there.

The three nominees we are considering today will all serve, if confirmed, at the front lines of smart power for the United States. Since the earliest days of our republic, our Ambassadors have served at the tip of the spear of our diplomatic mission, using smart power when it was simply known as diplomacy.

Our Ambassador to Cambodia will continue the long legacy of past Ambassadors to the region. The formation of the International Bank for Reconstruction and Development was one of the early tools the United States employed immediately after World War II to help promote stability and development across the globe.

The International Bank for Reconstruction and Development has been responsible for fostering economic development and stability in developing countries, improving lives, and working to prevent conflict through economic development before it occurs. The Alternate Executive Director of the International Bank for Reconstruction and Development plays a key role in tackling the World Bank's development goals.

And today, we will also consider the nominee to fill a new position, the Assistant Secretary of State for Conflict Stabilization Operations and Coordinator for Reconstruction and Stabilization. These new positions present many opportunities to improve coordination between agencies from within the State Department to respond to conflicts and prevent them from occurring.

So we welcome our nominees today, and as I am going to—if Senator Corker wants to make any opening, or we can go directly to your statements. Feel free to introduce family members that are here and any description you have of them. I know some of you have some family members that have some history either with the Department or service overseas. And we very much appreciate the sacrifice we know that the entire family makes in these kinds of positions.

And with that, Senator Corker, if you want to say a few words, welcoming, and then we will proceed to the witnesses.

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

Senator CORKER. Thank you, Mr. Chairman.

The chairman knows I don't make a lot of opening statements. But we welcome each of you and certainly your families. Sometimes the families can have greater impact than the nominees. But we thank you all.

I know that Ms. Aviel has been in our office several times since last fall. I may not stay for a lot of questioning after your original testimony, but we will follow up with other questions.

But we thank all of you for your willingness to serve in this way and coming before us today, and I look forward to your statements.

Senator UDALL. Thank you.

And please, your full statement will be in the record. So we're asking you to just address the committee for 5 minutes at this point. And why don't we start with Mr. Barton?

**STATEMENT OF HON. FREDERICK D. BARTON, OF MAINE, TO BE AN ASSISTANT SECRETARY OF STATE, CONFLICT AND STABILIZATION OPERATIONS, AND TO BE COORDINATOR FOR RECONSTRUCTION AND STABILIZATION**

Ambassador BARTON. Great. Thank you very much, Senator Udall. Thank you, Senator Corker. It is great to be here today.

I would also like to give a special thanks to your colleagues, Senator Kerry and Senator Lugar, for their path-breaking work in this conflict and crisis space. They have been pushing for us to do what we are trying to do right now for a number of years, and happy to have this opportunity, if confirmed.

I would also like to thank the SFRC staff. They have been working this issue for as long as I have been around, and would to say that since my father was on this staff many, many years ago, it is great to be back in this place. I think he might be making it here, but he is 91, and sometimes he will move at his own pace, I find. But he is an old friend of Bertie's and others. And so, it really does feel good to be back here.

My deepest thanks to President Obama and Secretary Clinton for giving me this opportunity and, obviously, to Ambassador Rice for having called upon me to serve in New York.

Mine is a lifelong commitment to public service, and the advancement of peaceful democratic change is what I have been trying to do for the last 18 years. Obviously, much of that foundation is built on the service of my parents, and it has been reinforced by my wife, Kit Lunney, who is here, and our daughter, Kacy, who is serving the public in her own way as well.

So it is great to have everybody here today. I have heard "break a leg" more often in the last 24 hours than I have probably in the rest of my life, so.

Senators, you have my written testimony. So what I would like to do is just bring together three of the elements of the testimony.

First, today's conflicts and crises present fresh challenges. Whether it is popular revolts, economic collapses, threats without borders, or hyperemergencies where a combination of factors come together, we are being challenged in a very different way. The United States will continue to play a pivotal, if not a dominant role, and we must be more ready.

To be more effective, we have to especially expand in the area of local ownership. And CSO can help by making sure that the U.S.

Government model is built off of an analysis that is driven by local voices. Second, that has to lead into an integrated strategy with really clear priorities, two or three priorities. And then the resources that the U.S. Government has have to be driven at those particular elements.

We can't be all over the place. We have to answer the question "What is most needed?" rather than "What can the United States do?"

And third, I believe that CSO's success in the coming year is going to be determined by two key elements. Whether we will have a real impact in two to three places of significance to the United States, and will we be able to build a trusted and respected team?

If confirmed, that will be my intent, and I will make sure that our relationship with the Congress is open and responsive in every way.

Thank you again for this honor.

[The prepared statement of Ambassador Barton follows:]

PREPARED STATEMENT OF FREDERICK D. BARTON

Chairman Udall, Senator Corker, and members of the committee, it is an honor to appear before you today. Thank you for your support in creating the Bureau of Conflict and Stabilization Operations (CSO), and to President Obama and Secretary of State Clinton for giving me this opportunity. Public service is a family commitment, and I am grateful to my wife, Kit Lunney; our daughter, Kacy; my late mother, Nancy; and my father, Bob, who served this committee at the end of his career, for their encouragement.

The State Department's Quadrennial Diplomacy and Development Review (QDDR) concluded that "we must be faster, more innovative, and more effective than [the] forces of instability and we must be flexible enough to adapt to rapid changes that occur in conflict." To strengthen our coherence and cohesion in preventing and responding to conflict and crisis, Secretary Clinton established CSO.

Its mission is to prevent countries' descent into crisis and speed their emergence from conflict, thereby contributing to a more peaceful, just world. If we succeed, our investments will save the lives of both local civilians and Americans. Our work will also save money by avoiding expensive military interventions, and help produce resilient societies that contribute to the global economy.

CSO will build on the valuable conflict-related work of its predecessor, the Office of the Coordinator for Reconstruction and Stabilization (S/CRS), and other parts of the U.S. Government. This work has ranged from helping to facilitate South Sudan's referendum on independence to supporting efforts to stamp out the Lord's Resistance Army, from working to allay ethnic violence in the Kyrgyz Republic to helping the Transitional National Council take charge in Libya. CSO is now looking at engagements on Kenya, Burma, Syria, and northern Central America.

In its engagements, the Bureau first asks: "What is most needed?" And then: "What can the U.S. do?" Too often in conflict we begin by deploying costly tools regardless of whether they are right for the situation. Critically, solutions must be driven by local dynamics and actors. As Secretary Clinton has said, our job is to "work to make sure a government's first obligation is to its own people."

CSO will improve our effectiveness by driving a rigorous four-step engagement process. We must start with an inclusive, joint, independent analysis, driven by local voices and avoiding predetermined answers. Second, that analysis should lead to a strategy that identifies a few main priorities. Third, resources—funding and personnel—should be directed to address these priorities, consistent with U.S. interests and capacity. And finally, the process must include ongoing, transparent measurement, evaluation, and adaptation. That includes applying lessons that we have learned in places like Afghanistan and Iraq.

We must partner with those who will make us most effective, building inclusive teams from the start, making timely decisions, and ensuring we are all moving in the same direction. CSO works with its sister bureaus in the Undersecretariat for Civilian Security, Democracy, and Human Rights, and depends on close partnerships with USAID, the Department of Defense, and others. It goes without saying that CSO must act as an accessible and responsive partner with Congress.



As I met with more than 200 stakeholders in the Department, on the Hill, and elsewhere, I learned that CSO faces real pressure to prove itself. If confirmed, I will focus on three goals for the next year: Bring high-impact engagements to a few strategic places where targeted prevention and response can be most effective; add innovation and agility to the approaches we use; and build a respected team and trusted partnerships.

CSO is already expanding its ability to deploy while shrinking its overhead, simplifying its structure, consolidating offices, targeting efforts on key countries, and building a stronger leadership cadre in the Civilian Response Corps. The Corps is becoming more flexible and conflict-focused.

In the last 10 years, we have learned the hard lesson that conflict in even the most remote state can have a serious impact on our national security. In over 17 years of work in more than 30 of the world's most unstable places, I have seen that nothing is more wasteful to human potential than violent conflict. If confirmed, I will bring to the job my personal dedication to help the United States expand the course of peaceful, democratic progress for people around the world and ensure our security here at home. Many lives—within and beyond our borders—depend on a more timely, efficient, and organized response.

Thank you and I look forward to your questions.

Senator UDALL. Mr. Todd, please proceed.

**STATEMENT OF HON. WILLIAM E. TODD, OF VIRGINIA, TO BE  
AMBASSADOR TO THE KINGDOM OF CAMBODIA**

Ambassador TODD. Thank you, Mr. Chairman. Thank you, Senator Corker.

Before I get started, I would like to introduce my wife, Ann. She has been the inspiration throughout this entire process. She is probably happier about this day than I am, getting it over.

I would also like to introduce the heroes in my life, my parents, Jack and Marie Todd. My dad was a combat helicopter pilot. He served two tours in Vietnam, won the Silver Star. And my mother was a career Federal employee. And they basically gave me the commitment to Federal service. So, thank you.

Senator UDALL. Great to have you here.

Ambassador TODD. I will also try to be brief, but it will be a little longer than my colleague.

Mr. Chairman and members of the committee, I am deeply honored to come before you today as President Obama's nominee to be the next American Ambassador to the Kingdom of Cambodia. I want to thank President Obama and Secretary Clinton for their confidence in nominating me for this position.

Mr. Chairman, thank you for the kind words on my background. For the sake of time, I will just highlight my last two assignments.

As you mentioned, in 2008, I was confirmed as U.S. Ambassador to Brunei, where I proudly promoted democracy, human rights, and religious freedom and worked with Brunei to become a more active player in APEC, ASEAN, and as a contributor to regional security. I am excited by the opportunity to give back to the region, if confirmed.

In 2011, I finished a 1-year tour in Afghanistan as Coordinator of Development and Economic Affairs. In that capacity, I was responsible for overseeing a \$4 billion development program, managing over 600 Americans, and running the mission's regional and provincial civilian operations. It was the most challenging, but rewarding job I have had in my career, and I would happily do it again if asked.

Mr. Chairman, I believe these past assignments, as well as the variety of other positions I have held in the Federal Government over the past 25 years, provide me with the skill set that will effectively advance our interests in Cambodia.

Cambodia's modern history is one marked by tragedy, conflict, and survival. Today, however, we see a Cambodia that is refusing to let its past dictate its future and is looking to that future with a new sense of confidence and optimism.

Cambodia's economy is one of the fastest-growing economies in Asia. That growth has created thousands of new jobs. The Khmer Rouge tribunal secured its first conviction in 2010, and the trial of case No. 2 is underway, bringing to justice the people who caused so much pain and suffering.

The HIV infection rate has been reduced by two-thirds.

Death and injuries caused by unexploded ordnances have been reduced by almost 75 percent, and roads that were once impassable have been demined and rebuilt. And Cambodia has been a model partner in our efforts to achieve the fullest possible accounting of American servicemen missing from the Indochina war.

These successes have been transformative, but much work remains, particularly in the areas of rule of law, democratic institutions, human rights, combating human trafficking, and corruption. Mr. Chairman, if confirmed, I assure you that I will continue to take each of these issues head on and will take the lead in advancing the causes of freedom, democracy, rule of law, and respect for human dignity.

Mr. Chairman, I would also like to highlight two additional issues that I will focus my efforts on, if confirmed. First, as you know, Cambodia is the ASEAN chair this year. As the United States pivots toward the Asia-Pacific and deepens its engagement, we will look to ASEAN to play a crucial role in maintaining and promoting regional peace and security, coordinating humanitarian assistance and disaster relief, and fulfilling the region's promise for democracy, respect for human rights. I see the chairmanship as an opportunity for the United States to partner with Cambodia, helping where we can and addressing together challenges when they arise.

Second is the Lower Mekong Initiative, which is designed to increase cooperation within the subregion for those who live, work, rely on the Mekong. I believe that as ASEAN chair, Cambodia can help push this initiative forward by promoting cooperation on the environment, education, health, and infrastructure in order to make the region more peaceful, prosperous, and secure.

In closing, Mr. Chairman and members of the committee, if confirmed, I will dedicate all of my energy and experience to advance United States foreign policy objectives in Cambodia and to strengthen the relationship between our two great countries. I look forward to working with you, this committee, and any interested Members of Congress to advance our shared interests in Cambodia.

I would be happy to answer any of your questions. Thank you.

[The prepared statement of Ambassador Todd follows:]

## PREPARED STATEMENT OF WILLIAM E. TODD

Mr. Chairman, members of the subcommittee, I am deeply honored to appear before you today as President Obama's nominee to be the Ambassador of the United States to the Kingdom of Cambodia. I want to thank President Obama and Secretary Clinton for the confidence they have shown in me by nominating me for this position. If confirmed, I will work closely with this committee and other interested Members of Congress to advance U.S. interests in Cambodia.

Cambodia's history is marked by tragedy, conflict, and survival. Today, however, we see a modern Cambodia that refuses to let its past dictate its future. Although Cambodia is still recovering from three decades of strife and war, including the atrocities of the Khmer Rouge era, there are a number of good reasons that Cambodia is imbued with a new sense of confidence and optimism. Cambodia boasts one of the fastest growing economies in Asia over the past decade, and it is reforming and attempting to improve its business and foreign investment climate. The Khmer Rouge Tribunal, which the United States has supported since its inception in 2006, secured its first conviction in 2010 and the trial of the surviving leaders of the Khmer Rouge is underway. These trials are important for accountability and national healing. Cambodia has also started to combat human trafficking, and its cooperation with the international community to combat terrorism is to be commended. Local and national elections in 2012 and 2013, respectively, offer an opportunity for Cambodia to renew its commitment to multiparty democracy. In these ways, the Cambodian people are seeking justice to close the darkest chapter of their recent history and build a new era of greater prosperity and more capable government and democratic institutions—and for that I believe they deserve our support.

Nevertheless, despite the many significant accomplishments of the past 20 years, Cambodia's development remains a work in progress. Notwithstanding its strong record of economic growth, Cambodia is among the poorest countries in the world. Weak rule of law inhibits progress and threatens the promise of inclusive development. In addition, every year, hundreds of men, women, and children are killed or maimed by unexploded ordnance left behind as remnants of war. Food security and adapting to global climate change represent emerging challenges for the country. Most significantly, Cambodia's democratic transition is still unfolding. Although civil society and public media have made important gains in achieving political space and greater freedoms, much work still needs to be done to strengthen Cambodia's rule of law, democratic institutions, and respect for human rights.

U.S. engagement in Cambodia has made—and can continue to make—a real and lasting difference. Since the United States reestablished relations with Cambodia in 1993, we have served as a buttress of support for democratic development and the protection of human rights. Cambodia's civil society now flourishes due to the strength and dedication of Cambodians willing to take action to accomplish extraordinary things. The United States is proud to stand by them and provide our support. If confirmed, I will ensure that we continue to take the lead in advancing the causes of freedom, democratic governance, the rule of law, and respect for human dignity.

In addition to encouraging a more democratic Cambodia, our bilateral engagement is fostering change in other ways as well. Our military-to-military ties assist the Cambodian Armed Forces in their own efforts to professionalize, adhere to international human rights norms, and contribute to regional and global peace and stability. U.S. economic engagement helps open doors to increased U.S. investment and trade—something I believe will be a positive driver of change and development in Cambodia. Finally, the United States has been intimately involved in improving the health and livelihoods of Cambodians. If confirmed, I will work tirelessly to deepen our relationship with Cambodia in order to achieve greater progress on these and many other bilateral objectives.

U.S. engagement with Cambodia is increasingly focused on regional objectives. Like the rest of Asia, Cambodia has welcomed an increased U.S. commitment to the region and seeks to strengthen its ties to the United States in order to secure its own future. Over the course of this year, Cambodia is serving as Chair of the Association of Southeast Asian Nations (ASEAN), an important collective that has a population of half a billion people and is already the United States fourth-largest trading partner. The United States has made clear that as we deepen our engagement with the Asia-Pacific region, we will look to ASEAN as a valued partner in maintaining and promoting regional peace and security, committing to intraregional coordination on disasters and humanitarian crises, fulfilling the region's promise for democracy and respect for human rights, and creating economic opportunities for U.S. business in order to increase exports and create jobs here in the United States. As ASEAN Chair, Cambodia can demonstrate regional leadership on these and

other critical issues in the ASEAN Regional Forum and East Asia summit. In addition, the Secretary of State's Lower Mekong Initiative is fostering cooperation and building capacity on the "connective tissue" of the subregion—especially education, public health, and the environment. We welcome Cambodia's partnership in this multicountry initiative and its efforts to make the region more prosperous, secure, and peaceful.

Mr. Chairman, I believe the broad range of experience I have gained during my 28-year career in public service will assist me in further advancing our goals with the Kingdom of Cambodia. I have been in the Senior Executive Service for over 14 years and have had the privilege of managing a number of the Department's most important and complex programs. Recently, I finished a 1 year assignment in Afghanistan, where I was Coordinator of Development and Economic Affairs. I was responsible for overseeing a \$4 billion development program, managing 600 Americans, and running the mission's regional and provincial civilian operations. It was the most challenging and rewarding job I have had in my career and I would happily do it again if asked.

From 2008 to 2010, I served as the U.S. Ambassador to Brunei, where I proudly promoted democracy, human rights, and religious freedom initiatives. As Ambassador, I worked closely with Brunei to help it play a more active role in the Asia-Pacific Economic Cooperation forum, in ASEAN, and as a contributor to regional security.

Prior to serving in Brunei, I held several senior positions in the State Department, including Acting Inspector General. In the Bureau of International Narcotics and Law Enforcement, I directed global operations and spearheaded anticrime, counternarcotics, and antiterrorism programs, as well as initiatives to strengthen rule-of-law capabilities and institutions all over the world, including Southeast Asia. During the mid-1990s, I helped develop and implement the Big and Emerging Market Strategy for the U.S. and Foreign Commercial Service, which expanded U.S. exports to countries like China, and opened U.S. Commercial Centers overseas, including three in Asia.

