

Statement of Denise Rollins
Acting Assistant Administrator, Bureau for Asia
United States Agency for International Development

Before the House Committee on Foreign Affairs, Subcommittee on Asia and the Pacific

Budget Oversight: Examining the President's 2015 Budget Request for South Asia

Wednesday, April 30, 2014

Chairman Chabot, Ranking Member Faleomavaega and Distinguished Members of the Subcommittee:

Thank you for the invitation to testify today on the role of the United States Agency for International Development (USAID) in addressing U.S. foreign policy priorities and development assistance needs in South Asia. I am also pleased to be testifying alongside my colleague and friend from the U.S. Department of State, Assistant Secretary Nisha Biswal.

This afternoon, I want to share with you our perspective on the vital role of U.S. foreign assistance in South Asia. I will briefly describe how USAID's development programs in India, Bangladesh, Nepal, Sri Lanka and the Maldives address regional challenges and advance American interests.

South Asia is a region that has shown significant progress and one that holds even greater promise for the future. Bordering major shipping routes in the Indian Ocean, South Asia has enjoyed stable and steady growth, led by India's strong economy, which has helped lift millions out of poverty while building important new markets for U.S. exports. A core component of President Obama's Asia Rebalance strategy is ensuring the region continues on this path and contributes to greater stability throughout South Asia—and beyond.

At the same time, two-fifths of the world's extreme poor live in South Asia, and significant development challenges remain. South Asia has the highest prevalence of undernourishment and underweight children under 5 in the world, and the region's rates of maternal and infant mortality are second only to sub-Saharan Africa. South Asia is prone to natural disasters, in particular cyclones and seismic activity, with millions of people struggling to eke a living off land on the front lines of climate change. And while democracy is vibrant across much of the region, as shown by the ongoing Indian elections—the largest democratic exercise in the world—the systems of governance in several countries are still fragile and continually challenged to meet the needs of the most vulnerable citizens.

The President's Fiscal Year 2015 budget request of \$350 million for South Asia will enable the United States to continue to play an integral role in supporting regional stability—thus furthering our own national security interests—to ensure countries grow peacefully and sustainably. By promoting economic growth and democratic opportunity; investing in people and institutions; and strengthening physical and human security for all ethnic groups, women and other marginalized populations, we are building more stable and prosperous societies and advancing regional economic integration to yield greater prosperity across the region.

To advance U.S. foreign policy goals and American interests while tackling the complex development challenges of South Asia, USAID is working through three primary approaches, all of which have achieved impressive gains:

1) Advancing regional economic integration that accelerates the growth of tomorrow's trade partners while yielding greater prosperity and stability across South Asia and Central Asia, including Afghanistan, as more cross-border ties are forged.

We are facilitating cooperation on cross-border electricity trade through USAID's South Asia Regional Initiative for Energy program, which works throughout the broader region—including Afghanistan and Pakistan—to address the mounting energy challenges facing all of South Asia. This program celebrated a major step forward in December 2013 with the completion of a transmission line linking India and Bangladesh that will facilitate electricity trade between the two countries for the first time.

2) Building pathways out of poverty through the three Presidential Initiatives: the Global Health Initiative, Feed the Future and the Global Climate Change Initiative.

Through the Global Health Initiative, USAID was proud to play a role in helping to eradicate polio in India. Just last month, the World Health Organization certified India as polio-free. This represents unprecedented progress for a country that reported more than half the global polio cases until 2009. Experts always predicted that India would be the last to stop polio as its endemic pockets were among the most difficult places in the world for polio eradication. Aggressive support by the Government of India and partners proved those experts wrong.

3) Leveraging science, technology, innovation and partnerships to extend our reach and maximize our impact, while driving down costs and yielding a better return for the American taxpayer.

