

**Opening Statement of the Honorable Ed Royce (R-CA), Chairman
House Committee on Foreign Affairs
Hearing on “The FY 2015 U.S. Foreign Assistance in FY 2015: What Are the Priorities, How
Effective?”
April 9, 2014**

(A Prepared for Delivery)

This hearing of the Committee on Foreign Affairs will come to order.

Today, we welcome Ambassador Shah, Administrator of the U.S. Agency for International Development, who is responsible for managing roughly 60 percent of the total \$32 billion foreign operations budget.

A common refrain is that foreign aid accounts for less than one percent of the federal budget. As we’ll hear, aid programs that are effectively executed can help create more stable societies, speed economic growth, and advance U.S. national security interests. Still, the bar for justifying this spending must be high given our unacceptable deficit.

Of course, the principal goal of U.S. foreign assistance must be to get the United States *out* of the business of foreign assistance. To succeed, developing nations must unlock their own growth potential.

To that end, I am pleased the Administration is committed to the goals of the Electrify Africa Act, bipartisan legislation which recently passed this Committee. Targeted investments in power generation can help Africans attract foreign investment and produce the goods to grow their economies. We look forward to continuing to work with USAID on this important initiative.

I am encouraged by the Administrator’s commitment to a “new model of development,” that focuses on transparency, science and innovation, and engagement with the private sector. Dr. Shah has shown that he’s not afraid of upsetting the status quo.

I am also pleased that this budget builds upon recent gains in the international food aid reform effort. Last year, I worked closely with the Ranking Member, Representatives Marino and Bass, USAID, and a broad coalition of advocacy groups. Ultimately, we succeeded in freeing-up an additional \$100 million dollars from inefficient purchase and shipping regulations so we can strengthen food markets, promote greater self-sufficiency, and save more lives, more quickly, and for less money. I’ve seen first-hand the need for a quick and efficient food aid system, having recently visited Tacloban, which of course was ravaged by the typhoon that struck the Philippines.

Unfortunately, USAID will have no shortage of challenges ahead:

- Needs in Syria and the region are growing, humanitarian space is shrinking;

- U.S. investments in Afghanistan and Pakistan must contend with debilitating corruption and waste; and the withdrawal of U.S. forces from Afghanistan will only place aid at greater risk;
- I'm disappointed that the Administration's request for Egypt failed, once again, to prioritize true economic reforms, including a focus on the clear title to property that would enable entrepreneurs to enter the formal economy.
- USAID programs in Haiti appear to be poorly planned and largely unsustainable. This Committee passed good oversight legislation aimed at improving conditions and the value of our work on the troubled island.
- There are concerns about this Administration's lack of focus on democracy assistance.

Needless to say, your challenges are great and growing every day. Your task is compounded by the fact that there are no quick fixes in your line of work. That would be the case even if you did not have to contend with a wave of extremism afflicting many countries. With that in mind, we should be looking to maximize every resource at our disposal. This includes better leveraging the support and investments of the many diaspora communities throughout the U.S. that are active in the same regions you are.

I look forward to working with you, Administrator Shah, to address these pressing concerns while advancing our strategic interests, promoting economic growth, and graduating more countries from foreign aid.

I will now turn to the Ranking Member Engel for any opening comments he may have.