Mr. Chairman, if confirmed, I will dedicate all of my energy and experience to advance U.S. foreign policy objectives in Cambodia and strengthen the relationship between our two countries.

Thank you for giving me this opportunity to appear before you. I would be happy to answer any questions you may have.

Senator UDALL. Thank you.  
And Ms. Aviel, please.

**STATEMENT OF SARA MARGALIT AVIEL, OF CALIFORNIA, TO BE UNITED STATES ALTERNATE EXECUTIVE DIRECTOR OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT**

Ms. AVIEL. Chairman Udall, Ranking Member Corker, thank you for the opportunity to appear before you today.

It is an honor to have been nominated by the President to serve as the Alternate Executive Director at the World Bank. I am extremely grateful to Secretary Geithner, Under Secretary Brainard, and U.S. Executive Director Ian Solomon for their support.

I also want to thank you and your staffs for taking the time to meet with me. If confirmed, I look forward to advancing our shared commitment of making the World Bank a more effective and accountable organization.

I was blessed to grow up with parents who ingrained in me a deep respect for other cultures and traditions. For my mother, who is here with me today, as a professor of international relations, this was her life's work. And for me, that meant trips that often included meetings with government and civil society officials and lessons about local history and politics.

At the same time, my parents instilled in me a deep appreciation for my country and the tremendous opportunities, privileges, and responsibilities that come with being an American.

For my father, it was particularly personal. As a Holocaust survivor, his childhood was one of horrific deprivation and suffering that is hard for me to even imagine. So when he told me that just by being born in this country was like winning the lottery, I believed him.

So to now come before you with the opportunity to represent this great country at the World Bank, an institution formed in the wake of that dreadful war, is a particular honor for me.

American leaders helped create the World Bank in the recognition that a multilateral institution would advance our smart power. In a time of high unemployment and tight fiscal constraints at home, the importance of the World Bank may not always be readily apparent.

Yet my experience in the administration, both in my current role as Director of International Economic Affairs at the National Security Council and National Economic Council and previously as a senior adviser to Secretary Geithner, has reaffirmed the belief that support of the World Bank is a moral, strategic, and economic imperative for our country and that U.S. leadership at the institution is essential.

The World Bank has played a central role in promoting open economies that become growing export markets for American companies. During the global financial crisis, the World Bank acted quickly, dramatically increasing lending to help protect the poorest from the worst impacts of the crisis and to restore liquidity for world trade flows.

As we grapple with how best to support transitions in places where we have important interests at stake, like Afghanistan and the Middle East, we find ourselves turning again and again to institutions like the World Bank. Strong American leadership is essential. I have seen firsthand how often we are the driving force for action.

Before joining the administration, my career was focused on international development. From war widows in Afghanistan to AIDS orphans in Zambia, I have worked with the world's most vulnerable people and experienced the successes and challenges of development firsthand.

As President Obama has said, broad-based economic growth is the most powerful force the world has ever known for eradicating poverty and creating opportunity. That understanding led me to make leveraging the private sector a focus of my work. Prior to joining the Treasury Department, I served on the leadership team of a social investment fund that provided financing to small and medium enterprises in developing countries.

Another theme that cuts across much of my experience is the need to demonstrate impact and improve effectiveness through rigorous evaluations of projects and sharing of best practices. As a lecturer at Yale University, I brought these experiences into the classroom as I taught my students to look beyond the latest development trends to the enormous complexity of implementation in challenging environments.

If confirmed, I will work diligently to advance U.S. objectives at the World Bank by serving as a careful steward of U.S. taxpayer

resources and promoting greater accountability, transparency, and effectiveness.

I have learned invaluable lessons from being a part of international diplomacy and policy at the highest levels of the U.S. Government. And those lessons, combined with the hard-earned experiences of working in some of the most complex settings, will make me an effective representative and advocate for U.S. interests at the World Bank.

If confirmed, I look forward to working closely with the members of this committee and your staff. I have seen firsthand how congressional involvement can provide leverage to U.S. negotiators, and I will seek ways to partner together on behalf of the American people.

Thank you for your consideration, and I look forward to any questions you might have.

[The prepared statement of Ms. Aviel follows:]

PREPARED STATEMENT OF SARA MARGALIT AVIEL

Chairman Udall, Ranking Member Corker, members of the committee, thank you for the opportunity to appear before you today.

It is an honor to have been nominated by the President to serve as the Alternate Executive Director at the World Bank. I am extremely grateful to Secretary Geithner, Under Secretary Brainard, and the U.S. Executive Director, Ian Solomon, for their support.

I also want to thank you and your staffs for taking the time to meet with me. If confirmed, I look forward to advancing our shared commitment of making the World Bank a more effective and accountable organization.

I was blessed to grow up with parents who ingrained in me a deep respect for other cultures and traditions. For my mother, as a professor of international relations, this was her life's work. And for me, that meant trips that often included meetings with government and civil society officials and lessons about local history and politics.

At the same time, my parents instilled in me a deep appreciation for my country and the tremendous privileges, opportunities, and responsibilities that come with being an American. For my father it was particularly personal. As a Holocaust survivor, his childhood was one of horrific deprivation and suffering that is hard for me to even imagine. So when he told me that just by being born in this country was like winning the lottery, I believed him.

So, to now come before you with the opportunity to represent this great country at the World Bank—an institution formed in the wake of that dreadful war—is a particular honor for me.

American leaders helped create the World Bank in the recognition that a multilateral institution focused on reconstruction and development would advance our strategic and economic interests and moral values. In a time of high unemployment and tight fiscal constraints at home, the importance of the World Bank may not always be readily apparent.

Yet my experience in the administration—both in my current role as a Director of International Economic Affairs at the National Security Council and the National Economic Council, and previously as a Senior Advisor to Secretary Geithner—has reaffirmed the belief that support of the World Bank is a moral, strategic, and economic imperative for our country and that U.S. leadership at the institution is essential.

The World Bank has played a central role in promoting open economies that become growing export markets for American companies. During the global financial crisis, the World Bank acted quickly, dramatically increasing lending to help protect the poorest from the worst impacts of the crisis and to restore liquidity for world trade flows.

As we grapple with how best to support transitions in places where we have important interests at stake like Afghanistan and the Middle East and North Africa, we find ourselves turning again and again to institutions like the World Bank.

Strong American leadership is essential. I have seen firsthand how often we are the driving force for action, forging consensus in the midst of seemingly intractable international disputes.

Before joining the administration, my career was focused on international development. From war widows in Afghanistan to AIDS orphans in Zambia, I have worked with the world's most vulnerable people and experienced the successes and challenges of development firsthand.

As President Obama has said, broad-based economic growth is the most powerful force the world has ever known for eradicating poverty and creating opportunity. That understanding led me to make leveraging the private sector a focus of my work. Prior to working at the Treasury Department, I served on the leadership team of a social investment fund that provided financing to small and medium enterprises in developing countries.

One theme that cuts across much of my experience is the need to demonstrate impact and improve effectiveness through rigorous evaluations of projects and sharing of best practices. As a lecturer at Yale University, I brought these experiences into the classroom as I taught my students to look beyond the latest development trends to the enormous complexity of implementation in challenging environments.

If confirmed, I will work diligently to advance U.S. objectives at the World Bank by serving as a careful steward of U.S. taxpayer resources and promoting greater accountability, transparency, and effectiveness.

I have learned invaluable lessons from being a part of international diplomacy and policy at the highest levels of the U.S. Government. Those lessons, combined with the hard-earned experiences working in some of the most complex settings, will make me an effective representative and advocate for U.S. interests at the World Bank.

If confirmed, I look forward to working closely with the members of this committee and your staff. I have seen firsthand how congressional involvement can provide leverage to U.S. negotiators and I will seek ways to partner together to advance our shared goals on behalf of the American people.

Senator UDALL. Thank you for your testimony, all of you.

And Ambassador Barton, as—oh, OK. Here, Ambassador Barton, is this your father who has just arrived here? Please, OK.

Yes, I believe Ambassador Barton's father used to work for the committee and knows the gentleman here that helps us every day keep the committee rolling along.

Thank you. Great to have you here today. Great to have you here.

I am just about ready to start firing a question at your son. So you arrived right in time. [Laughter.]

Senator UDALL. Arrived right in time.

Ambassador Barton, what role, if any, do you foresee for the CSO Bureau in complementing the work of the recently created Office of the Special Coordinator for Middle East Transitions, and how can USAID workers effectively assist countries in transition, given the enormous political, economic, and security challenges Arab States are currently facing?

In what fields could the U.S. Conflict and Stabilization Operations make the most difference, and would Arab States even accept this kind of aid?

Please.

Ambassador BARTON. Well, first off, in my various meetings that I have been going around and having, Bill Taylor was one of the first people that I met with. And he is one of those people that I feel if we can't work with him, we have no future in the State Department. He is just a first-rate public servant, and he is focused mostly on North Africa right now, and we are definitely working with him on—the CSO Bureau has already started to work with him on Libya in particular of the countries that he is working in.

All of these places are so tough and so complicated that anybody who doesn't look for friends and partners within the U.S. Government is making a very big mistake. And so, I would hope that our

Bureau, and if confirmed, under my leadership would fashion a pretty high degree of modesty in terms of both the challenges of these places and recognizing that we have to work closely with others.

So we have already had extensive meetings with AID. As you know, I worked there. I helped to start the Office of Transition Initiatives, which is, I think, thought of as one of the really agile parts of the U.S. Government in these places.

We need more assets and resources that are directed the way that OTI does it. So they are going to be a key partner as well.

So then, in terms of the welcome, CSO is looking at three particular country cases right now in the Arab Spring world. We are trying to work in Libya. We are hoping CSO also has people working on Syria and on Yemen. And each one of those cases is so dramatically different.

In Syria, we really cannot—CSO cannot work inside of the country. So it is all about how do you help to grow the opposition from within? And I know that a couple of CSO people have already—last week were meeting with about 25 representatives of local governing councils inside of Syria, trying to figure out ways to strengthen that relationship. And I think that is the way to move in that space.

Libya is a very different challenge because the U.S. Government is there. We have an Embassy. We have a mission. The CSO is already backing up the existing post operation there.

But we are also being asked, CSO is also being asked to really address the border security issues and the militia issues, and those are the kinds of strategic concerns that I hope that the CSO will continue to be focused on.

Yemen, again, is a very different case—much, much more fragile. Much, much more in transition with its new government. And in that case, CSO has been asked by the national security staff to work on the strategic planning process, which is really underway right now.

So that gives you an idea of sort of the way we would go. I think we will—the United States help is welcome in most of these places, as long as it is not too heavy a hand and we don't take over. And there is no reason to take over because we don't have that ambition, and we won't be effective if we do.

Senator UDALL. Thank you.

Ambassador Todd, there are increasing concerns that Cambodia's ruling party has become more authoritarian and that human rights and corruption issues have not been adequately addressed. Human Rights Watch has concluded that, and I quote from one of their reports, "The government of the ruling Cambodian People's Party, the CPP, continues to use the judiciary, the penal code, and threats of arrest or legal action to restrict free speech, jail government critics, disperse peaceful protests by workers and farmers, and silence opposition party members."

What will you do to address these human rights concerns, and what are the best ways for the United States to work with the Cambodian Government to improve Cambodia's human rights record?

Ambassador TODD. Thank you, Chairman.



The overall human rights situation in Cambodia is not good. There are many, many, many challenges. We consider each one of those challenges to be a work in progress.

As you mentioned, freedom of speech, freedom of expression is a problem. There are several others. We have land seizures. We have titling problems, where today you own something, tomorrow you don't. And it is subject to political whim.

We have corruption. Transparency International ranked Cambodia as one of the most corrupt countries in the world.

And then, last, we have a weak and vulnerable judiciary where the elite believe that they are immune from the law.

I think the "get well, stay well" plan is to stay the course with civil society. It is to promote the political freedoms that has made America great. It is doing what we do best in human rights. It is doing what we do best by doing Leahy vetting.

We also, I think, have a great opportunity with the youth of Cambodia. Seventy percent of Cambodia is 30 or younger, and believe it or not, the young—now that I am 50, 30 is young—they love America. They think that we are the greatest thing since sliced bread.

And so, if confirmed, what I would like to do is to deliver the hard messages to the leadership on these human rights issues and also promote the political freedoms that we hold near and dear as Americans to all of society, but particularly the youth.

Thank you.

Senator UDALL. Thank you, Ambassador Todd.

Ms. Aviel, in your previous position, you have worked hard on finding a path forward out of the ongoing financial crisis. How do you think the World Bank has responded to the financial crisis, and what do you think the World Bank could have done to improve its effectiveness?

Ms. AVIEL. The World Bank played a very important role in helping us respond to the financial crisis. By tripling lending dramatically, it was able to prevent and mitigate the impacts of the crisis on the poorest. It was able to restore liquidity for global trade flows.

Financial flows dropped dramatically, and the World Bank was able to make up some of that difference, which was very important.

Senator UDALL. Thank you.

Senator Corker, if you would like to proceed with questioning?

Senator CORKER. Thank you, Mr. Chairman.

And thank you again, all of you, for being here and with your families. And Mr. Barton is used to Senate time, and so he came here when we would normally start. But you got us going in good shape, and we are glad all of you are here.

I am going to focus my questions with Ms. Aviel and really on the World Bank. Mr. Todd, I know we spent some time in Afghanistan while you were there, and Mr. Barton, certainly I have known of your past. And Ms. Aviel, you come with very high recommendations, I might add, and I thank you for being here.

One of the things I guess people might focus on a little bit is just age and experience. It is a pretty big—I know on the other hand, you have 32 years a professor of international studies. And so,

probably way beyond both the chairman and mine as far as experiences.

But your role as the alternate, can you describe what those responsibilities are to everyone here?

Ms. AVIEL. Certainly. The Alternate Executive Director serves as the deputy to Ian Solomon. The World Bank has an in-house board of directors, which is sort of an unusual arrangement, and they meet twice a week at least, and there are numerous committees.

And so, to have a second person to be able to represent the United States will enable us to expand the influence of U.S. leadership at the institution, especially since one of the most important ways that you can make a difference in these roles is not actually waiting until things come to the board, but helping to work through issues beforehand. And so, having two people appointed by the President, confirmed by the Senate, enables the Executive Director's office to expand its reach.

I believe that I have had significant experience, that the credibility that I have had from working in development settings around the world will enable me to speak with credibility about development issues on the ground. And I have also been a part of policy and diplomacy within the Government at the highest levels, and I have seen very effective U.S. leadership and—

Senator CORKER. And very ineffective U.S. leadership?

Ms. AVIEL. And I believe I will take the lessons from those experiences and be able to represent the United States well.

Senator CORKER. Yes. Thank you.

How would you—and I know Mr. Solomon has been there, I guess, for almost 2 years now. And I don't know what the normal length of time is for someone to serve in this role. But do you see a period of time where, in essence, it is almost a mentoring role, or you will be working closely with him? How will that relationship be?

Ms. AVIEL. Well, I certainly would work hand-in-hand with Ian Solomon and believe that we both have different expertise that we will bring to the table. So certainly I would work closely with Ian Solomon.

Senator CORKER. Some of the developing countries really would like a very different role or a different type of presidential leadership at the World Bank, and some of them are saying that we really ought to—because of what the World Bank does, we should have a group of non-American countries deciding who the next leader of the World Bank should be. I am just wondering what your views might be on that?

Ms. AVIEL. Senator, I think American leadership has served the institution well. I think President Zoellick has done a tremendous job. Secretary Geithner issued a statement a few weeks ago that the President will be putting a candidate forward to lead the World Bank soon, and I look forward to supporting that candidate.

Senator CORKER. OK. Did you say the President is getting ready to nominate somebody in the next few weeks?

Ms. AVIEL. That is correct.

Senator CORKER. Yes. Very good. Do you know who that is?

Ms. AVIEL. I don't. [Laughter.]

Senator CORKER. Are you on the short list? [Laughter.]

Ms. AVIEL. I promise you, I am not.

Senator CORKER. The World Bank provides a lot of financial assistance to middle-income countries that really could access financial assistance from other places. There has been some commentary about that. I am just wondering what your views might be on the World Bank making loans available to countries that might seek financing from China or other places just as easily?

Ms. AVIEL. Senator, that is a very important issue. I certainly would like the World Bank to focus on the poorest. But two-thirds of the poorest do live in middle-income countries, and the World Bank has tremendous expertise in helping to target and encourage broad-based economic growth that is very relevant for those countries.

The World Bank brings with it important safeguards and procurement standards that serve as an important model for those countries in terms of the projects they do across the board. And so, countries that could access financing from the capital markets find it an advantage to come to the World Bank because of the technical expertise and the safeguards that it provides.

And it is very important that the World Bank serves as this model of how to finance projects. You have said, as you mentioned, countries can get financing from China and others, and it is important that the World Bank serve as an alternative to China financing because it brings with it much higher standards. It enables American companies to compete for procurement contracts. It brings with it environmental and social safeguards.

So we greatly value the role that the World Bank plays in ensuring those high standards across the board.

Senator CORKER. And then, just my last question, the World Bank—I know you answered a question from the chairman regarding how it has handled the financial crisis.

But generally speaking, where would you rank the World Bank today as it relates to its effectiveness and leadership and ability overall to address the issues that it is chartered to address?

Ms. AVIEL. Senator, I think the World Bank has proven itself as a very effective organization. It is one of the premier development institutions, and you can see that when international leaders are looking to deal with pressing issues, such as food security, for example, they look to the World Bank to lead those efforts because it has such a strong track record of effectiveness.

That being said, there is always room for improvement. I think U.S. leadership has played a very important role in making the World Bank a more accountable and effective organization, and I would look to continue those efforts.