In Bangladesh, where a population half the size of the United States is crammed into a low-lying, flood-prone area the size of Iowa, we leveraged innovative science and technology to help end rice deficiencies and create a more sustainable way of living for millions of farmers. We partnered with Bangladeshi and regional scientists to develop saltwater-tolerant rice seeds that can also survive prolonged flooding. We also introduced technology that allows for fertilizer to be placed *under* the soil where it is less likely to be washed away, reducing fertilizer use by as much as 30 percent and increasing crop yields by up to 20 percent. As a former USAID Mission Director in Bangladesh, I have seen first-hand the transformative power of these innovations on lives.

In line with USAID's new model for development, we are building on our efforts to leverage science, technology, innovation and partnerships through the recent launch of the U.S. Global Development Lab, which will generate breakthrough solutions to complex development challenges while attracting private sector investment to improve the sustainability of those solutions. Throughout Asia, we are seizing an unprecedented opportunity to leverage new talent and resources wherever possible—from universities and charitable organizations to emerging

donors and high-net-worth individuals. Nowhere is that more evident than with our work in India.

India

As an indispensable partner of the United States, India is a country central to U.S. interests in South Asia and a key player in the Asia Rebalance strategy, and U.S. assistance will continue to play a critical role in supporting a strong U.S.-India relationship. Given India's growing financial and human resources, USAID is transforming its relationship with India from a donor-recipient relationship to a peer-to-peer partnership that harnesses the strengths and capabilities of both countries. Our deepening partnership leverages a broad range of resources to tackle the most pressing challenges of our day in India and beyond, with a particular focus on food security, child survival and meeting the growing demand for energy in sustainable ways.

As a trusted global leader in building public-private partnerships for development, USAID leverages this comparative advantage in India to bring together a wide range of traditional and nontraditional development partners and apply their combined resources and expertise toward solving the world's most vexing development challenges. For example, we partnered with a leading Indian Chamber of Commerce, the Government of India, and several other public and private sector entities to launch the Millennium Alliance, a partnership to support new innovations that strengthen early-grade reading as well as increase access to clean and affordable energy, safe drinking water, quality health care, and a nutritious food supply to those most in need. Innovations include a solar dryer that reduces the processing time of agricultural products like turmeric from 30 days to one day and costs 50 percent less than traditional processing. Another is a biomass-based cook stove that not only provides cleaner combustion for healthier cooking, but also generates electricity for household use. The Alliance has leveraged over \$40 million in financial and in-kind contributions through partnerships with leading Indian and multinational corporations, foundations and donors.

We are partnering with India to share proven innovations and best practices with other developing countries across Asia and Africa through trilateral and regional cooperation. For example, our U.S.-India-Africa Triangular Training Program is training agriculture professionals from Kenya, Malawi and Liberia in solutions proven to reduce poverty and hunger that they are using to advance national food security efforts. Participants have helped farmers and interest groups in all three African countries prepare strategic plans for agricultural development, and one Malawian participant established 13 plant health clinics that provide extension and advisory services to farmers.

We are deepening our engagement with India on shared regional and multilateral goals, including advancing the Administration's vision of the New Silk Road through increased regional connectivity between South and Central Asia that bolsters economic growth and security in the region and beyond—including Afghanistan. As the fifth largest donor in Afghanistan, India is well-positioned to play a key role in helping link Afghanistan to the rest of the region in support of economic progress and peace. For example, in December 2013, USAID sponsored the first-ever India-Afghanistan Innovation Partnership Fair in Kabul to capitalize on a growing wave of interest among the Afghan business community to establish international business contacts and develop regional economic partnerships. More than 2,000 people attended

the fair, which featured innovative development solutions from 17 Indian organizations and 25 Afghan organizations. The Innovation Fair proved so successful we replicated it in Mazar-e Sharif in February, and plan to hold several more fairs in the coming year.

In FY 2015, USAID's global health programming in India will shift from a disease-oriented approach to one that fosters innovative public and private sector health systems. USAID has a history of identifying innovations that can work, such as Gene Xpert rapid diagnostic testing. This technology dramatically reduces the time it takes to diagnose drug-resistant strains of tuberculosis—from six weeks or more to just a couple of hours—meaning patients can start the treatment process right away, which plays an important role in preventing transmission. With 26 percent of global tuberculosis cases, including one of the highest burdens of multidrug-resistant tuberculosis in the world, India is partnering with USAID to introduce GeneXpert machines across the country. After USAID's initial investment of 19 machines demonstrated success, the Government of India purchased more than 200 to be used throughout the country to combat the spread of the fatal disease.

