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U.S. Senator for Indiana

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Opening Statement for USAID Nomination Hearing

U.S Senate Foreign Relations Committee Ranking Member Dick Lugar made the following statement at today's nomination hearing.

I join the Chairman in welcoming the distinguished nominee. I have met with Dr. Shah and appreciate the accomplishments and perspective that he would bring to the job of USAID Administrator. His background in the medical field and as a leader at the Bill and Melinda Gates Foundation would contribute to his embrace of innovative approaches to development. His tenure at the U.S. Department of Agriculture demonstrates his ability to lead new initiatives in research and science. As the Department's point person on Secretary Clinton's global food security inter-agency process he has worked to develop a coherent strategy that encompasses the efforts of a number of U.S. government agencies.

The challenges of global poverty and hunger are growing at a time when worries about the sustainability of natural resources are increasing. Even as the important role of foreign assistance has come into sharper focus, policy makers have under-resourced USAID to such an extent that other departments and agencies have stepped in to fill the gap. This has contributed to a further stove-piping of aid programs. Roughly two dozen departments and agencies have taken over some aspects of foreign assistance. We do not have adequate knowledge of whether various programs are complementary or working at cross-purposes. Further, President Obama has declared his intention to seek a doubling of foreign assistance over time. If the Administration pursues this goal, Congress must have confidence that these funds will be used efficiently.

During the last two decades, decision-makers have not made it easy for USAID to perform its vital function. Reorganization initiatives resulted in the agency's loss of evaluation, budget, and policy capacity. There is a broad consensus among development experts that the loss of these functions at USAID is inhibiting the success of our development programs. Our development efforts will never be as effective as they should be if the agency that houses most of our development expertise is cut out of relevant policy, evaluation, and budgetary decisions.

Earlier this year, Secretary of State Clinton stated: "I want USAID to be seen as the premier development agency in the world." I share the sentiments expressed by Secretary Clinton. It is essential that we have a strong USAID Administrator to accomplish this goal.

The Administration has initiated two separate studies – the State Department's Quadrennial Diplomacy and Development Review and the National Security Council's Presidential Study Directive on Development – in an attempt to make recommendations on how development programs can better support U.S. foreign policy objectives.

This Committee will be eager to review the Administration's ideas when they are ready. But Congress also should be offering proposals on how to improve development assistance. The foreign assistance reform bill, S. 1524, which was passed by our Committee in November, should be seen as an essential input into this process. It is the product of well over a year of research and analysis by Senators and their staffs. It has attracted the strong support of most development groups, led by the Modernizing Foreign Assistance Network. It is co-sponsored by a bipartisan group of 19 Senators, twelve of whom are members of this Committee. This level of

backing for a bill related to foreign assistance structure is extremely rare. It provides an opportunity to build something approaching a consensus on this issue.

It is especially important that Congress express its views given that Secretary Shah's appointment as USAID Administrator was announced ten months into the Administration. Without an Administrator in place for most of 2009, the USAID perspective has been at a disadvantage during the State Department's QDDR process.

Although the State Department declined to participate at our hearing on this bill last July, I am hopeful that it will recognize that a bill co-sponsored by a majority of the Senate Foreign Relations Committee should be given substantial weight in their review process. Congress will be making decisions about resources for development programs, and those decisions will be effected by our confidence in how funds are managed and coordinated.

I would underscore that our bill is a relatively modest proposal. There are more than a few members of Congress who would like to see USAID become an independent cabinet level agency. I think the Secretary of State should be at the top of the pyramid providing guidance to development professionals. But USAID must be a full participant in policy making and budgeting. It also must be able to independently evaluate the effectiveness of foreign assistance programs and provide coordination between agencies. A strong aid agency serving under the policy guidance of the Secretary, as envisioned in our bill, will best empower the Secretary to accomplish U.S. development goals.

I look forward to discussing these reform efforts and the future of USAID with the nominee. I thank the Chairman.

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