Senator CORKER. Well, to all three of you, thank you very much for coming today. Thank you for bringing family members with you, and thank you for being willing to serve in these positions.

And all are very important. I think in particular the World Bank is a place, an institution that can certainly play a very vital role, and I thank you so much for your answers and look forward to seeing all of you again very soon.

Thank you very much, Mr. Chairman.

Senator UDALL. Thank you, Senator Corker. We really appreciate you being here today and your insightful questioning always. Appreciate it.

Senator CORKER. Thank you.

Senator UDALL. Thank you.

Ambassador Barton, as the United States and its allies continues to transition to an Afghan-led mission, the role of the State Department and USAID will increase dramatically. What do you think needs to be done today to create a smooth and effective transition in light of the many problems still facing Afghanistan, including corruption, which I think is still among the worst in the world? And what is the role envisioned for the conflict, the CSO operations in Afghanistan in the future?

Ambassador BARTON. Thank you, Senator.

CSO is currently focused on trying to help the Embassy, the military, the U.S. military, and a range of Afghan ministries to advance their transition planning. That is really—that is what the Ambassador has asked us to focus on, and that is where we are concentrating our effort.

We are on a little bit of a glide path ourselves in terms of leaving Afghanistan. But this particular task seems to be one that our people are really well suited for. And since we have been involved with quite a lot of the planning processes in the last couple years, focusing on this transition planning is exactly what we need to do.

The toughest part here is obviously to make sure that the Afghans are in as capable a position as possible as soon as possible. And that is really what I think we can be helpful with, and that is where we are going to stay focused.

Senator UDALL. Thank you.

Ambassador Todd, while the United States is one of the largest donors of foreign aid to Cambodia, I understand that the United States is far behind in foreign direct investment compared to China. By some measures, China is contributing foreign direct investment at a rate 10 times of the United States.

How does this shortfall impact our ability to influence and conduct diplomacy with Cambodia, and what should the United States Government do to make up for this shortfall?

Ambassador TODD. Thank you, Mr. Chairman.

There is no denying that China is making a full-court press in Cambodia and throughout Asia. President Obama said recently, talking about China in the region, that we shouldn't look at this in terms of a zero-sum game. He said we have strong bilateral relationships. He said we are a Pacific power.

Last year, Secretary Clinton also announced that this would be the century for the Asia-Pacific, and we would be pivoting our resources, both financial resources and human resources, from Iraq and Afghanistan toward Asia because it is that important and because they know that this full-court press is going on.

And so, if I am confirmed, my goal is to obviously implement the pivot, if you will, of those resources. And I plan to do it, again, by promoting the political freedoms that we as Americans hold near and dear, as well as continuing the great programs that we have in Embassy Phnom Penh.

Thank you.

Senator UDALL. Thank you.

The high amount of Chinese foreign direct investment is changing Cambodia and the region in many different ways. One of the ways is an increase in environmental degradation. I was concerned to read a report that the Botum Sakor National Park, a home to tigers, elephants, and many other species, is being slowly sold to Chinese investors, including a Chinese real estate company, which is working to turn 130 square miles of these forests into a gambling resort.

Is there a way for the United States to work with Cambodia to prevent or mitigate against such environmental destruction, and what will be the long-term impacts of losing critical pristine forest land to the developers?

Ambassador TODD. That is an excellent question, Mr. Chairman.

Cambodia is one of the poorest countries in the world. There is a tradeoff between protecting the environment and promoting economic development. At the mission in Embassy Phnom Penh, we have many programs that promote the environment.

We have the Lower Mekong Initiative that has an overarching goal of basically promoting the environment not only within Cambodia, but through the four other countries. We have a number of programs that focus on forestry management, watershed management. We have the President's initiative on global climate change.

We have a number of programs that address these issues and try to build capacity with the Cambodians. We also have a number of programs like Forecast Mekong, which is a climate change type program that basically takes the data that is gathered in Cambodia and compares it to other main watersheds around the world, particularly the Mississippi River.

And if you have 10 minutes, if you Google it, Forecast Mekong, you have a wonderful video about the effects of global climate change on the Mekong River basin. One of the things that it talks about, aside from deforestation and other things, are the dams that are being created on the Mekong.

And for me as a neophyte in terms of hydraulics on a river, one of the things that I learned is that the silt and sediment that comes from the north part of the river basically supports the southern part of the river. And what it does is it feeds the fish. It also replenishes the land, if you will, where the Mekong enters the ocean.

And that is very important because as global climate change occurs, the predictions are that sea levels are going to rise. And studies that the Cambodians have had done and the internationals have done have shown that if the sea level rises 3 feet, the country will be in very, very difficult straits.

The rice crop will be significantly reduced. The population will have to move. And so, Cambodia is taking this very seriously, and thus, the U.S. Embassy is taking it seriously.

So, for me, if I am confirmed, there is no more important thing to do than this because time is of the essence.

Thank you.

Senator UDALL. Thank you very much.

Ms. Aviel, the World Bank supports a wide range of projects around the world, and they often have an environmental compo-

ment. Many projects fall within the theme of environment and natural resources management. These projects fall under the following categories—biodiversity, climate change, environmental policies and institutions, land administration and management, other environmental and natural resources management, pollution management, environmental health, water resource management.

How should natural resource conservation factor into the planning for World Bank projects?

Ms. AVIEL. Senator, thank you for that question. It is a very important issue.

The world's poorest often depend on natural resources the most for their livelihoods, and they are often the most vulnerable to environmental degradation and the impacts of environmental destruction. So it is very critical that the World Bank factor in environmental considerations and issues regarding sustainable management of natural resources across the work that it does.

And so, it does so in two different ways. One is sort of a defensive approach, making sure that in any project that it does there is a strong environmental impact assessment that occurs and that there are strong environmental safeguards to make sure that any damage the project might do is mitigated.

And then it also does so by having an affirmative environmental agenda, by working in all of the areas you mentioned—biodiversity. The World Bank has helped to support the largest tropical conservation region in the world in Brazil. It works to help promote sustainable management of fisheries.

So it works in a variety of different ways to make sure that the environment and development can go hand in hand, and it plays a very important role in doing so.

Senator UDALL. Thank you for that answer.

One of the keys, it seems to me, is—and it falls in the area of what we call “sustainability.” And I think all of you realize this, that when we do our development and we work with other countries that we hope that the projects over the long term are sustainable. And my next question to you has to do with the standards and how we reach for that goal of sustainable development.

What standards does the World Bank have in place to ensure that projects funded by the World Bank do not facilitate logging and other resource development that is in conflict with international agreements and standards? And if confirmed, will you work to ensure the World Bank does not foster unsustainable natural resource development practices?

Ms. AVIEL. Senator, thank you for that question.

If confirmed, I absolutely commit that I will be an active advocate for sustainability across the board. The World Bank has very careful policies in place. It has a forestry policy. It has safeguards in place to make sure that it does not contribute to degradation of those resources.

And I would work very hard to make sure that those standards are upheld and strengthened, if needed.

Senator UDALL. Thank you.

Thank you. I guess we don't have any other Senators attending today and going to ask questions. So you are spared some additional questions here.

We very much appreciate your testimony, your commitment to service, and we really look forward to seeing you serve in these positions and continuing to visit with us on the committee and with Members of Congress.

So, with that, we are going to keep the record open for 48 hours so that any additional questions can be submitted to you, and we hope you will get back with us promptly on that.

Senator UDALL. And we would hope that the committee will move expeditiously on these nominees.

And having no further questions, the committee is adjourned.  
[Whereupon, at 10:50 a.m., the hearing was adjourned.]

#### ADDITIONAL QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

RESPONSES OF FREDERICK D. BARTON TO QUESTIONS SUBMITTED  
BY SENATOR JOHN F. KERRY

*Question.* In your testimony, you stated that CSO must partner with those who will make us most effective. However, there have been some concerns that agencies such as the Department of Agriculture and the Department of Justice will play much smaller roles in the new Civilian Response Corps. What role do you envision for other agencies and what steps will you take to ensure that a whole of government approach continues to be a key element of the program?

*Answer.* The Quadrennial Diplomacy and Development Review (QDDR) calls on the Bureau of Conflict and Stabilization Operations (CSO) to improve U.S. Government effectiveness in conflict areas. To be more innovative and agile, CSO is developing a new model for the Civilian Response Corps (CRC) that will focus its work on conflict-related issues and expand its access to interagency skills.

Rather than support a larger standing group that can address the panoply of issues facing a country (a just-in-case model), the Corps will focus on deploying targeted experts quickly to address priority issues in conflict (a just-in-time model). This reduction in the size of the CRC-Active component will help address the need to move resources toward field operations in a restrictive budget environment.

If I am confirmed, we will seek to build the CRC-Active component on a leadership cadre made up of those with proven effectiveness in the field and conflict-focused skills, such as conflict analysis, prevention tools, contingency planning, and expeditionary operations. In CSO engagements, the ability to understand conflict dynamics and U.S. Government responses has proven more important than reconstruction-related technical expertise.

To tap more specific areas of expertise such as rule of law or food security, CSO plans to rely more upon its CRC-Standby capacity. The model will allow CSO to reach more broadly across the Federal Government to find the right people at the right time.

In addition, CSO will seek to include the widest possible range of partners, including the interagency, from the beginning of its engagements. The result should be a single expeditionary team made up of leaders and experts, rather than the inefficient parallel structures that previously existed.

This model is the product of extensive analysis and deliberation, including examination of:

- Use of CRC and related personnel from 2005–11, and our evolving relationship with posts and bureaus seeking our support;
- The QDDR;
- A Multi-Criteria Decision Analysis Force Review of the Corps conducted in 2010;
- Observation of peer organizations' interagency relations; and
- The work of the transition team designing CSO in summer 2011.

In sum, CSO will maintain a whole-of-government approach, albeit in a more targeted manner.

*Question.* As you also noted in your testimony, CSO was established in order to strengthen our coherence and cohesion in prevention and responding to conflict and crisis. Please expand on the role you envision for CSO in conflict prevention, if confirmed. As part of this discussion, please comment on what role CSO could play in

training other Foreign Service officers in conflict prevention through the Foreign Service Institute?

Answer. CSO advances conflict prevention through policy, strategy, and practical applications in conflict/preconflict areas around the world.

In the policy realm, CSO works with the State Department, National Security Staff, and other departments and agencies to ensure that the U.S. Government can identify where creative approaches can head off violence and channel conflicts toward peaceful solutions. CSO is already supporting policy initiatives such as Presidential Study Directive 10 on prevention of genocide and mass atrocities, including creation of an Atrocities Prevention Board. CSO is also supporting efforts to make the National Action Plan for Women, Peace and Security vital and productive. These cross-cutting efforts offer practical ways to influence how U.S. agencies work to prevent conflict.

In CSO's engagements, the critical first step is analysis. CSO uses a systematic, participatory approach to capturing local voices and understanding the deep causes of conflict and community strength. Through analytical tools, such as the Inter-agency Conflict Assessment Framework (ICAF) and Conflict Prevention Matrix, CSO can identify and build on indigenous resilience so that U.S. policies and programs can focus on the root causes of the conflicts, and be sustained by our partner nations.

CSO is exploring innovative ways to help U.S. embassies or host-nation partners respond to conflicts. Its staff members have a wide range of skills and experiences from both the government and private sector. CSO can provide technical advice, research capacity, mediation and negotiation support, lessons from past experience, and other assistance. For example, CSO is currently working with an embassy and host country to design and implement community-based mediation, focused on gangs. Providing mediation training to local communities, including gang members, ensures the sustainability of the endeavors.

Since its creation in 2004, the Office of the Coordinator for Reconstruction and Stabilization (S/CRS) and now CSO has played a leading role in providing conflict prevention training to Department of State personnel. We have worked closely with our partners at the Foreign Service Institute (FSI) to determine the best means—whether through social media, classroom instruction, or blended learning—of training Foreign Service Officers (FSO) and other U.S. Government personnel on mainstreaming civilian security and preventing conflict.

CSO's new Office of Learning and Training (OLT) will continue working closely with FSI to add further innovation to the approaches we use when preparing FSOs for response activities across the globe. If confirmed, one of my priorities will be to expand and institutionalize conflict prevention and response learning opportunities throughout the Department.

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RESPONSES OF WILLIAM E. TODD TO QUESTIONS SUBMITTED  
BY SENATOR JOHN F. KERRY

*Question.* Cambodia will chair the Association of Southeast Asian Nations (ASEAN) this year. In what ways will you seek to promote common interests and values in venues such as the U.S.-ASEAN Leaders Meeting, the ASEAN Regional Forum, and the East Asia summit in 2012?

Answer. As Chair for ASEAN and its associated multilateral bodies such as the East Asia summit, the ASEAN Regional Forum, and the ASEAN Defense Ministers Meeting Plus, Cambodia plays a critical role in setting the tone and agenda of these bodies over the course of the year. The United States supports Cambodia's chairmanship and will urge Cambodia to view 2012 as an opportunity to demonstrate to the world that it is a responsible leader at home and in the region.

The United States is looking to ASEAN to play a key role in maintaining and promoting regional peace and security. I see Cambodia's chairmanship as an opportunity for the United States to partner with Cambodia, helping where we can, and addressing together regional challenges within the ASEAN framework. Specifically, if confirmed, I will work closely with the Cambodian Government to use its ASEAN year to secure progress on U.S. objectives, such as regional and maritime security, nonproliferation, humanitarian assistance and disaster relief, fulfilling the region's promise for democracy and respect for human rights, and deepening our trade with Southeast Asia to increase U.S. exports to the region and create jobs in the United States.

*Question.* A number of well-informed observers contend that a draft law on associations and NGOs in Cambodia could seriously constrain their ability to operate.



What role does civil society play in Cambodia, how does the United States support their role, and how would you encourage the Cambodian Government to protect this important political space?

Answer. The United States firmly believes that a healthy, independent civil society is absolutely vital for the advancement of democracy and prosperity around the world. Civil society organizations play a key role in promoting respect for human rights, defending human dignity, and advancing human progress. Cambodia is no exception. Cambodian civil society organizations contribute to growing grassroots activism. International NGOs are also invaluable to monitoring developments in Cambodian society, advancing key protections, and providing assistance programs. The United States has worked to nurture these developments.

In December 2011, following a year of intense scrutiny and pressure by national and international NGOs, as well as public and private engagement by the United States, Prime Minister Hun Sen announced that his government would continue consultations with civil society on the draft law until 2014 if necessary to achieve government-civil society consensus.

The United States has strongly and consistently expressed in private and public venues our deep concern for the status of civil society in Cambodia, and we remain absolutely dedicated to advancing and protecting civil society and its role in Cambodia's development. The United States has encouraged the Cambodian Government to consult with civil society groups on the substance of any future draft law and has publicly called on the Cambodian Government to reconsider pursuing any legislation that would hinder the development and important work of civil society organizations.

The United States is a strong supporter of civil society organizations in Cambodia, and engages with them in a number of ways. For example, USAID funding builds political party and civil society capabilities to improve greater transparency and engagement of citizens in public policy and political processes. The State Department and USAID partner with civil society to monitor and report human rights violations, protect human rights defenders, and increase the capacity of government institutions and the judiciary. The United States also works closely with NGOs who are engaged in efforts to improve the health, safety, and economic well-being of the Cambodian people.

I view our civil society friends as vital partners and, if confirmed, will work closely with them. I will do everything I can to protect and support Cambodia's flourishing civil society. If confirmed, I will make U.S. support for civil society a pillar in every U.S. foreign policy objective I pursue in Cambodia, including humanitarian and foreign assistance, political and economic diplomatic engagement, and security and law enforcement cooperation.

*Question.* The Lower Mekong Initiative (LMI) is a multinational effort spearheaded by Secretary of State Hillary Clinton to promote cooperation and capacity-building among the United States and Lower Mekong Delta countries (e.g., Cambodia, Laos, Thailand, and Vietnam) in the areas of education, health, environment, and infrastructure. If confirmed, how would you further the aims of the LMI program? From your perspective, is the program adequately resourced to meet its objectives?

Answer. Since Secretary Clinton launched the LMI in July 2009, the United States has worked in cooperation with Cambodia, Laos, Thailand, and Vietnam to launch and expand a number of projects designed to address the pressing transnational environmental and developmental challenges affecting the communities in the lower Mekong basin. The United States welcomes Cambodia's partnership in this multicountry initiative and its efforts to make the region more prosperous, secure, and peaceful. If confirmed, I will strongly support and advance the LMI's efforts to nurture and build the "connective tissue" of the subregion by emphasizing the strength of the U.S. commitment to, and the importance of, the LMI in my discussions with Cambodian officials as well as by raising specific issues relative to the LMI as they develop. As likely host of the next LMI Ministerial and Friends of Lower Mekong donor coordination ministerial meeting, if confirmed, I will work closely with the Cambodian Government to ensure these meetings advance the Secretary's vision by identifying tangible areas to build the capacity of the region and combine our efforts with other partners.

Overall fiscal constraints in the foreign affairs budget have placed limits on our ability to increase direct resources for EAP regional programs, including LMI. However, we are working in close coordination with a wide spectrum of interagency partners to leverage and expand existing programs to support our key objectives for this important initiative. If confirmed as Ambassador, it will be my job to effectively and efficiently implement the LMI budget in Cambodia.

*Question.* Section 620M of the Foreign Assistance Act of 1961 imposes restrictions on assistance to any unit of a foreign country's security forces for which there is credible evidence that the unit has committed gross violations of human rights. U.S. embassies are heavily involved in ensuring compliance with this requirement.

- If confirmed, what steps will you take to ensure that the Embassy effectively implements section 620M?
- In particular, what actions will you take to ensure, in a case in which there is credible evidence that a gross violation of human rights has been committed, that assistance will not be provided to units that committed the violation?
- What steps will you take to ensure that the Embassy has a robust capacity to gather and evaluate evidence regarding possible gross violations of human rights by units of security forces?

