

**Statement of Gregory Beck  
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House Committee on Foreign Affairs  
Subcommittee on Asia and the Pacific**

*“Oversight of U.S. Policy Toward Burma”*

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Chairman Chabot, Ranking Member Faleomavaega and distinguished Members of the Subcommittee, thank you for the opportunity to testify before the Committee today about the work USAID is doing in Burma during this recent and remarkable period of political and economic reform. Before I begin, I would like to acknowledge the role that this Committee and Congress has played in our engagement with Burma and our advocacy of human rights, democracy, national reconciliation, and economic reform.

The Asia-Pacific has become the most dynamic and promising region for the United States in the 21<sup>st</sup> century. This promise is clearly apparent in Burma, where we have the opportunity to advance core American values: democracy, respect for human rights, rule of law, inclusive economic growth, and multilateral coordination and cooperation. A Burma that successfully transitions to a free and open society provides a powerful example to others, and it contributes to the security, stability, and economic dynamism of Asia and the United States.

A year ago, President Obama visited Burma, reopened the USAID Mission, and pledged \$170 million dollars in development assistance for Fiscal Years 2012 and 2013 in support of the U.S.-Burma Partnership for Democracy, Peace and Prosperity. This has allowed the U.S. Government (USG) to leverage development resources to advance U.S. foreign policy goals. USAID’s Bilateral Agreement with Burma, signed in June, provides the framework for key programs that will spur inclusive economic growth, including support for food and nutrition security, and agricultural sector reform. Today our Mission is fully staffed with 24 employees comprised of American and local staff who are poised to respond to the rapidly changing environment and provide oversight to the formulation and implementation of our development programs. We have seen substantive advances in freedom of the press, civil society engagement, and release of political prisoners, among others. We believe the recent historic reforms can be sustained with continued targeted efforts that support the needs and aspirations of the people of Burma; however, we remain vigilant to how fragile stability is, particularly within ethnic minority areas. USAID programs are working to address some fundamental challenges that remain, including promoting national peace and reconciliation, stemming violence targeted at minorities, and ensuring transparent and fair presidential elections.

Under the strong leadership of Ambassador Derek Mitchell, the USG has developed an integrated approach to Burma, and USAID activities support the overall USG Burma policy objectives. USAID activities are also designed to address the dynamic and transitional circumstances in Burma while also effectively advancing USG policy objectives. As such, activities can quickly be adapted to respond to changes in the working environment. We are

continually assessing our programs to nimbly respond to new opportunities, such as the potential for a national ceasefire and legitimate peace processes, the possibility of constitutional reform, and the prospect for a democratically elected government following the 2015 elections.

Consistent with the aspirations of the people of Burma, the U.S.-Burma Partnership for Democracy, Peace and Prosperity guides all U.S. assistance in the country. This framework affirms principles integral to democratic reform and the groundwork for a peaceful and prosperous future, which includes inclusivity, transparency, accountability, and local empowerment. These four principles, jointly agreed to by both the USG and the Government of Burma, are integrated into all of our programs in Burma. Whether through promoting democracy, aiding in national reconciliation, fostering economic opportunity, or building healthy, resilient communities, these four principles tie all of our programming to the common aim of building a democratic, peaceful, and prosperous Burma.

Mr. Chairman, I would like to take a moment to describe some of our current work in Burma in greater detail. While last year was one of historic policy shifts, this year the challenge has been about action—making sure the reforms are felt by everyday citizens.

## **1. Stronger Democratic Systems and Institutions**

In partnership with the people of Burma, USAID is helping to lay the foundation for a peaceful, inclusive, and sustained transition to democracy. USAID's programming focuses on broadening civic participation in the evolving democracy in Burma and ensuring a more transparent process that reflects the will of the people. For example, USAID is facilitating dialogue between Burmese organizations and community leaders, and the Government of Burma to advance civil society-supported reforms. USAID assistance supports and strengthens Burma's nascent democratic and political processes and institutions by promoting free and fair elections, supporting political party development, building the capacity of the Parliament, and providing broad assistance to civil society.

USAID is providing technical assistance to support the Union Election Commission to conduct a full assessment of the electoral legal framework and designing a process that allows civil society to review and provide comments on draft versions of laws. As a part of this assistance, 19 Civil Society Organizations in Burma have received training on international standards for electoral law to assist civil society to engage the government in technical and substantive discussions on law reform. In an effort to support Burma's commitment to meet eligibility requirements for the Open Government Partnership by 2016, USAID, in cooperation with the British Government and Organization for Economic Cooperation and Development, hosted the first orientation workshop for Government of Burma officials in September of this year.