*Answer.* Under standard State Department vetting procedures, every individual and unit proposed for State-funded security assistance or Defense Department training is vetted, both in Phnom Penh and Washington, DC, for credible information of involvement in gross violations of human rights and in strict accordance with U.S. law and State Department policy. "Leahy vetting" is conducted under the International Vetting and Security Tracking (INVEST) system, the Department's uniform system for vetting worldwide since January 2011. In addition to the various internal background checks conducted at the U.S. Embassy, which uses information the Embassy has amassed from contacts and open sources, Embassy personnel also check names against a database maintained by a prominent human rights NGO. This database tracks human rights violations throughout the country and includes cases submitted by NGO monitors and contacts in the provinces. In Washington, the Department of State's Bureau of Democracy, Human Rights and Labor and East Asian and Pacific Affairs vet Cambodian candidates by reviewing information from multiple sources to ensure that U.S. funding is not used to train individuals or units if there is credible information implicating them in gross human rights violations.

Senior Department of Defense visitors to Cambodia discuss human rights issues in their meetings with senior officials of the Royal Cambodian Armed Forces (RCAF) and Ministry of National Defense (MoND). The RCAF and MoND are fully aware of our position on gross human rights violations as it pertains to security training, and all units and individuals receiving training are required to receive human rights awareness training prior to the start of any U.S.-funded program.

If confirmed, I pledge to continue strict adherence to U.S. law and State Department procedures. Where credible information exists of gross human rights violations, candidates implicated in the violations will not receive any assistance per the law. I will ensure that adequate human resources are devoted to properly carrying out local vetting at the Embassy, and that all Embassy personnel clearly understand the law and procedures, and that they seek guidance from me and Washington, DC, if they are unclear about a unit or individual's background or unsure how to proceed. In keeping with Department practice, I will ensure that any review takes into account not only the results from the Embassy's internal background checks, but also credible information gathered from open sources and by civil society. Finally, if confirmed, I will regularly and proactively engage the MoND and RCAF to ensure that they are aware of the law's requirements and implications.

*Question.* The first trial of the Extraordinary Chamber in the Courts of Cambodia, an international tribunal set up by the United Nations and the Cambodian Government to try former Khmer Rouge leaders of crimes against humanity and war crimes, secured its first conviction in 2010. A trial of three new defendants began in November 2011. Human rights groups have pushed for expanding the scope of prosecutions to include more cases, while Prime Minister Hun Sen has opposed the idea, arguing that bringing more persons to trial would undermine "national reconciliation." What are your views on this subject?

*Answer.* The United States has long supported bringing to justice senior leaders and those most responsible for the atrocities perpetrated under the Khmer Rouge regime. The Extraordinary Chambers in the Courts of Cambodia ("ECCC" or "Khmer Rouge Tribunal") needs to fulfill its judicial mandate, not only to fulfill its promise to find justice for the victims, but just as importantly, as a vehicle for national reconciliation and a mechanism to strengthen the rule of law in Cambodia.

The RGC and U.N. established the ECCC in 2006, as a national court with U.N. assistance in order to bring to justice "senior leaders and those most responsible" for atrocities committed under the Khmer Rouge regime. To date, the ECCC has completed the legal process on one case, Case 001, and is undergoing deliberations on a second case, Case 002. Two additional cases (Cases 003 and 004) are currently in the investigative phase.

In Case 001, the ECCC found Kaing Guek Eav (aka Duch, commandant of the Tuol Sleng prison, who sent at least 14,000 people to their deaths) guilty in July 2010 of crimes against humanity and grave breaches of the Geneva Convention, and sentenced him to 35 years imprisonment. On February 3, 2012, the Supreme Chambers extended his sentence to life in prison. The United States welcomed the final outcome as a landmark moment in Cambodia's efforts to find justice for the atrocities of the Khmer Rouge era, and for Cambodian national reconciliation.

Case 002, the trial against three surviving members of the Khmer Rouge's senior leadership, began in November 2011. A fourth defendant was found mentally incompetent to stand trial, but the ECCC has not yet released her from custody. Stephen Rapp, U.S. Ambassador at Large for Global Criminal Justice, calls Case 002 "... the most important trial in the world," given the gravity of the alleged crimes and the level of the defendants in the Khmer Rouge regime.

In Cases 003 and 004, where investigations are still ongoing by the Office of the Co-Investigating Judges (OCIJ) of five suspects, the United States has consistently called on the U.N., the RGC, and all interested stakeholders to protect the ECCC's judicial independence from political interference of any kind. I believe the question of whether a suspect falls within the jurisdiction of the ECCC is a judicial one, and should be made free from outside interference or pressure. Therefore, the OCIJ must be allowed to investigate Cases 003 and 004 according to the facts and the law. The United States has called on the U.N. and the RGC to follow through on their commitments under the agreement that established the ECCC. If confirmed, I will clearly advance this message to the government and people of Cambodia, and will support the United Nations and the ECCC as they attempt to ensure that nothing is cut short, and that the ECCC's implementing statute is fully respected.

*Question.* Following last year's national elections in Thailand, relations between Cambodia and Thailand appear to be on a more even footing, including in particular, over the disputed border region that houses the Preah Vihear Temple. Please provide an update on this situation and the current status of Cambodia-Thai relations.

*Answer.* Cambodia's bilateral relationship with Thailand was complicated in recent years due to unresolved and longstanding border disputes—including over territory surrounding the Preah Vihear Temple—that flared up in the first half of 2011. Relations have warmed significantly since a Puea Thai Party coalition came to power in Thailand in August 2011, led by former Prime Minister Thaksin Shinawatra's youngest sister and current Prime Minister, Yingluck Shinawatra.

The United States does not take a position on the legitimacy of either side's territorial claims. Since the 2011 border clashes, the United States has consistently called on both sides to exercise maximum restraint and take every necessary step to reduce tensions and return to peaceful negotiations. In this regard, the United States has supported the efforts of Indonesia as ASEAN Chair in 2011 to facilitate a resolution to the conflict.

While tensions have lessened, the underlying territorial dispute around Preah Vihear remains unresolved. There is a 1962 judgment by the International Court of Justice (ICJ) relevant to the dispute; in 2011, Cambodia asked the Court to interpret that earlier judgment, and asked for temporary "provisional" measures. In July 2011 the ICJ issued a provisional decision that created a demilitarized zone around Preah Vihear and ordered implementation of Indonesia's offer to deploy border observers. Both sides have pledged to implement the ICJ's decision and are working with Indonesia to develop terms of reference. The ICJ has authorized both sides to submit further filings as it considers a final decision on Cambodia's submission, which Cambodia did this month; Thailand's filings are not due until June 2012. In addition to action at the ICJ, the two sides are also using existing bilateral dialogue mechanisms, such as the Joint Boundary Commission and the General Border Committee to discuss outstanding boundary disputes.

The United States strongly supports Cambodia and Thailand's efforts to improve their bilateral relationship in all ways.

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RESPONSES OF SARA MARGALIT AVIEL TO QUESTIONS SUBMITTED  
BY SENATOR JOHN F. KERRY

*Question.* The World Bank Board recently approved the "Program for Results" (P4R) in an effort to streamline its development operations while improving the accountability of borrowers to produce concrete results.

- Please discuss how you believe the Bank should ensure community engagement, transparency, and accountability for specific investments within a P4R program.

Answer. I believe that community engagement, transparency, and accountability are critical elements to the success of P4R, and all the work the World Bank is engaged in. If confirmed, I will work with the Bank to provide affected communities, the private sector, and other stakeholders with the ability to review and provide input on the individual program risk assessments, proposed capacity-building measures, and proposed activities. Upon the project's completion, these stakeholders should also be informed of the results at the activity level.

Under a P4R program, the borrower government will make information available to the public at both the program and project/subproject level through methods that are appropriate to the scope and nature of the program.

As part of any P4R program, the World Bank will conduct an assessment of the borrower country's environmental and social systems, including the arrangements by which program activities that affect local communities will be disclosed, consulted upon, and subject to a grievance redress process. Key considerations during the review will be whether stakeholders' views and concerns are solicited in an open and effective manner, and whether these views and concerns are considered in program design and implementation. If relevant, the World Bank will identify measures to improve effectiveness.

Relevant stakeholders, including local communities, will be consulted regarding the findings of these environmental and social assessments, and the Bank will make both the draft and final assessments available to the public. In addition, a summary of the assessments will be disclosed in the Program Appraisal Document (PAD). Furthermore, Implementation Status and Results Reports (ISRs), which are available to the public, will provide an overview of progress in the implementation of the operation, including agreed actions to improve environmental and social systems performance.

If confirmed, I will engage closely with the Bank to verify that all P4R programs which are brought to the Board for review have followed the above guidelines in conducting environmental and social assessments, in consulting all relevant stakeholders and in providing adequate disclosure of the assessments and transparency into the P4R program.

- How should the Bank ensure that information reaches the most affected communities regardless of income or language?

Answer. If confirmed, I will work with the World Bank to undertake considerable efforts to provide information to affected communities, regardless of income or language. World Bank information (documents, data, materials, projects, or research) is available online as well as in person at more than 200 locations around the world. In partnership with universities and other local organizations, the Bank established these Public Information Services so that local citizens can access information at the country level. If confirmed, I would encourage the World Bank to work with local civil society organizations to take advantage of this information and share it with the communities where they work.

The World Bank also has a set of guidelines for translation of documents, publications, and Web content, which call for the translation of "country- and project-specific information into the national language of a country, local languages within a country and/or language(s) understood by people affected by, or likely to be affected by, a project." I support these guidelines, and if confirmed, I would work to make sure they are implemented effectively.

- In a time when an increasing number of people across the globe are learning to use new communication technologies to share information and viewpoints, what can the Bank do to promote greater community involvement in projects at all stages—planning, monitoring implementation, and evaluation?

Answer. As was made vivid in the Arab Spring, new communication technologies are connecting and mobilizing people across the globe. If confirmed, I would support the World Bank taking advantage of these tools to promote greater community involvement in its work. The World Bank is already making impressive strides in this area. President Zoellick launched the Open Data Initiative, enabling individuals around the world to access all of the World Bank's rich data. Similarly, "Apps for Development" is encouraging innovators around the world to design new tools for development. There have also been efforts to pilot the use of SMS technology and social network tools for greater community and beneficiary feedback and to improve accountability. Across the board, civil society organizations play an important intermediary role and if confirmed, I would work to encourage the World Bank to continue strengthening the role of civil society in its work.

*Question.* As the Bank has extensively documented, climate change threatens us all, but it will impact low-income countries and vulnerable populations the hardest.

In addition to doing their part to reduce greenhouse gases, countries that are the largest contributors to climate change need to improve the integration of efforts to adapt and respond to the impacts of climate change.

- How will you improve the World Bank's role in integrating climate change in their development assistance?

Answer. The poor are most likely to depend on natural resources for their livelihoods and thus suffer the most from environmental degradation and weather-related disasters. Accordingly, it is appropriate that the World Bank focus on sustainable development assistance, including helping affected communities respond and adapt to the impact of climate change. The World Bank already does considerable groundbreaking research on the climate change-development nexus as evidenced by its flagship publication, the World Development Report, which focused on this issue in 2010.

If confirmed, I will urge the World Bank to continue to serve as a convener and leader on sustainable development. I will encourage the Bank to continue to support innovative new approaches and products to address this global issue. Finally, the World Bank should take into account climate vulnerability and risk management in its country programs in key sectors including: health, water supply and sanitation, energy, transport, industry, mining, construction, trade, tourism, agriculture, forestry, fisheries, environmental protection, and disaster management.

- What measures will you advance at the Bank to support increasing resilience to the impacts of climate change in vulnerable countries and within vulnerable populations?

Answer. Adaptation is a critical issue for all countries but particularly the poorest. Building climate resilience into development plans, projects, and programs is good practice. If confirmed, I will encourage the World Bank to continue to build climate change adaptation considerations into Country Assistance Strategies and apply its adaptation screening tool to projects and programs to assess and address potential sensitivities to climate. I will urge the Bank to conduct further work on sector-specific tools and guidance to address adaptation in its work.

*Question.* In a series of papers, the International Energy Agency has demonstrated that delivering universal energy access for the poor would require dramatically scaling up off-grid clean energy investments. Currently, the World Bank Group (including the International Finance Corporation) is underinvesting in this sector.

- Will you push for the Bank to adopt clear metrics to measure energy access for both grid-tied and off-grid populations, and for such metrics to be essential components in project selection?

Answer. A lack of access to energy is a significant constraint to economic growth and poverty reduction—the two key pillars of the World Bank's work. The Bank has worked on this issue for a number of years and, I understand, is committed to improving energy access in its partner countries. It currently measures and reports on a number of statistics related to energy (including energy access) in its data products such as the World Development Indicators. The Bank also strongly supports the development of a set of sustainable development goals by 2030 to complement the MDGs for energy, sanitation, water, oceans, biodiversity, and land. These are sound measures and if confirmed, I would support continued work on them.

- The upcoming Rio+20 Conference provides a platform for the World Bank Group to make a commitment to delivering on energy access and increasing off-grid clean energy investments. What commitments would you push the Bank to make at Rio+20?

Answer. While it is hard to say what the outcome of Rio+20 will be at this point, the World Bank is actively working for a positive outcome for the summit. The Bank is participating in the U.N. High Level Group on "Sustainable Energy for All" which is feeding into the Rio+20 process. In this context the Bank has expressed its support for the three global energy goals outlined in this U.N. action agenda:

- (1) Universal access to modern energy services;
- (2) Doubling the rate of improvement in energy efficiency; and
- (3) Doubling the share of renewable energy—all by 2030.

Answer. I understand that the Bank also supports efforts to develop more sustainable development goals. If confirmed, I would support these commitments and work with the Bank to follow through on these issues through its programs, projects, and research.

- Recognizing the need to balance the importance of increasing energy access with access to clean and renewable resources, how would you move forward an energy strategy at the institution that would phase out fossil fuel financing while scaling up investments in clean energy?

Answer. Access to energy and increasing renewable energy and energy efficiency are all priorities for the United States and the World Bank. I would expect that any energy strategy at the World Bank would need to have a strong focus on these priority areas if it were to move forward with support from the executive board of the Bank. The Bank has already scaled up investments in clean energy and efficiency significantly. The World Bank Group has invested \$17 billion in low carbon investments since 2003, of which \$14.2 billion were in renewable energy and energy efficiency.

*Question.* The administration has made the expansion of U.S. exports a priority in its economic strategy. Procurement opportunities overseas in Bank projects could potentially provide billions in revenues for U.S. firms.

- Please describe how you will work with the Commerce Department to help U.S. firms take advantage of MDB procurement opportunities and to promote improvements, if necessary, in the Bank's data management systems to be able to monitor procurement trends.

Answer. If confirmed, I would make it a priority to conduct outreach to the private sector to highlight the various ways that American companies can benefit from the work of the World Bank. While perhaps the biggest impact comes from the work the World Bank engages in around the world to create open markets and sound investment climates, there are also a number of specific opportunities including:

- Debt and equity financing from the International Finance Corporation (IFC) to support private overseas projects, including public private partnerships with a development impact.
- Procurement opportunities both to support the Bank's own needs and for contracts that flow from sovereign lending or credits under the Bank's oversight.
- Guarantees for international trade transactions under the Global Trade Finance Program.
- Political risk insurance provided through the Bank's Multilateral Investment Guarantee Agency (MIGA).
- Dispute resolution mechanism for issues between American companies and foreign governments through the Bank's International Center for Settlement of Investment Disputes (ICSID).

Over the last decade, American companies have received over 2,500 contracts for projects supported by World Bank lending around the world, totaling more than \$1.6 billion. In addition, U.S. firms win an additional \$390 million a year on average in direct contracts with the World Bank. If confirmed, I would seek to continue and grow this strong record.

The Departments of Commerce and Treasury have already taken steps to help U.S. firms pursue MDB-funded procurement opportunities and to increase the transparency of MDB procurement data and if confirmed, I will work with both agencies to continue this progress.

Outreach to the U.S. private sector is a key part of this effort to engage more U.S. firms in MDB activities. For example, the U.S. Executive Director for the World Bank has traveled around the country to discuss World Bank procurement opportunities with business and trade organizations, including a trip earlier this month to Boston where he met with the New England Council and the Massachusetts Office of International Trade and Investment.

In response to the Departments of Treasury and Commerce, the World Bank has increased its own outreach to the U.S. private sector this year by adding seven more business organizations to its Private Sector Liaison Officer (PSLO) network. These PSLOs provide local-based guidance and engagement for U.S. firms seeking World Bank and other MDB opportunities. This brings the total of PSLOs in the U.S. to 10, more than tripling the number since the beginning of 2011.

U.S. Executive Director Solomon has been actively engaging with these PSLOs, and has already visited the new PSLOs in Alabama, Chicago, New York, and Utah. As one example of the fruits of this effort, the officer based in Chicago contributed to an 83 percent increase in World Bank contracts won by Midwest firms. If confirmed, I will work to assist in this outreach effort with the Commerce Department by taking advantage of both the PSLO network and the Commerce Department's network of Export Assistance Centers around the country.

The Departments of Treasury and Commerce have already made progress to improve transparency of the World Bank's procurement information. At the Depart-

ments' request, the World Bank began to publish procurement notices for free on its own Web site, [www.worldbank.org](http://www.worldbank.org), at the beginning of 2011. This important step allows small and medium enterprises to access these contract opportunities without having to subscribe to a database service. In addition, if confirmed, I would work with the Departments of Treasury and Commerce to continue pressing the World Bank to improve its data on contract awards under World Bank-financed projects, so that we can better track the benefits accruing to U.S. firms.

I understand the World Bank will soon be launching a review of its procurement policy. If confirmed, I will consult closely with relevant stakeholders including Congress and organizations representing the private sector to identify potential areas of improvement. I will work closely with the U.S. Executive Director, other Executive Directors, the Treasury Department, and World Bank management to incorporate these suggestions and further strengthen the World Bank's already strong procurement policies.

RESPONSES OF FREDERICK D. BARTON TO QUESTIONS SUBMITTED  
BY SENATOR RICHARD G. LUGAR

*Question.* The CSO Bureau was established as an outcome of the QDDR and in response to continued requirement for a fundamentally organized civilian capacity in our lead foreign policy institution to respond to incipient conflict, conflict and post-conflict situations.

*Answer.* The Bureau of Conflict and Stabilization Operations (CSO) was established to address the need for greater cohesion and coherence to conflict prevention and conflict response.

- What role is foreseen for the State Department Bureau of Stabilization Operations relative to the parallel and redundant efforts at USAID and DOD?

*Answer.* The space in which CSO operates is not overcrowded in light of the dynamic challenges the United States faces in providing conflict prevention and conflict response in some of the toughest places of the world. CSO will be at the center of complex conflict-related situations, whether through integrated strategies, joint analysis, or suggesting direction of foreign assistance to priority needs. In doing so CSO will ensure USAID and DOD are brought into the discussions in the earliest stages.

- Where do those two agencies fit into the new construct at State and how will they interact?

*Answer.* The partnership that CSO is building with USAID and DOD is focused on collaboration. An example of this collaboration is demonstrated through the current review of the 1207 (Conflict Prevention) program which CSO, F, DOD, and USAID manage. We have agreed that the funds must be used with more of a strategic focus, moved faster, and evaluated in-country. We are now moving forward with these critical partners to capture unobligated 1207 funds to ensure these shared principles.

- What resources will be drawn and what additional resources and authorities can be drawn upon for the purposes of responding to CSO requirements?

*Answer.* CSO expects to influence the focused use of several funds to address early onset crisis, including Complex Crisis Fund (CCF), Global Security Contingency Fund (GSCF), Transition Initiative (TI) and 1207 along with other resources. In addition we are in the process of increasing the percentage of CSO's budget dedicated to deployment.

- What additional responsibilities will CSO have should the President or Secretary deem necessary?

*Answer.* As CSO proves itself through impact driven-responses we envision being called upon more frequently by the President, National Security Staff, and the Secretary of State to drive conflict prevention, crisis response and stabilization in priority states.

- Why does a broader interagency cooperative effort appear to have been abandoned or scaled back from former recommended levels as originally intended in the Office of the Coordinator for Reconstruction and Stabilization?

*Answer.* To be more innovative and agile, CSO is developing a new model for the Civilian Response Corps (CRC) that will seek to include the widest possible range of partners, including the interagency, from the beginning of its engagements. The result should be an expeditionary team made up of leaders and experts from all

parts of the United States, interagency, state and local governments, and other sources of talent.

We believe that this will be more effective and responsive to the needs of each case and more economical than the current model.

- Where and how will a lessons-learned and planning capacity be incorporated?

Answer. The Office of Learning and Training will serve as CSO's center of excellence in an organization that is dedicated to constant learning. The Bureau will also continue to develop new tools and approaches. Planning, as with conflict prevention, will be integrated throughout the organization where, in S/CRS, these were separate offices

*Question.* The transition of the United States mission in Iraq and Afghanistan from a military heavy civil-military operation is complete in the former and just beginning in the latter. This winding down has long been perceived as requiring a considerable civilian follow on component, which while evidently less robust than originally expected, is still advisable.

- Why would the CSO Bureau reduce the size of the Conflict Response Corps precisely when the necessity of complex skills in the civilian sector is so important to sustaining gains made in both these countries given the drawdown of DOD resources and personnel that had primary responsibility for programs to be maintained by the mission?

Answer. The nature of places where CSO is operating is changing. Rather than the heavy footprint of Afghanistan and Iraq, we see a range of cases where the United States role is pivotal but not dominant. In turn, we are focusing on a smaller CRC-Active component which emphasizes leaders, and a broader approach which expands potential partners and has a "pay as we use" business model like the CRC-Standby. This will allow us to use our funds more responsibly and respond with someone who can work independently, such as supporting a Presidential inquiry in Liberia, or who can lead a small team that draws on both USG and local resources. To succeed, country cases must accelerate local ownership and that too will be at the heart of CSO's emphasis.

- What if any skill sets are being reduced or eliminated?

Answer. Over the past few years, the Interagency CRC-Active component was deployed 39 percent of their time for conflict prevention work, with the remainder of their time focusing on work not directed by CSO. CSO is dedicated to building a CRC-Active component based on a leadership cadre made up of those with proven effectiveness in the field and conflict-focused skills, such as conflict analysis, prevention tools, contingency planning, and expeditionary operations. We will continue to call upon subject matter experts who can help to bring tangible progress to the early days (0-12 months) of a crisis.

- Will the CRC and the Standby be reformulated at lower levels or is this a short-term retrenchment given the growing pains of the recent past?

Answer. To tap more specific areas of expertise such as rule of law or food security, CSO plans to rely more upon its CRC-Standby capacity and other talent in the United States. The model will allow CSO to reach more broadly across our country to find the right people at the right time.

- What tools have been sustained from the S/CRS office and which have been discarded?

Answer. CSO is aggressively working to improve upon what we do best. We have retained the conflict-related response tools (i.e., analysis and integrated strategies to focus resources and programming) developed by S/CRS and its interagency partners, and continue to build on that body of knowledge through regular interaction with international partners, NGOs, academic institutions, etc. One of the signature analysis pieces, the Interagency Conflict Assessment Framework (ICAF), is now being rethought and redesigned—and that is illustrative of the approach we will take.

*Question.* Administration and Department cooperation has proven essential to productive efforts in stabilization and reconstruction.

- Is the Obama administration fully supportive of the CSO mission and mandate and how have they demonstrated such support at the NSC level or in any government agencies?

Answer. The administration, National Security Staff, and Secretary of State have all signaled the highest levels of support for CSO. In a "townhall" speech Secretary Clinton held 2 weeks ago at the Department, she highlighted CSO's creation and



its work as one of the most important QDDR elements. Secretary Clinton and Under Secretary Otero have encouraged geographic and functional bureaus to partner with us to address conflict situations in every part of the world. The NSS has included CSO in a wide variety of conflict-related policy and country-specific working groups, ranging from Presidential Study Directive-10 on prevention of Mass Atrocities to Syria, Libya and other priority countries.

The newly arrived CSO leadership is building strong relationships among senior directors at the National Security Staff, USAID, DOD, along with numerous Assistant Secretaries at the Department of State.

- What practical resistance remains to the concept of a bureau that is a priority but requires the acquiescence and participation of other bureaus and agencies?

Answer. As CSO begins to prove itself with its impact driven actions we envision the Bureau will be called upon more frequently to drive conflict prevention and response efforts around the globe. While some senior leaders have taken a wait-and-see approach, in general the response has been welcoming.

In each use, CSO seeks a clear understanding of who is leading the U.S. effort as conflicts emerge. This initial clarity provides us all with a center of gravity: someone with cross-cutting authority for the sprawling network of offices and people involved, who welcomes help and encourages innovation. With this understanding, CSO then develops a strategy and drives urgent and practical actions.

- What role would you foresee/will CSO have in the case of another Haiti earthquake that devastates a country of interest to the United States?

Answer. As a Department of State entity, our focus will be on political or other "human" conflicts. CSO defers to how the Secretary of State frames a crisis as either humanitarian or political in nature. It is entirely conceivable that a natural disaster could be the catalyst for a human/political conflict or a "hyper complex emergency" in which case we would partner closely with USAID, DOD, and others in developing a coordinated response that addresses both the humanitarian and conflict dimensions of the situation.

- What role, would you envision, will CSO have in the case of a new political freedom movement in Algeria or Sudan or Cuba?

Answer. CSO would likely play a significant role in the first 12 months. CSO has provided analytical, contingency planning, and project development support to several geographic bureaus, embassies, or special envoys in this area. It is imperative to understand the underlying sources of conflict in a complex crisis—and to plan systematically for likely scenarios. For example, S/CRS—and currently CSO—has been a strong supporter of the smooth transition of South Sudan into an independent country. Our staff has covered literally every corner of the country beginning before the referendum through independence. Our Stabilization Teams deployed to extend the diplomatic reach of the USG at the state and county levels, engaging in "operational diplomacy," to include conflict assessment and reporting, facilitation of peacebuilding initiatives and engagements with key local actors to advance conflict mitigation and stabilization objectives. A key function was to provide early warning of growing conflict trends at the local, tribal, or provincial level, permitting the USG and the Government of South Sudan to respond before the outbreak of violence. As another example, we are currently providing support to the Bureau for Near Eastern Affairs on expanding the abilities of the Syrian opposition.

- What role, would you foresee, will CSO play in Afghanistan now and post-2014?

Answer. CSO is focused on transition planning with the host government, within the Embassy, and with the military command.

- What role, would you foresee, will CSO play in an emergent mass atrocity in Sudan?

Answer. CSO plays an active role in the interagency work on mass atrocity and genocide prevention, including direct support to the Office of the Under Secretary for Civilian Security, Democracy, and Human Rights (J) and the broader J family. CSO's greatest value is likeliest to be at the earliest possible stage—in anticipating possible threats or atrocities and helping to provide the tools and training to better address them.

The presence of CSO Stabilization Teams in the most conflict-prone areas of South Sudan continues to serve as an important tripwire in providing early warning on emerging violence and, potentially, mass atrocities. Beyond simply raising the profile of subnational political and security threats, CSO staff in the field engage with state and county officials, tribal leaders, youth, UNMISS and other stakeholders and have used these relationships to influence behavior, including damp-

ening tensions, encouraging reconciliation and helping to set conditions that could prevent violence.

RESPONSES OF WILLIAM E. TODD TO QUESTIONS SUBMITTED  
BY SENATOR RICHARD G. LUGAR

*Question.* Given the widespread concerns about official corruption in Cambodia, I and many others believe it is imperative that Cambodia join the Extractive Industries Transparency Initiative before oil revenues begin to flow from its offshore fields, which may be as soon as next year. Does the State Department share this view, and if so, what is the U.S. Government doing to encourage Cambodia's participation in EITI? Is the U.S. providing any other assistance to help Cambodia productively manage its future oil revenues?

*Answer.* The U.S. Government continues to encourage Cambodia and others to join the Extractive Industries Transparency Initiative (EITI). Although Cambodia has yet to join, it has participated in regional EITI workshops and taken steps to make public disclosures of its oil revenue. In 2010, the Cambodian Government announced it had received a total of \$26 million in signature bonuses and social funds from PetroVietnam and Total associated with contracts for offshore oil exploration. Most significantly, Cambodia has established an interministerial working group that will publish extractive industry taxes and revenue, according to the local NGO "Cambodians for Resource Revenue Transparency" (CRRT).

EITI is emerging as a global standard for revenue transparency, an important component of good governance in the extractives sector. The United States demonstrated its commitment to this principle in September 2011, when President Obama announced that the United States would join EITI. Leading by example strengthens the U.S. position as we continue to encourage Cambodia and others to join the initiative. Industry, government, and civil society must work together to promote greater transparency and fight corruption.

Through our civil society partners, the United States has supported workshops to assist Cambodian Government officials to better understand the oil and gas industry. Additionally, we have promoted international best practices for resource management in our interactions with relevant government officials.

The United States provides technical assistance to the Cambodian Government, in the form of financial advisory services from the U.S. Department of the Treasury, to develop sound financial management practices. Related to the extractives sector, the team has assisted in the development and implementation of laws and regulations related to taxation of the oil and gas and mining industries. Additionally, a full-time U.S. advisor works with the Ministry of Economy and Finance to support overall budget reform and increase financial accountability in Cambodia.

*Question.* American democracy advocate Ron Abney passed away on December 31, 2011, without seeing justice for the grenade attack in Cambodia on March 30, 1997, in which 16 Cambodians were killed, and scores injured—including Abney himself. Elements of the ruling Cambodian People's Party (CPP) were reportedly suspected of complicity in the attack, particularly Prime Minister Hun Sen's bodyguard unit Brigade 70. What actions will you take to secure justice for the victims of the 1997 grenade attack, and what impact does impunity for such crimes have on Cambodia's democratic and legal development?

*Answer.* The lack of accountability for past crimes, and a culture of impunity among many of Cambodia's elite, is an ongoing concern for the United States, and one which, if confirmed, would be a top priority for me during my tenure as Ambassador. These actions erode confidence in the legal and political systems. Cambodia's democratic and legal development is retarded when there is no accountability for past crimes. If confirmed, I will make the issue of equality before the law, judicial independence, and accountability for past crimes a major theme of my engagement with the Royal Government of Cambodia, and I will do everything I can to assist the victims of the 1997 grenade attack find justice.

*Question.* Please describe the process by which U.S. foreign assistance to Cambodia is evaluated in terms of effectiveness. Identify every program and project funded in Cambodia for the last 5 years by the U.S. Government. For each program and project funded by the U.S. Government during that time period, please state the type of evaluation(s) which occurred on an annual basis and the findings of each evaluation.

*Answer.* U.S. foreign assistance to Cambodia is evaluated in accordance with performance management best practices, including where feasible and useful, program

evaluation, to achieve the most effective U.S. foreign policy outcomes and greatest accountability to our primary stakeholders, the American people. The U.S. Department of State has recently launched an Evaluation Policy that requires that all large programs, projects, and activities be evaluated at least once in their lifetime or every 5 years, whichever is less. Each Bureau in the State Department identifies the programs, projects, or activities to evaluate, and is required to evaluate two to four projects/programs/activities over a 24-month period beginning with FY 2012, depending on the size, scope, and complexity of the programs/projects being evaluated. USAID has implemented a similar policy.

The attached annexes represent the past 5 years of summaries of USAID, CDC, security assistance, and weapons removal and abatement projects funded by the United States in Cambodia. The State Department would be pleased to provide a briefing for you or your staff on these programs and the evaluation mechanisms, if you would like further information.

[EDITOR'S NOTE.—The annexes mentioned above (Annex 1: "Evaluation Findings, USAID/Cambodia"; Annex 2: "Security Assistance, Evaluation of Effectiveness"; Annex 3: "Weapons Removal and Abatement Summary") were too voluminous to include in the printed hearing. They will be retained in the permanent record of the committee.]

*Question.* Will you meet with opposition leader Sam Rainsy, whether that be in Cambodia, if he returns or elsewhere?

*Answer.* If confirmed, I would welcome any opportunity to meet both ruling party and opposition party figures in Cambodia, including Mr. Sam Rainsy, regardless of venue.

*Question.* Former Thai Prime Minister Thaksin Shinawatra serves as a key advisor to Cambodia Prime Minister Hun Sen on an intermittent basis. How does this relationship effect bilateral relations between Thailand and Cambodia?

*Answer.* Former Thai Prime Minister Thaksin Shinawatra served as an economic advisor to Cambodian Prime Minister Hun Sen from 2009 to 2010, and the two figures are widely believed to remain in close contact. Relations between Cambodia and Thailand have warmed significantly since a Puea Thai party coalition came to power in Thailand 2011, led by Thaksin's youngest sister, Prime Minister Yingluck Shinawatra.

The United States strongly encourages Cambodia and Thailand to continue to improve their bilateral relationship, which would also help bolster regional stability.

*Question.* Please quantify the success of the U.S. Government or U.S. funded projects and programs in Cambodia attempting to address human trafficking.

*Answer.* Cambodia, once a Tier 3 country, was classified as a Tier 2 country in the State Department's June 2011 report.

The United States has implemented an array of programs to address human trafficking through USAID, the Department of State's Bureau of Population, Refugees, and Migration, and the Department's Office to Monitor and Combat Trafficking in Persons.

USAID/Cambodia programs to counter trafficking in persons (TIP) have reached over 7,600 Cambodians in key priority provinces through information campaigns and training events on safe migration and TIP-related issues. Participants included local officials, community change-makers (such as Village Development Committee members), and students.

In the interest of TIP prevention, USAID assistance has strengthened employment options and reduced vulnerability to trafficking of over 920 youth through support for educational scholarships and vocational training. USAID assistance has also reduced the vulnerability of nearly 300 families by mitigating pressures for family members to fall into situations involving unsafe migration, trafficking, or exploitation.

The program has provided training to 776 government officials and social workers on victim protection. USAID programs have also supported over 1,800 trafficking victims through short- and long-term services provided by shelters, including residential care, educational support, livelihoods skills training, psychosocial support, and reintegration assistance.

In the interest of prosecution, USAID supported training for over 500 police officers on TIP, criminal investigation, evidence collection techniques for trafficking cases and institutionalized trainings within the Cambodian National Police. We

have also trained over 180 judicial officials on the TIP law and regional and international legal frameworks to address TIP.

In FY 2011, the Department of State's Bureau of Population, Refugees, and Migration programmed \$300,000 in INCLE funds for antitrafficking activities in Cambodia, Laos, and Malaysia under its Southeast Asia regional migration program, implemented by the International Organization for Migration (IOM). Activities focused on improving the quality of assistance provided in shelters for trafficking victims in Malaysia and building the capacity of the Lao and Cambodian Governments to provide reintegration assistance to returning trafficking victims. In FY11 in Cambodia, IOM trained 20 central-level Ministry of Women's Affairs (MoWA) officials, 40 provincial-level MoWA officials, and 154 key local leaders, including village and commune chiefs, on methods to conduct awareness-raising activities on the risks of irregular migration and the rights and responsibilities of migrants in Thailand, a major destination for Cambodian labor migrants. The project also supported two awareness-raising campaigns in Cambodia's Prey Veug and Kampong Cham provinces that reached a total of 1,674 people.

The Department of State Office to Monitor and Combat Trafficking in Persons (J/TIP) has supported both the U.N. and nongovernmental organizations to address trafficking in Cambodia.