USAID programs are also working to hold the government accountable in the run-up to the 2015 elections by strengthening independent media and improving access to information. Since 2001, USAID has trained over 1,000 journalists, a fundamental key to strengthening Burma's emerging independent media. Additionally, as Senior Advisor for Burma Judith Cefkin mentioned, USAID, in consultation with several USG agencies has developed a rule of law initiative that

will help strengthen justice institutions, citizens' rights, government accountability, and democratic reform.

Although the Government of Burma still has progress to make, with the help of the international community, it is reaching significant milestones as it works to build strong, resilient democratic institutions. Notably, USAID facilitated the convening of members of civil society and Parliament to review the draft Association Registration law and develop language that was less restrictive and mutually agreeable to both parties. The new draft law more closely aligns with international standards and encourages an inclusive approach to the reform process. Parliament characterized the consultations with civil society "as a model for future legislative drafting."

## **2. National Reconciliation of Burma's Diverse People**

Ethnic reconciliation is a critical issue facing Burma during this period of transition and reform. As part of the Embassy team, USAID is assisting Burma to adopt legitimate and sustainable processes which enable domestic stakeholders to pursue national reconciliation resulting in an inclusive, peaceful, and stable society. USAID activities increase communication among all parties through dialogue and improved cooperation which creates confidence in the process. We recognize that inter-communal violence and discrimination are critical threats to a strong foundation in Burma, so USAID activities are designed to build institutions, processes, and mechanisms that are responsive to Burma's diversity and support national reconciliation by strengthening civil society's ability to participate more fully in the reform process.

For almost a decade, USAID has been developing and implementing programs to empower and address the needs of the approximately one million people along the Thailand-Burma border. USAID's support for the communities on the border remains strong today. Currently, the USAID Project for Local Empowerment (PLE) is building the capacity of local groups inside Burma to create the foundations for a safe, voluntary, and dignified return. The PLE program is also creating linkages between local border groups, communities inside Burma, and government officials to promote trust and cooperation in post-conflict areas. For example, the PLE project is working with the Karen Human Rights Group to provide improved humanitarian protection for displaced persons through workshops that teach self-protection strategies and provide planned support for local participation in ceasefire monitoring.

USAID's Office of Transition Initiatives is funding multiple projects in Burma to promote and advance the cause of human rights. One such project funded a conference on the Thailand-Burma border focusing on strengthening the human rights advocacy of the Karenni. Through the participation of local citizens, government officials, political parties, and international donors, this conference increased access to information and expanded the capacity of marginalized youth to more fully participate in the democratic reform process. USAID is also advancing the cause of women's rights in Burma, supporting government-civil society collaboration towards the country's first ever Anti-Violence Against Women legislation.

In addition, USAID is a key provider of humanitarian assistance to conflict-affected communities in Burma, with valuable support coming from the Department of State's Bureau of Population, Refugees, and Migration (State/PRM). In Fiscal Year 2013, State/PRM and USAID provided emergency humanitarian assistance to internally displaced persons (IDPs) and host

community members in Kachin and Rakhine States. This emergency assistance included shelter, water, sanitation, and hygiene interventions; non-food items, such as hygiene kits, plastic sheeting, and water containers; and nutritional supplements for infants and young children to mitigate the effects of acute malnutrition. In addition, USAID contributed toward U.N. World Food Program Emergency Food Operations in Kachin, Rakhine, and Shan states, which included the local procurement of rice and legumes. State/PRM also provided life-saving humanitarian assistance to Burmese refugees and asylum seekers in neighboring countries throughout the region. In Fiscal Year 2014, USAID and State/PRM will continue to assess and respond to urgent humanitarian assistance needs in Burma and to those seeking refuge elsewhere in the region.

### **3. Economic Reforms that Foster Inclusive Growth and Opportunity**

The sustainable, long-term development of Burma's economy requires both responsible foreign and domestic investment. Such reforms to Burma's legal system are also needed to encourage investments to benefit the lives of the people of Burma, protect the environment, and encourage a transparent land tenure system. USAID is providing assistance to the Government of Burma and civil society to support economic reforms and improvements in the commercial law framework that will encourage the growth of small and medium businesses, make it easier to do business, and create inclusive and broad based economic growth. By placing a technical advisor in the Ministry of Environmental Conservation and Forestry, USAID is helping develop a land use policy that is expected to be completed in early 2014.

With Congressional support, USAID plans to collaborate with both the Departments of Commerce and Treasury to strengthen Burma's investment framework and contribute to regional security. Our collaboration with the Department of Commerce will work with the Commercial Law Development Program to support the development of a commercial legal environment that encourages investment and competition, respects intellectual property rights, and ensures fair public procurement practices, particularly for small and medium-sized enterprises. At the same time, our collaboration with the Department of Treasury's Economic Crime Team will help ensure the safety of these financial flows by combating money laundering and terrorist financing.