The United Nations Inter-Agency Project on Human Trafficking (UNIAP) is partnering with local NGOs to provide psychosocial support and other services to address trauma and other mental health needs of victims of sex and labor trafficking. The project is also providing economic support through training and job placement for victims, as well as training for staff and raising awareness of the issue. In the area of prevention, UNIAP successfully integrated an antitrafficking message into a publication on financial literacy produced by a microfinance institution. Over 50,000 copies of this publication were distributed through the microfinance institution's branch offices. In the area of protection, UNIAP has provided medical services to 20 trafficking victims, legal assistance and advice to 105 victims, counseling services to 75, and vocational training to more than 20 others. Of particular note is the repatriation assistance to Cambodia of 65 male Cambodian labor trafficking victims from Indonesia, 18 victims from Malaysia, and 21 victims from Thailand. In terms of prosecution, UNIAP has assisted with the investigation of 20 TIP cases, the arrest of eight perpetrators, six of whom have been criminally charged, and two of whom have been convicted. The traffickers were each sentenced 8 years in prison and ordered to pay compensation to their victims.

World Hope International (WHI) provides comprehensive services for girl survivors of trafficking and rape through an aftercare center in Siem Reap modeled after a successful aftercare program in Phnom Penh. Services include short-term shelter, medical and mental health assessments, art therapy, and assistance with preparing for court proceedings, with the goal of recovery and reintegration. WHI has partnered with Cambodia's Ministry of Social Affairs, Veterans, and Youth Rehabilitation (MoSAVY) to assist approximately 60 girls through the center, and conducts periodic followup visits to ensure successful reintegration into their communities.

Additionally, the J/TIP office recently funded *Agir por les Femmes en Situation Precaire (AFESIP)* to develop three service centers in Cambodia. These centers provide trafficking survivors with residential living space that meets their immediate needs, including medical evaluations and treatment; psychological counseling to establish and restore self-confidence and self-esteem; support to family members; and childcare and parenting skills to residents in order to allow them to focus on their own rehabilitation. Nearly 550 women and girls received care across AFESIP's three residential shelters throughout the project period.

*Question.* What is the status of relations between the U.S. Department of Defense and the Royal Cambodian Armed Forces? How is the human rights record of the Royal Cambodian Armed Forces factored into decisions by the United States to engage with the Cambodian military?

Answer. U.S. security engagement is a positive driver in deepening United States-Cambodia relations, and reinforces our efforts to promote a democratic Cambodia respectful of human rights, dedicated to the rule of law and transparent governance, at peace with its neighbors, and a contributor to regional stability.

The United States assists and engages with the Royal Cambodian Armed Forces (RCAF) in an effort to develop a modern, transparent, accountable, and professional Cambodian partner that supports U.S. efforts to maintain regional and global stability, adheres to international human rights norms, and is integrated into the international community.

The military-to-military relationship focuses on building capacity in peacekeeping (with recent deployments to Sudan and Lebanon as examples), counterterrorism, civil-military operations (including military medicine and engineering), humanitarian assistance and disaster relief response, and maritime security. The United States will also continue to enhance the RCAF's capabilities to meet reform, force restructuring, and professionalization objectives.

Every individual and unit that participates in U.S.-funded training is thoroughly vetted, both in Phnom Penh and Washington, in strict accordance with U.S. law and State Department regulations. For example, in addition to the various internal background checks conducted at the U.S. Embassy, using information the Embassy has amassed from contacts and open sources, Embassy personnel also check names against a database maintained by a prominent human rights NGO. This database tracks human rights violations throughout the country and includes cases submitted by NGO monitors and contacts in the provinces. In Washington, the Department of State's Bureau of Democracy, Human Rights and Labor implements the Leahy amendment by reviewing information from multiple resources to ensure that U.S. funding is not used to training individuals or units implicated in human rights abuses.

Senior Department of Defense visitors to Cambodia discuss human rights issues in their meetings with senior RCAF and Ministry of National Defense (MoND) officials. The RCAF and MoND are fully aware of our position on gross human rights violations as it pertains to security training, and all units and individuals receiving training are required to receive human rights awareness training prior to the start of the program.

*Question.* Please cite specific examples during the past 3 years when the United States protested the illegal eviction and "land grabbing" of private citizens, which has occurred at the direction of Cambodian officials and in violation of Cambodian law.

*Answer.* The United States has consistently expressed its concerns about the increasing number of land disputes in Cambodia and the potential they have to escalate into violent confrontations. These disputes underscore the importance of clearly delineated property rights and the need for a dispute resolution system that is independent and treats all Cambodians equally and according to the law.

The United States has previously joined others in the international community to urge the Royal Government of Cambodia (RGC) to ensure that property rights are respected. For example, in 2009, the United States coordinated and publicized a joint statement that urged the RGC to end its development of Boeung Kak Lake until and unless Cambodian authorities and the affected citizens reached a lawful resolution. In 2011, the World Bank suspended new lending to Cambodia until and unless the RGC satisfactorily resolved the Boeung Kak Lake situation. The United States, as a shareholder, strongly supported the World Bank's decision.

In 2012, the United States publicly raised our concerns regarding land disputes during the eviction of land claimants from the Borei Keila settlement and continues to call on protestors to refrain from violence and for security forces to exercise maximum restraint.

The United States, through our USAID mission in Phnom Penh, provides funding and training to civil society groups that work in the areas of land and livelihood rights, judicial reform, and legal awareness.

*Question.* How do you recommend approaching the plethora of rule of law challenges and issues within Cambodia? Please assess the success or failure of the United States on this front in recent years in Cambodia. What other countries are actively concerned about the rule of law challenges in Cambodia?

*Answer.* The United States is concerned about Cambodia's weak and vulnerable judiciary. Weak rule of law hinders political reform, encourages an environment of impunity, hinders economic and social development, and cripples the public's confidence in the political process. Land rights issues are a tangible example of a larger need for rule of law for many Cambodians.

Though recent arrests may indicate greater political will in Cambodia to tackle corruption, the United States continues to encourage Cambodia to comprehensively enforce its Anti-Corruption Law. We also encourage Cambodia to write effective, applicable laws and have offered technical assistance and critical feedback to support those efforts.

If confirmed, I will not only recognize and praise positive developments, but also make clear our strong position on issues related to the rule of law and corruption. I will persistently engage with Cambodian officials and political leaders to stress the vital importance of the rule of law and the need to create the political will to build

and protect it. At the same time, I believe the United States needs to continue its robust support for civil society organizations that actively monitor and promote the rule of law in Cambodia.

Various USAID programs support justice sector reform, including a project with the Ministry of Justice to improve collection and use of justice-system data. USAID supports legal education, which is critical for building the next generation of legal professionals who can promote rule of law, a key element in democratic transformation. Through a robust subgrant program, USAID supports civil-society organizations that engage in human rights advocacy and provide legal aid to indigent persons.

The United States \$11.8 million contribution to the Khmer Rouge Tribunal (pledged and delivered contributions since 2008) is assisting the Cambodian people in achieving a measure of justice and accountability for the atrocities of the Khmer Rouge era. If confirmed, I will continue to call on the Cambodian Government to respect and protect the Tribunal's independence with regards to all cases before the Court.

The U.S. Government is also engaging with Cambodia's military and law enforcement forces to develop their professionalization and accountability, thus advancing their respect for the rule of law. Professional and competent security forces will not only be better equipped to address transnational threats and domestic criminal activities, but also be better prepared to support and sustain democratic institutions.

The United States coordinates closely with other donors supporting rule-of-law programs and assesses that many of Cambodia's international partners are concerned about rule of law, given its impact on a broad spectrum of issues, from the inviolability of contracts for foreign investors to human rights for Cambodians and myriad other issues. Many countries are actively concerned about the rule of law in Cambodia, including Australia, members of the European Union, Japan, Canada, and South Korea.

*Question.* In what ways does the United States consult and coordinate with other major international donors of assistance to Cambodia?

*Answer.* The United States consults and coordinates with other major international donors on a regular basis, through formal and informal means, and through the strategy, design, implementation, monitoring, and evaluation cycle of assistance programs. Mechanisms include a monthly meeting in Phnom Penh attended by heads of development partner agencies, consultations at the program design and implementation level, consultative workshops with other development partners, and even the contributions of resources from other donors to USAID programs.

Formal coordination between development partners and the Cambodian Government occurs at three levels. First, a consortium of 19 technical working groups addresses a range of development issues at the working level. Second, the "Government Donor Coordination Council" serves as a higher level forum for coordination and dialogue between the Cambodian Government and development partners, with the most recent such meeting occurring in April 2011. Third, the Country Development Cooperation Forum (CDCF) is the highest level forum for policy dialogue among the development partners and the Cambodian Government, is typically chaired by the Prime Minister, and includes the participation of Ambassadors and heads of development agencies. The most recent CDCF was held in June 2010.

*Question.* Please identify U.S. "partners" in Cambodia, receiving U.S. funds, whom have direct or indirect relations with one or more key Cambodian official or their family.

*Answer.* CDC: The implementing partners for the U.S. Centers for Disease Control's (CDC) Global AIDS Program and Influenza Program include the Ministry of Health; the National Center for HIV, AIDS, Dermatology and Sexually Transmitted Infections; the National Tuberculosis Control Program; the National Institute of Public Health; the Communicable Disease Control Division; and the World Health Organization (WHO). Each of these partners is led by a key Cambodian official (for the Cambodian Government agencies) or has direct professional ties to such officials (WHO).

USAID/Cambodia: The Cambodia mission of the U.S. Agency for International Development (USAID/Cambodia) works with local and international NGO partners to implement programs in democracy, human rights, elections and political processes, health, education, agriculture, food security and environment. These partners necessarily have direct professional relationships with key Cambodian Government officials.

USAID/Cambodia is aware of only one direct partner receiving U.S. funds that has a family relationship with a key Cambodian official. The Chief of Party of the

Sustainable Action Against HIV/AIDS in Communities project, implemented by the Khmer HIV/AIDS NGO Alliance, is the spouse of an Under Secretary of State with the Ministry of Commerce.

**Ambassador's Fund for Cultural Preservation (AFCP):** The United States is providing AFCP funds to two nongovernmental organization (NGO) implementing partners that have direct professional relationships with key Cambodian officials at the Ministry of Culture and/or the APSARA Authority. The NGOs are the World Monuments Fund (conservation work at Phnom Bakheng Temple) and Cambodian Living Arts (documentation of three Khmer music traditions). These grants were awarded through a standard competitive process that complied with all relevant U.S. laws and regulations.

**English Access Microscholarship Program (Access):** The following NGO implementing partners, which receive Access funding to conduct English-language education for disadvantaged students, are led by a key Cambodian official. Grants to these organizations were awarded through a standard competitive process that complied with all relevant U.S. laws and regulations.

- **Cambodian Islamic Youth Association**—The director is an Under Secretary of State with the Ministry of Social Affairs, Veterans and Youth Rehabilitation, and the deputy is an Under Secretary of State with the Ministry of Rural Development.
- **Islamic Local Development Organization**—The founder, who is still a member of the group's Board of Directors, is a Secretary of State with the Ministry of Social Affairs, Veterans and Youth Rehabilitation.
- **Cambodian Islamic Women Development Association**—The project director is an Under Secretary of State with the Ministry of Women's Affairs.
- **Cambodian Muslim Development Foundation**—The project director is an Under Secretary of State with the Ministry of Education, Youth, and Sports.

**Other Public Diplomacy Programs:** The United States funds American Corners at Panassstra University of Cambodia (PUC) in Phnom Penh and the University of Management and Economics in Kampong Cham and Battambang, all of which have professional relationships with key Cambodian officials, mainly with the Ministry of Education, Youth and Sports. Additionally, the President of PUC is a former Minister of Education and continues to serve as an advisor to the Cambodian Government. The United States also provides support for the annual CamTESOL conference, organized by the private company, IDP, which works closely with the Ministry of Education on the event.

**NADR: Though Nonproliferation, Antiterrorism, Demining, and Related Programs (NADR) funding,** the United States provides grants to humanitarian demining organizations in Cambodia to remove mines and other explosive remnants of war (EWR). In addition to mine and EWR clearance activities, U.S. assistance supports technical training and public education programs. Implementing partners for these programs include DynCorp International, the Mines Advisory Group (MAG), the HALO Trust, and Golden West Humanitarian Foundation. These organizations necessarily have direct professional relationships with key Cambodian officials.

**IMET/FMF: International Military Education and Training (IMET) and Foreign Military Financing (FMF) funds** are not provided directly to any Cambodian partner, but government elements led by key Cambodian officials, including the Royal Cambodian Armed Forces and the Ministry of National Defense, do benefit from IMET/FMF-funded programs and projects. All programs and activities are contracted and disbursed in strict accordance with applicable U.S. laws on competitive bidding.

*Question.* What are "best prospects" for U.S. companies exporting to Cambodia in the next 3 to 5 years?

*Answer.* While Cambodia has enjoyed considerable economic growth over the past decade, it is still among the poorest countries in the world. Most Cambodian consumers are extremely price sensitive. While products from China, Vietnam, or Thailand tend to dominate the market because of their relatively cheaper prices, there are some key areas in which American products and services are positioned to increase their market share. If confirmed, I will do everything I can to increase U.S. exports to Cambodia, including working with the Cambodian Government to improve the business and investment climate in Cambodia.

- **Agribusiness and Food Processing:** Roughly 80 percent of Cambodia's population is engaged in the agriculture sector. As a matter of policy, the Cambodian Government encourages investment in agriculture, diversification of agricultural products, and investment in improved irrigation and water control. The agriculture sector currently relies on outdated methods of farming and opportuni-

ties exist for American companies to promote higher quality seeds, fertilizers, and other agricultural inputs in Cambodia. Agricultural equipment, irrigation systems, and food processing equipment are other areas with potential for increased U.S. exports.

- *Construction Equipment and Engineering Services:* Cambodia is rehabilitating its hard infrastructure, including its road network, and has experienced a boom in residential and commercial construction over the last few years. Construction equipment and engineering services will be in great demand for the foreseeable future. Public works and transportation are a high priority for the Cambodian Government, which receives support from international donors.
- *Tourism, Infrastructure and Resorts:* Political and economic stability has enabled Cambodia's tourist sector to mature steadily over the past few years. Nearly 3 million foreign tourists visited Cambodia in 2011. Main attractions include the historical Angkor Wat temple complex in Siem Reap and the relatively undeveloped beaches along Cambodia's southern coast. Estimated annual earnings from the sector are more than \$1.5 billion, or about 10 percent of total GDP. Collectively, these conditions present good market opportunities for American companies to develop hotels and resorts and to supply other hospitality-related products or infrastructure.
- *Education:* Demand for private or supplementary education services is high. The majority of Cambodia's population is school age, and the overall quality of public education is very poor. Many Cambodians, particularly in the growing middle class but even for those without much disposable income, are willing to spend money on education for their children to secure better opportunities in life. Commercial opportunities exist for American firms in vocational, specialized, preschool, elementary, secondary, and post-secondary education resources. English-language training is also an increasingly attractive prospect.
- *Used Cars and Automotive Parts:* Cambodia has no public transportation network, and the majority of people travel by motorbike or car. Automobile ownership is rapidly increasing, and the vast majority of cars are imported second-hand vehicles. The United States is currently the largest supplier of used vehicles in Cambodia, with the most popular models being four-wheel drive vehicles and mid-sized Japanese-brand sedans. Additional export opportunities exist in car accessories and spare parts.

*Question.* What level of U.S. funding has been dedicated to electoral reform in Cambodia over the last 10 years? Do you view this priority as being a success or failure on the part of the U.S. given concerns about 2013 elections being "free and fair"?

*Answer.* The total value of U.S. Government assistance supporting civil society and political parties in elections over the past 10 years is \$37,589,997. This assistance has promoted programs critical to supporting free and fair elections in Cambodia, including political party training/development, voter education, youth political empowerment, polling, women's caucuses, candidate debates, and civil society observation of elections. For over 10 years, the United States has not provided assistance to electoral management bodies that administer elections or legal/policy reform issues.

I believe that Cambodia's transition and democratic reform remains a work in progress and considerable challenges remain. Most observers assessed that Cambodia's 2008 elections took place in an overall peaceful atmosphere with an improved process over past elections. However, observers noted the elections did not fully meet international standards. Restrictions on the transparency of the electoral environment include harassment of opposition political parties and limited space for political debate. The United States believes that Cambodia's commune elections in 2012 and national elections in 2013 provide opportunities for the Royal Government of Cambodia to demonstrate to its people and the world that it is dedicated to multiparty democracy and that it can be a durable and healthy democracy.

Looking to the 2012 and 2013 elections, if confirmed, I will continue support for the role of civil society and political parties in elections. I will also deploy Embassy personnel as election observers throughout the country and coordinate our efforts with others in Cambodia and with the international community.

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RESPONSES OF SARA MARGALIT AVIEL TO QUESTIONS SUBMITTED  
BY SENATOR RICHARD G. LUGAR

*Question.* Your biography indicates that you have never worked in the World Bank system. How do you think this will impact your ability to function as a part



of the U.S. leadership? What will your priorities be at the World Bank? What new initiatives would you propose to promote U.S. priorities at the Bank?

**Answer.** My experiences at the Treasury Department, National Security Council, National Economic Council, and in private international development organizations provide me with a unique perspective on policymaking at the highest levels of the U.S. Government and on development issues in the poorest communities in the world.

To give just a few examples of my experience:

- I have been a part of the important community development projects the World Bank supported in Afghanistan, where CARE served as an implementing partner for the World Bank's landmark National Solidarity Program.
- As a Senior Advisor to Secretary Geithner, I participated in and helped manage Secretary Geithner's engagements in six World Bank spring and fall annual meetings.
- As a Director of International Economic Affairs at the National Security Council and National Economic Council, I have coordinated with World Bank officials on a range of issues, from cosponsorship of the South Sudan International Engagement Conference to projections of Afghanistan's fiscal gap.

These experiences have made me well-versed in the range of development and policy issues facing the World Bank. If confirmed, I will arrive at the Bank as a newcomer to the World Bank system like most of my predecessors. However, I can assure you that I will bring the relevant experience to the position, as well as the ability to approach the institution with a fresh perspective and a critical eye rather than being encumbered by the status quo.

If confirmed, my priority, first and foremost, would be to serve as a strong fiduciary steward of American taxpayer resources. The United States is the largest shareholder of the institution, and if confirmed, it would be my primary responsibility to provide effective oversight.

Second, my focus would be on execution. The World Bank has already agreed to a number of significant reforms as part of the recent capital increases and I would work to make sure that these reforms are implemented quickly and effectively. These include efforts to:

- Strengthen financial discipline;
- Improve governance and accountability, including promoting transparency and anticorruption efforts;
- Enhance development impact and effectiveness.

Beyond focusing on a comprehensive and careful implementation of these critical reforms, I would work with the Executive Director to promote U.S. priorities at the World Bank by:

- Encouraging a culture of innovation and learning so that effective approaches can be brought to scale for greater impact;
- Conducting outreach to the private sector to highlight procurement and financing opportunities for American companies;
- Engaging civil society organizations and other stakeholders to solicit different perspectives on the impact of the World Bank and potential areas for improvement.

*Question.* Your testimony at the hearing overall highlighted and discussed the stated mission of the World Bank and cast the institution in a positive light. Your testimony did not address the issue of much-needed reform in the Bank system. I have been conducting investigations and holding hearings for 10 years now on serious corruption and lack of transparency at the Bank. After onsite visits by my staff, I put forward a report detailing findings and suggesting corrective measures going forward. Have you reviewed this report and evaluated the suggested reforms? What measures, in addition to those I suggest, would you propose to promote transparency and anticorruption? What can the Treasury Department do to focus more on reform?

**Answer.** I have carefully reviewed your report and support its approach. Indeed, I believe my testimony was very much aligned with the general conclusions in the report—namely that “the IFIs still serve U.S. policy interests and leverage American taxpayer dollars” but that we must work to improve their accountability, transparency, and effectiveness.

After reading the report, I actively consulted with colleagues at the Treasury Department and in the office of the U.S. Executive Director about its contents and recommendations. I was pleased to hear that the report significantly helped guide their negotiations regarding the general capital increases, replenishments, and the corresponding reforms. For instance, the International Bank for Reconstruction and Development (IBRD) and the International Finance Corporation (IFC) have both

agreed to increased transfers of their net income to the International Development Association (IDA) during the IDA-16 replenishment period—a key recommendation in your report. Furthermore, in the context of the IBRD's general capital increase, shareholders agreed to greater formalization of these transfers going forward. The United States also successfully pushed to increase IFC's lending in IDA countries, as you had recommended.

Also consistent with the recommendation of your report, the United States, other key shareholders, and the management of the MDBs have all placed a special emphasis on harmonizing results in recent years. Much of the agenda has been centered on results measurement systems, such as that of the International Development Association (IDA). For example, in the latest replenishment round for IDA completed in May, 2010 (IDA16), reforms to results monitoring and measurement at the country, program and project levels have helped set a model for other development partners. I understand that in each of the recent concessional window replenishments (IDA, the Asian Development Fund, and the African Development Fund), the United States has pressed for greater efforts toward harmonization of results frameworks across the institutions and that the MDBs are responding favorably and actively engaging with each other on this important objective. If confirmed, I look forward to engaging with World Bank management on this agenda as I believe it is central to promoting greater accountability.

Your report also appropriately emphasizes the anticorruption and transparency agenda. The World Bank has some notable recent successes to point to, such as the landmark Cross Debarment Agreement that brought the World Bank and regional development banks together in linking their actions in response to incidences of corruption in procurement. Another notable success is the Bank's new access to information policy, which sets an appropriate new norm of transparency, with a presumption that all documents are released and a very narrow exception for sensitive materials.

However, given the amount of money disbursed from the Bank, and the often challenging environments in which the Bank operates, guarding against corruption requires constant vigilance. Therefore, if confirmed, I look forward to working closely with the Treasury Department and this committee in advancing a robust agenda on transparency and anticorruption at the World Bank. This includes supporting a strong Integrity Vice-Presidency with sufficient resources to carry out its investigations, pressing for better data collection and reporting on procurement awards under Bank-financed projects, and greater use of independent, third-party organizations to verify the results of Bank projects, where appropriate (such as in the Bank's new Program-for-Results instrument). The World Bank and the Treasury Department should also continue using their leverage to promote greater transparency and anticorruption policies across borrowing country governments by working with them to strengthen their public financial management systems, publish their budgets, investigate and prosecute wrongdoing, and where applicable, incorporate the principles of the Extractive Industries Transparency Initiative.

*Question.* One of the goals of the World Bank system should be to "put itself out of business." There should be more focus on enabling governments to generate their own revenue and access to capital markets. What sorts of guidelines would you propose for moving countries from being borrowers to becoming donors, particularly the middle-income countries?

*Answer.* I agree that the World Bank Group should aim to reduce the need for its involvement by supporting poverty reduction around the world including by working with governments to generate their own revenue for this purpose. The World Bank system has succeeded in meeting this goal in many countries throughout its history. Since the founding of the World Bank in 1944, thirty-three countries have graduated from IBRD borrowing. The list of IBRD graduates highlights the success of the World Bank in supporting the postwar reconstruction of Europe (e.g., France, which graduated in 1947); fostering the rapid post-war development of East Asia (e.g., Japan, 1967; Taiwan 1971; Singapore, 1975; and South Korea, 1995); and facilitating Eastern Europe's transition to capitalism (e.g., Czech Republic, 2005 and Hungary, 2007). Since its founding in 1960, IDA has seen 35 countries graduate from its assistance including: Botswana, China, Costa Rica, Jordan, and Turkey.

While graduation rates are roughly the same from IDA and IBRD, it is also the case that the guidelines for graduation from IDA—per capita income above an established threshold (\$1,175 in FY 2012) and/or creditworthiness to borrow on market terms—are clearer and more binding. On balance, I understand the IDA graduation model works reasonably well. As to IBRD, I believe there are advantages to defining a clearer graduation policy and principles for Bank engagement in middle-income countries.

While I do think it is important to encourage graduation, the United States does have an interest in continued IBRD engagement in many middle-income countries. Middle-income countries, such as Brazil and China, have made tremendous strides in development in recent decades. However, they still account for just under half of the world's population and are home to two-thirds of people across the globe living on less than \$2 per day. So the World Bank still plays a valuable role in supporting these countries' efforts to eradicate poverty. World Bank lending also advances other U.S. policy interests in these countries including environmental sustainability, sound fiscal management, and orienting their economies toward greater domestic consumption, which generates export markets for our firms and contributes to larger global rebalancing efforts. The high standards for environmental and social safeguards and procurement policies that the World Bank requires serves as a model that we would like to see adopted more broadly in these countries. Moreover, although middle-income countries can often borrow on international capital markets at favorable rates, they value the World Bank's unique expertise in long-term development interventions.

Further, even as many of these countries make considerable economic strides globally, they often remain vulnerable to economic shocks, which can force them to turn to the World Bank to cushion the blow on their most vulnerable citizens. For example, South Korea, a country that had formally graduated from IBRD assistance nearly 20 years ago, and by virtually any measure, is a success story today, nonetheless was forced to return to the Bank for assistance during the Asian Financial Crisis in the late 1990s.

The World Bank and the United States have been successful in encouraging greater participation of emerging market donors, and if confirmed, I would continue to press this case. In the last replenishment of IDA, for example, several middle-income countries such as China, Brazil, Russia, and Mexico made pledges. To date, traditional donor contributions from these countries have been very modest. At the same time, through the IBRD and IFC net-income transfers, as well as measures such as "prepayment" of outstanding IDA loans by countries like China, middle-income countries played a strong, if indirect, role in driving the overall increase in the IDA 16 replenishment.

That said, I think these countries should do more in exchange for the benefits they receive from World Bank assistance. The United States has long been at odds with many of the middle-income countries on the issue of loan pricing. If confirmed, I will continue to press for loan pricing that meets the broader needs of the Bank, both in terms of protecting the Bank's capital base but also in making important goals like IDA transfers possible. I also think it is worth exploring the recommendation in your report to consider charging for advisory services.

If confirmed, I would consult actively with Congress and other stakeholders about the appropriate role for the World Bank in middle-income countries.

*Question.* The global financial crisis has impacted the world's poorest regions most severely. The response of the Bank was to seek greater resources from donor countries, which have also been affected drastically by the crisis. Could the international financial institutions have done anything to mitigate the effects of the crisis? What sorts of studies or reviews would you conduct to make sure that lessons learned from the crisis of the last few years are used to better prepare the institutions for any such future occurrences?

*Answer.* The global economic crisis that began in 2008 threatened to erase years of progress in developing countries. In response to the crisis and calls from the G20, the World Bank Group (World Bank, International Finance Corporation, Multilateral Investment Guarantee Agency) increased lending to unprecedented levels. Since 2008, the World Bank Group has committed \$196.3 billion to developing countries, including record commitments in education, health, nutrition, population, and infrastructure, providing much-needed investments in crisis-hit economies. These investments also helped restore liquidity to trade flows, which helped cushion the blow for American exporters as well.

I strongly support the Bank's robust response to the crisis and I believe the Bank delivered consistent with its resource constraints—both in terms of timeliness of its response and the quality of its interventions. I continue to believe the Bank played a critical role in mitigating the extent of the crisis, and that the impact would have been far worse in many countries without the Bank's interventions.

That said, the Bank should and is taking a hard look at its crisis response efforts to determine where new approaches or instruments might make sense. In this context, the Bank's Independent Evaluation Group (IEG) recently completed an extensive review of the Bank's response to the crisis. The review found that the Bank's lending provided an important source of stimulus in many countries at a time when

many feared the onset of a global depression. However, the review also found that the Bank's lending was not always adequately targeted or quickly disbursing, reducing its overall effectiveness. The GAO also recently completed its own review of the Bank (and other international financial institutions) lending during the crisis that drew similar conclusions.

Recognizing the challenges to intervening effectively during a crisis and as an IDA 16 outcome, the Bank established an IDA crisis response window (CRW), which should enable IDA to respond more quickly to economic shocks and natural disasters. If confirmed, I would be eager to assess the experience with the CRW to determine if it is a model worth committing to on a permanent basis.

*Question.* The U.S. Government just approved the general capital increase for the banks. The GCI was conditioned upon certain reforms. How will you ensure that substantial efforts are devoted to achieving these reforms? Specifically, how can the Bank better implement guidelines to maximize international competitive bidding in accordance sound procurement practices? How can the Bank better ensure protection for whistleblowers? Will you press the Bank to make available internal and external performance and financial audits?

*Answer.* Implementation of the reforms specified in the World Bank general capital increase legislation is a high priority for the administration, the Department of the Treasury, and for me personally. If confirmed, I will work closely with the U.S. Executive Director, other World Bank Executive Directors, and with Bank management to achieve these reforms. I will work to make sure that progress is carefully monitored and tracked under the operating framework that Treasury lays out in its reporting. If progress falls short, I will work diligently to press our case with the World Bank and elevate our concerns within the administration as necessary.

Creating a level playing field, promulgating sound procurement practices, and maximizing competition is an important part of the World Bank's approach both for its own sake and because it helps model the kind of practices countries need to adopt in order to create sound investment climates and open, growing economies. The World Bank's Procurement Guidelines and standard documents have been recognized as international best practice by organizations representing the private sector. The World Bank's Procurement Guidelines support transparency, competition, and cost-effective results by requiring measures such as:

- Strong international advertising requirements;
- Open competition in the contracting process;
- Publicly available standard bidding documents for international competitive bidding.

In January 2011, the World Bank Board approved modifications to its guidelines designed to further enhance the transparency and efficiency of the procurement process under World Bank-financed investment projects. This included, for example, requirements for strengthened advertising of project bid opportunities and for posting of project procurement plans. I understand the World Bank will soon be launching a review of its procurement policy. If confirmed, I will consult closely with relevant stakeholders including Congress and organizations representing the private sector to identify potential areas of improvement. I will work closely with the U.S. Executive Director, other Executive Directors, the Treasury Department, and World Bank management to incorporate these suggestions and further strengthen the World Bank's already strong procurement policies.

With respect to whistleblowers, I believe that a strong whistleblower protection policy is essential so that employees feel safe reporting any waste, fraud, or corruption they encounter. In partnership with Congress, the United States has been a consistent advocate of strong whistleblower protections at the Bank. As a result, the World Bank has made substantial progress in adopting and implementing policies in the area of a whistleblower protection that substantially embody the best practices applicable to international organizations including:

- Requirements to report suspected misconduct;
- Protections against retaliation including provisions for discipline of any employee who engages in retaliation;
- Legal burdens of proof on management, so that if an employee can show that he or she was subject to adverse action after reporting wrongdoing at a Bank, management must show by clear and convincing evidence that it would have taken the same action absent the reporting of wrongdoing;
- Access to independent Administrative Tribunals;
- A presumption of reinstatement for dismissed employees;

- Provisions for remedies, such as compensatory damages, for financial losses linked to retaliatory action, legal costs, and interim relief for whistleblowers in the midst of a review or investigation.

If confirmed, I would be committed to maintaining these strong whistleblower protection policies and strengthening them if needed. I understand the Treasury Department is currently working with the Bank to see if it can provide relevant data to show how its policy is being implemented. If confirmed, I would use this information, along with information gleaned from consultations with employees, Congress, and other stakeholders, to determine if additional measures are necessary.

Finally, the World Bank now makes available its internal and external performance and financial audits. In 2009, the Bank revised and improved its Access to Information Policy, which governs issues related to the availability of external and internal performance audits. Previously the Bank had only released certain documents, but the new policy makes transparency the norm. Documents are presumed to be released other than in exceptional circumstances, and there is a new, formal, independent appeals process where members of the public can seek disclosure if they believe it was wrongfully denied. The World Bank now makes publicly available a wide range of critical documents including:

- The annual assessment of the Results and Performance of the World Bank Group;
- A yearly update of the Status of Projects in Execution, which assesses each project's progress;
- All internal and external performance and financial audits.

In addition, under the new disclosure policy, borrowers are required to disclose the audited annual financial statements of projects as a precondition for doing business with the Bank. The World Bank discloses the statements upon receiving them.

Strong standards for transparency, protection of whistleblowers, and procurement processes are all an essential part of making the World Bank a more accountable organization. If confirmed, I will work to protect these strong standards and look for additional ways to make the World Bank more accountable.

*Question.* The Board of Directors recently approved the "Program for Results" or P4R. This program has met with mixed reviews from civil society. How will you ensure that this program is implemented effectively and transparently? How will you monitor for the inclusion of programs with adverse environmental impacts or adverse impacts on indigenous people? Will P4R work in conjunction with a country's own system of transparency? Are there any downsides to this? How can the Bank make the principles of Integrity Vice Presidency an integral part of all operations in all units of the Bank?

*Answer.* The concept of P4R—formally linking World Bank disbursements to the achievement of development results that are tangible, transparent, and verifiable—has merits, but I also understand and share some of the concerns raised by civil society. Therefore, I strongly support World Bank management's decision to roll out P4R slowly and with the incorporation of appropriate limits, evaluations, and oversight.

Specifically, I support the limit of commitments under P4R in the first 2 years of the program. The limit of 5 percent of annual IDA/IBRD commitments—which still equates to approximately \$2 billion annually—is sufficient to allow the World Bank and its shareholders to test the implementation of the instrument and identify and correct any problems that arise. Any expansion of the program would have to be brought before the Board.

Countries that participate in the P4R program must first meet certain social and environmental standards. Civil society groups are understandably concerned these standards will not be as strong as the World Bank's environmental and social safeguards—safeguards they have worked hard to advance at the World Bank and that, if confirmed, I will work to uphold and strengthen. However, the P4R program has the potential to provide an incentive for countries to lift their standards across their entire government as opposed to just projects where the World Bank is involved, and this could have a significant impact on advancing environmental and social issues.

I also agree that the exclusion of Category A activities—those deemed likely to have a significant environmental impact—from P4R financing is appropriate and welcome the World Bank's unequivocal, public statements in this regard. The significant risks that such activities present are best handled through Investment Lending operations and under the World Bank's well-established social and environmental safeguard policies.

If confirmed, I look forward to engaging closely with the World Bank as the initial P4R operations are brought to the Board. Specifically, I will work with the U.S. Executive Director and World Bank management to be particularly attentive to the potential for any adverse impacts of P4R activities on the environment, Indigenous Peoples and other vulnerable groups. In these circumstances, I would seek to make sure the World Bank mitigates potential risks adequately or determines not to move forward with the P4R investment.

I believe that transparency and accountability are key to the success of P4R, and all the work the World Bank is engaged in. If confirmed, I will work with the Bank to provide affected communities, the private sector, and other stakeholders the ability to review and provide input on the individual program risk assessments, proposed capacity-building measures, and proposed activities. Upon the project's completion, these stakeholders should also be informed of the results at the activity level.

The World Bank's Integrity Vice Presidency's (INT) mandate covers the entire World Bank Group and is an essential accountability mechanism of the World Bank. I strongly support the work of the INT and welcome its continued oversight of World Bank lending under P4R. I also strongly support the efforts of the United States to incorporate language into P4R's operational policy stating that INT would have the right to investigate allegations of fraud and corruption in the program supported by P4R, including projects financed under the program, not only those allegations related to Bank financing (i.e., the use of government funds would be included as well). If confirmed, I will work in coordination with the Treasury Department to see that this policy is carefully followed.