Additionally, USAID is leveraging the expertise of American universities and the U.S. private sector to help build the capacity of higher education institutions in Burma to address pressing development needs. For example, the University of Washington, Johns Hopkins University, and Indiana University are working with companies such as Exxon, Hewlett Packard, and Microsoft in order to provide leadership training, promote and encourage entrepreneurship, and improve the success of small and medium enterprises through Information and Communication Technology (ICT) led programs. The partnership with Indiana University plans to establish an entrepreneurship center of excellence at the Yangon Institute of Economics in order to broaden and deepen the outreach capacities of the Institute to provide assistance to more students and potential entrepreneurs.

Today the Government of Burma faces important decisions about the future direction of agriculture. With its rich natural resources (especially its major river systems), growing domestic and international markets and strong interest from overseas investors, Burma's agricultural

potential is enormous. For example, a recent analysis by USAID has shown that ethnic coffee growers in Shan State are achieving coffee yields three to five times greater than coffee growers in Central America, demonstrating a clear opening for increased economic opportunity for minority populations.

At the same time, major challenges must be addressed to secure this future. Through USAID supported economic and agricultural sector analysis, we know poor households spend over 70 percent of their income on food and one-third of rural households borrow at some point during the year in order to purchase food. With such large expenditures on food alone, most families lack the resources for basic medical care or education. Low farm productivity is causing high rates of malnutrition and poverty among two-thirds of the population that is employed within the agriculture sector.

Smart investments in food and nutrition security can have significant development impact. For example, USAID's Farmer to Farmer program is designed to take advantage of economic opportunities by partnering U.S. farmers and other agricultural specialists with local communities and organizations to share U.S. expertise in coffee farming, horticulture, fisheries, and animal husbandry. To encourage these types of smart investments, USAID has assumed leadership of the donor coordination mechanism for agriculture. In this capacity, USAID is working with the Government of Burma, other donors, the private sector and civil society to pursue a comprehensive food and nutrition security approach for Burma. For example, we provided significant input into the recently approved Farmer Rights Protection Act, advising lawmakers to include issues such as crop choice, ministry coordination, and a focus on small holder farmers. USAID also supports Feed the Future, the U.S. Government's Global Hunger and Food Security Initiative, through activities in Burma that increase income, reduce hunger, poverty, and malnutrition, and promote inclusive economic growth—particularly for women and small holder farmers.

#### **4. Resilient, Healthy Communities**

USAID has quickly become a lead donor in the health sector in Burma. We are working to support four key health priorities: 1) Responding to the burden of tuberculosis; 2) Ending preventable child and maternal deaths; 3) Preventing the spread of HIV while supporting and caring for those living with HIV/AIDS; and, 4) Addressing drug-resistant malaria. To achieve these aims, we have enacted programs that implement behavioral change communication to reduce the risk and vulnerability to infectious diseases. USAID programs also improve supply chain management for effective delivery of life-saving drugs and equipment, provide evidence-based training to birth assistants, and strengthen lab capacity in Rangoon and Mandalay, further supporting these goals. These efforts not only reach the residents in the multiple states and regions within Burma, but also extend to internally displaced persons along the eastern border and to refugees in Thailand.

USAID's Shae Thot program works in over 1,100 villages to improve food security, maternal and child health, and water and sanitation. In just two years of work, the Shae Thot project's accomplishments are impressive. Over 331,000 people now have access to clean drinking water, over 38,000 people have improved access to health care, and more than 12,000 farmers are using

improved agriculture technologies. Additionally, 42,000 community members received financial literacy training, and over 6,000 Community Based Organizations and women's groups have received USG assistance. Shae Thot has now expanded to post-conflict areas of Kayah State, helping vulnerable communities meet their basic needs.

USAID's efforts to improve health and community resiliency in Burma are not only achieved through non-governmental organizations and foreign governments, but also through the private sector, by harnessing its capabilities and innovative spirit. In May 2013, USAID and Proctor and Gamble (P&G) signed a new multi-year public-private partnership aimed at providing clean drinking water, promoting better hygiene behaviors, and improving maternal and child health services. Through this partnership, USAID and P&G will also provide over 200 million liters of safe, clean drinking water using small P&G Purifier of Water packets to communities in Burma, preventing waterborne illnesses and reducing the number of deaths in vulnerable communities.

### **Closing**

Mr. Chairman and Members of the Subcommittee, the USAID Mission in Burma is forging a new way of development and becoming a model mission that builds partnerships and alliances with the private sector, international organizations, academia, and local civil society organizations. USAID has a longstanding commitment to the people of Burma, and we are focused on ensuring that the historic changes happening in Burma become irreversible. The relationships and partnerships we are developing will provide a firm foundation for continued engagement, advocacy for human rights and democratic reform, and inclusive economic growth.

I appreciate the opportunity to appear before you today, and I look forward to answering your questions.