*Question.* In these tough economic times, governments and institutions generally must be able to accomplish more with the same resources. What sort of efficiency or cost saving measures would you recommend to the Bank? What specifically would you suggest for effective budget discipline in order to ensure that the largest percentages possible of the Bank's resources are actually going to fight poverty?

*Answer.* Budget discipline and efficiency at the World Bank are high priorities for the U.S. Government and if confirmed, they would be high priorities for me as well. The United States has supported a flat real budget for the past 7 years. I believe the Bank should pursue cost saving wherever possible. I understand that the United States has consistently pressed for more restraint on issues of compensation, travel budgets, and general overhead at Bank Headquarters, and if confirmed, I fully intend to carry forward these positions.

In addition to pushing for specific cost measures, I am very supportive of the recent structural changes that will enable greater efficiencies in the future. In 2010, the World Bank adopted a new financial framework that strengthens budget discipline. Specifically, for the first time in 2011, the World Bank made major financial decisions on budget, pricing, and net income transfers at one time (i.e., in June, which is the end of the Bank's fiscal year), compelling management and shareholders to consider important budgetary tradeoffs. For example, if middle-income countries have an interest in an expanded Bank budget for their country, they should be prepared to make that case in the context of a discussion that also addresses the role loan pricing plays in supporting the budget. This is a significant improvement over previous practice, which was to consider these matters separately. In addition, the World Bank did, in fact, increase rates on loans with longer term maturities. As a result, loan prices now cover a larger share of the World Bank's administrative budget, a practice that will strengthen the Bank's accountability.

In 2010, World Bank shareholders also agreed to a rules-based approach to net-income transfers from the hard-loan window (the International Bank for Reconstruction and Development, or IBRD), to the concessional window (the International Development Association, or IDA), a measure that will help make support to IDA more predictable and sustainable while maintaining prudent reserve levels. IFC's financial framework also includes a new rules-based approach to help guide the determination of the size of IFC's pledge to the IDA replenishment in a manner consistent with IFC's needs and donors' prioritization of IDA transfers. These agreements further strengthen IDA's financial model and reduce its dependence on donor contributions.

Although not seemingly directly related to budget discipline, I believe the concerted focus on results will yield significant efficiencies over time. If confirmed, I would push to include a cost-benefit analysis in project evaluations so that we can focus resources where we get the biggest social return on our investment and eliminate approaches that do not work. As you rightly state in your report, funding

project evaluations is much more cost effective than continuing to fund ineffective projects.

If confirmed, I expect I will find additional cost-savings measures once I am working within the institution. I take my responsibility to serve as a careful steward of taxpayer resources very seriously and will work hard to enforce budget discipline at the World Bank.

*Question.* U.S. leadership at the Bank is required to some degree to share its positions and voting with the U.S. Congress. Will you commit to transparency with Congress in the votes taken at the international financial institutions? What will be your manner and timeframe for consulting with the U.S. Congress? Will you commit to providing the Senate Foreign Relations Committee with outdated legislative mandates?

*Answer.* I know that the Treasury Department is committed to transparency with Congress and the public, and specifically posts the votes taken at international financial institutions on its Web site. I also personally commit to transparency with regards to votes, legislative mandates, and any other issues of concern to Congress.

If confirmed, I look forward to working closely with Congress. I believe congressional oversight is critical, and as I said in my testimony, I have seen firsthand how congressional involvement can provide leverage to U.S. negotiators. I will work with the Treasury Department to proactively consult with Congress in a timely manner on significant issues facing the World Bank and I will seek ways we can partner together to advance our shared goals at the institutions. In addition, I will of course be responsive to congressional requests for my input.

I take legislative mandates very seriously and if confirmed commit to applying them fully and faithfully. I also commit to providing input to the Senate Foreign Relations Committee with regards to the impact of the legislative mandates on U.S. leadership at the World Bank.

*Question.* Debt relief is provided to countries that claim they cannot afford to pay back the borrowed sums without extreme hardship. It should not be taken advantage of by corrupt governments attempting to escape repayment of sums due. How will you ensure that the debt relief procedure is not abused? What frameworks currently exist within the Bank to prevent this?

*Answer.* The international community came together to support debt relief as a way of freeing up resources to enable poor and heavily indebted countries to focus on poverty reduction. In order to make sure that it is not taken advantage of by corrupt governments trying to escape their obligations, the World Bank and IMF have established a robust process with critical safeguards under what is called the Heavily Indebted Poor Countries Initiative (HIPC).

Specifically, in order for a country to receive full and irrevocable reduction in debt from the World Bank, a country must:

1. Establish a track record of good performance under programs supported by loans from the IMF and the World Bank;
2. Implement satisfactorily key economic and social reforms, and
3. Adopt and implement a poverty reduction strategy paper.

The Board provides key oversight at every stage in this process. Before a country receives any debt relief, the Board must agree that the country has established a solid track record of performance on IMF and World Bank programs, committed to key economic and social reforms, and put in place a poverty reduction strategy. Before full and irrevocable debt relief is provided, the Board must agree that the country remains on track with IMF and World Bank programs and that the country implemented the agreed economic and social reforms aimed at poverty reduction.

If confirmed, I would work closely with the U.S. Executive Director, the other Executive Directors, and the World Bank management to provide careful oversight of this process and encourage putting in place a strong set of reforms for countries to meet. For example, I understand that the principles of the Extractive Industries Transparency Initiative are sometimes incorporated as part of these reforms and I would strongly advocate this continue for resource rich countries undergoing this process.

These rigorous measures advance sound public financial management and the use of proceeds of debt relief for poverty reduction purposes. Before the HIPC Initiative, eligible countries were, on average, spending slightly more on debt service than on health and education combined. Now, they have increased markedly their expenditures on health, education, and other social services. On average, such spending is about five times the amount of debt-service payments.

*Question.* Some of the inefficiencies in the international financial institutions could be solved if the various institutions worked more effectively with each other.

How would you encourage the banks to collaborate and cross-utilize resources with each other and with the IMF?

Answer. I strongly agree that better coordination between international financial institutions would strengthen their effectiveness, save costs, and lead to better outcomes for their client countries.

There is already coordination on some issues—for instance, the World Bank has a policy that requires coordination with the IMF prior to the provision of budget support loans and the Bank and Fund work closely on public financial management reform.

IDA 16's Crisis Response Window is a good example of an opportunity that Treasury used to strengthen coordination between the World Bank and IMF. As a result of leadership from the United States, the Bank agreed to clear standards for cooperation with the Fund in any use of the crisis window. If confirmed, I will look to uses of the CRW for signs of positive cooperation or evidence of problems that need to be addressed.

Nonetheless, coordination could be strengthened in a number of ways. First, if confirmed, I would work with Treasury and the Executive Director to press the Bank to strengthen its coordination with other IFIs—and other development partners—at the country level. The Bank strongly endorses the principles of aid effectiveness and has worked in recent years to improve its dialogue with other donors. However, there is room for improvement, particularly in fragile and conflict-affected states that have little or no institutional capacity to work with donors to harmonize their assistance. In these cases, the Bank needs to be particularly careful to stick to its areas of comparative advantage, undertake joint diagnostic and analytical work, and seek to minimize administrative burdens on fragile states by pooling funding with other donors.

The United States has successfully encouraged closer collaboration between IFIs in Arab Spring countries including Tunisia, Egypt, and Libya. This coordination has been useful for strengthening programs, including governance reform efforts across the IMF, World Bank Group, and African Development Bank. If confirmed, I would press for this coordination to continue over the long term as supporting successful transitions require sustained efforts.

If confirmed, I would also work to enhance cooperation between the IFIs at the corporate level. Again, there has been progress in recent years—strong coordination between the IFC and the private sector lending arms of the other MDBs on trade finance facilities during the height of the global financial crisis—but also room for further improvement. For example, if confirmed, I would urge the Bank to assist other MDBs in fully and quickly operationalizing the April 2010 cross-debarment agreement, which would bar firms and individuals found guilty of wrongdoing at one institution from working with any of the institutions. The cross-debarment agreement itself was a powerful example of the IFIs sending a unified message that there is zero tolerance for corruption and fraud. If confirmed, I would encourage the World Bank to build on this agreement and work with the other IFIs to further advance a common anticorruption and accountability agenda.

As mentioned in your report, the World Bank is often expected to set the standard of practice across the MDBs. If confirmed, I would encourage the Bank to consult closely with the other MDBs during its upcoming reviews of procurement policy and environmental and social safeguards, so that the MDBs feel invested in the World Bank process and can incorporate the lessons from those reviews in their own review processes.

If confirmed, I would continue to look for other ways to encourage coordination and collaboration across all of the international financial institutions.

*Question.* It is inevitable that the Bank will have projects in conflict zones. For some countries, the World Bank has set forth various conflict guidelines. Would you advise the Bank to institutionalize such conflict guidelines and if so, how should they be categorized? What about Iraq and Afghanistan specifically?

Answer. I agree that the Bank needs to have a strong and coherent strategy with regard to fragile and conflict-affected states. There are risks to the Bank working in these countries, but the potential reward of helping these countries stabilize and move away from conflict and violence is significant.

Therefore, I am pleased that the Bank's engagement with fragile and conflicted-affected states (FCS) is a priority for the institution. The selection of FCS as a special theme for the IDA-16 replenishment, the Bank's World Development Report 2011 on Conflict, Security and Development, and the Bank's recent establishment of a Global Center on Conflict, Justice and Development in Nairobi all underscore the Bank's commitment in this area.



As part of operationalizing the lessons from the WDR 2011, the Bank will adopt a different approach to the development of Country Assistance Strategies (CAS) in FCS. Consistent with the lessons that the Bank has learned in conflicted-affected states across the world, like the use of its conflict filter in Sri Lanka, CASs for these countries will identify the stresses that lead to conflict and violence, assess deficits in key national institutions, and identify key transitional opportunities that have the potential for breaking cycles of violence. This is an important way of systematically factoring the role of conflict into the World Bank's programming, as was recommended in your report. Afghanistan and Iraq are both appropriately included in the Bank's list of fragile countries and thus would be subject to this approach. Given the multifaceted nature of the conflicts in both countries, I would expect the analysis to be particularly robust.

Having worked in a number of fragile and conflict-affected states, including Afghanistan, Iraq, Kosovo, and Uganda, I know how critical this is. Simple misunderstandings can escalate quickly, but small positive gestures can also start to rebuild trust. Institutionalizing conflict guidelines will help guide the Bank in everything from project design to staffing and will help the Bank become a more effective actor in some of the world's most difficult countries.

*Question.* Some country governments are required to seek parliamentary approval of Bank loans and grants. There have been indications that this may aid in the fight against corruption and promote transparency. Do you think that parliamentary approval is a policy that the United States should promote?

*Answer.* I certainly believe that the World Bank should take an expansive view of its stakeholders when it comes to consultation and engagement in its countries of operation. As a matter of accountability, the Bank should be engaged with parliaments, as well as members of civil society and the private sector in these countries. This is why I believe mechanisms like the inspection panel play such a critical role in promoting accountability, separate from the accountability the Bank requires from its direct counterparties, typically in the finance ministry.

As you suggest, in some cases, a country's laws and practices define a formal role for parliament in the approval of Bank loans and projects. In these cases, the Bank has a strong interest in supporting this process by being responsive to parliamentary inquiries and generally helping to facilitate parliament's consideration of projects. If confirmed, where I see signs that Bank management is not playing a constructive role in these situations, I will be aggressive in holding them to account.

At the same time, my understanding is that the Bank is limited in its ability to define the role that parliament should play. The Bank's Articles of Agreement require a neutral stance on issues related to the political systems of its countries of operation. My understanding is that it would be a direct challenge to this requirement for Bank management, or the United States as a shareholder, to take an active stance on a separation of powers issued within a country. As a result, I think the more promising route is to continue to press Bank management to broadly define informal engagement so that all interested and affected parties in a country are engaged in the Bank's important work. If confirmed, I am certainly committed to holding the Bank to account on this issue.

*Question.* Do you think there is sufficient coordination between the banks and U.S. Government development agencies such as AID and MCC? As a part of the U.S. leadership team for the Bank, how would you engage to promote better coordination?

*Answer.* I believe that coordination between the banks and U.S. Government development agencies is critical for a variety of reasons including preventing duplication of efforts, sharing lessons learned and best practices, and maximizing the effectiveness of donor resources. Coordination is important both in Washington, DC, and in each of the countries where these institutions work. There is a significant amount of coordination between the banks and U.S. Government development agencies on an ongoing basis, including:

- A multilateral interagency working group that meets regularly to review issues of concern at the development banks;
- Country-level donor coordination mechanisms;
- A variety of working groups and meetings that are organized around specific topics, such as food security and the Arab Spring.

A more specific example of how the MDBs work closely to support our U.S. development agencies is the U.S. Partnership for Growth (PfG) program. Under the PfG program, the Obama administration pledged to elevate its relationship with four developing economies that were exceptionally well posed to do their part to grow their economies, including El Salvador, Ghana, the Philippines, and Tanzania. In a new

approach to U.S. engagement with these countries, bilateral agencies worked closely with the MDBs to identify the most important constraints to growth, and to develop coordinated strategies for tackling these constraints.

The World Bank also works closely with U.S. bilateral aid agencies in many countries. Often the World Bank develops the overall project design and coordinates with other donors who invest in subcomponents of the master plan. Specific examples include:

- The proposed \$354.8 million Millennium Challenge Corporation's (MCC) compact for Zambia, which will be considered by the MCC Board on March 22, 2012. The project will help develop water supply, sanitation, and drainage systems in Zambia. The MCC worked closely with the World Bank, which helped the Zambian Government develop the sector policy and institutional reform groundwork. Each component of the MCC project was developed according to a comprehensive investment master plan developed with the assistance of the World Bank.
- The MCC \$434 million compact for the Philippines approved in August 2010. A key component of the compact was rural community development, including provision of infrastructure and services, such as rural roads, schools, and water and sanitation. The MCC project builds upon the participatory planning, implementation, and evaluation methodology developed by the World Bank and the Philippine Government.

A good example of cooperation between the Bank and USAID is evident in their joint work in support of food security and agricultural development in sub-Saharan Africa. Over the last 3 years, USAID and the Bank have collaborated to support a number of African countries in implementing food security strategies under the Comprehensive African Agricultural Development Program (CAADP). Specific examples of collaboration between USAID and the Bank include complementary support for agriculture development and social safety nets programs in Ethiopia, agricultural infrastructure in Ghana, and agricultural productivity programs in Rwanda.

In addition to these specific examples, the USED's office, in and of itself, serves as a coordination hub, helping to connect not only employees from across the U.S. Government, but also representatives from the private sector and civil society with World Bank officials. In support of this effort, the U.S. Executive Director has built a strong interagency team that includes representatives from the State Department, Commerce Department, USAID, and Treasury Department.

Even though there is a significant amount of coordination, I would expect that there is always room for improvement. I believe the strong relationships I have throughout the interagency will enable me, if confirmed, to meaningfully engage to promote better coordination. Additionally, if confirmed, I will actively support coordination efforts through formal mechanisms, as well as by regularly sharing information, seeking input, and continuing to build strong relationships with interagency colleagues.

*Question.* As current President Robert Zoellick indicated he is stepping down, debate has yet again arisen as to whether non-Americans should be considered for the presidency. What is your opinion on this? If there were a non-American in the presidency, what issues does this raise for the U.S.?

*Answer.* I believe that the World Bank has benefited tremendously from American leadership over the past several decades. President Zoellick has been a very impactful leader of the World Bank, helping to advance critical reforms to make the institution more accountable, transparent, and effective. The administration has stated that for all of the international financial institutions it supports an open and transparent and merit-based process. The United States will put forward a candidate to lead the World Bank, and I look forward to supporting that individual's candidacy.

*Question.* Currently, there is great focus on the size and scope of the Bank projects in countries deemed significant and far less evaluation focused on results. Leadership approval is given at the design stage, but final conclusive results are not presented similarly. How can we shift greater emphasis to results and therefore greater accountability?

*Answer.* It is critical to have a concerted emphasis on impact and results in order to counteract the natural tendency of organizations to focus on dollars spent as a measure of success. In my professional life, I have succeeded in bringing a greater focus on development results through rigorous monitoring and evaluation of projects around the world. I look forward, if confirmed, to leveraging my experience and passion to advance this issue at the World Bank.

A greater focus on results composed a major part of the reforms that Treasury negotiated as part of the replenishment of IDA. Accordingly, the World Bank has made a commitment to include results frameworks with measurable indicators in all projects, all country assistance strategies, and all new sector strategies. Moreover, the World Bank committed to report on development results across the institution using indicators that aggregate standardized data from projects supported by IDA in seven sectors—education, health, roads, water supply, micro and small and medium enterprise, urban development, and information and communication technology. These indicators will be featured in the IDA Annual Report, as well as reported more regularly through the Corporate Scorecard.

If confirmed, I will work to further advance this results agenda wherever possible. I understand that some evaluations are presented to the Board and I would encourage this practice more regularly. The design stage of a project is not only the point at which members of the Board may have the greatest leverage, but it is also where the focus on results needs to begin. When reviewing projects, if confirmed, I would seek to ensure that results frameworks and monitoring and evaluation mechanisms are incorporated into the design of a project. I understand that the World Bank will soon be undertaking a process to reform its human resource policies. Part of this will include strengthening performance evaluation processes and aligning pay with performance. As was recommended in your report, if confirmed, I would work to advance reforms that would reward employees for the results they achieve not the amounts of money they disburse or oversee. Moreover, reforms should incentivize the achievement of results in challenging environments such as fragile and conflict-affected countries even if the scale of the results achieved may be less than what is possible in a large, stable middle-income country.

I have a deep commitment to promoting greater accountability and, if confirmed, I would work to find additional opportunities to advance a results-driven approach at the Bank.