Bangladesh

Bangladesh has been a key strategic partner for the United States in South Asia due to its democratic traditions and its contribution to global peace as a major participant in international peacekeeping operations. USAID assistance supports the promotion of democratic institutions and practices, economic opportunity, effective health and education services, food security, responsiveness to climate change, and preparedness and response to natural disasters.

Bangladesh has a promising history of political pluralism, representative institutions, civic engagement and tolerance, but currently finds itself at an important crossroad in its democratic evolution. Without a renewed commitment to participatory and inclusive politics, the democratic institutions developed over the past decades are at risk of backsliding. Promoting good governance and accountability is critical to advancing economic growth, health, education and the ability to provide high-quality public services. USAID works to increase citizen confidence in governance institutions by building the country's capacity for democratic representation, strengthening institutions of good governance, promoting human rights, advancing access to justice systems and supporting a culture of tolerance. Our democracy and governance programs also address and combat gender-based violence, counter trafficking-in-persons, and increase women's involvement in national and local governance. For example, in November 2013, the Bangladesh Parliament adopted critically important amendments to the Legal Aid Services Act. USAID's Justice for All program provided critical technical guidance in amending the Act to create district-level public defender services for the poor and disenfranchised, and to authorize alternative dispute resolution procedures aimed at significantly reducing case backlog.

Linked to our democracy and governance work is a continued concern for labor rights and improved working conditions in Bangladesh. Through our labor programming in both the garment as well as the fish and shrimp sectors, we are building upon existing efforts to bolster workers' rights and safety. We are teaching worker representatives and leaders how to advocate for their members, raise awareness of fire and building safety, and enforce international standards across industries. These efforts have enabled workers to dramatically increase the number of unions formed and registered in the ready-made garment sector. Of all the ready-made

garment labor unions registered in Bangladesh in the last two years, 62 percent were registered with the help of the USAID and Department of State-supported Solidarity Center. To further our work in this sector, we recently led an interagency mission with the Departments of Labor and State and are in the process of completing an assessment of potential gaps in U.S. Government work in this area, which we will use to inform the design of new activities in FY 2014.

While Bangladesh has enjoyed steady economic growth over the past 15 years, helping to cut its poverty rate in half, the country still faces development challenges on a grand scale—including one of the highest malnutrition rates in the region and poor maternal and child health service delivery, which remain the underlying causes of up to 60 percent of child deaths. USAID will continue to improve health and food security outcomes, with a strong focus on cementing gains in maternal and child health to keep Bangladesh on track to meet Millennium Development Goals, and on increasing agricultural productivity through the dissemination of improved agricultural technology and equipment. Since 1990, USAID has contributed to a 66 percent reduction in maternal deaths and a 60 percent reduction in under-5 child deaths. Bangladesh is also a flagship country for the Feed the Future Initiative. Since the initiative's introduction, USAID has trained hundreds of thousands of small farmers on improved technologies in aquaculture, horticulture and rice production.

Nepal

Landlocked between India and China, two rapidly changing countries, Nepal remains one of the poorest countries in the world and continues to cope with the effects of a decade-long insurgency that ended in 2006. USAID supports programs in Nepal that seek to stabilize its nascent democracy, including assistance to hold its national election in November 2013—the country's second national election since the 2006 Comprehensive Peace Agreement. USAID also supports programs that improve the responsiveness of local government bodies to citizen demands, reinforce recent gains in peace and security, strengthen the delivery of essential social services, expand proven health interventions, address the global challenges of food insecurity and climate change, and strengthen economic growth through increased agricultural productivity and market access.

With USAID as a partner, Nepal has achieved remarkable social, economic and democratic progress in recent decades. For example, we've helped Nepal cut its infant, under-5 and maternal mortality rates roughly in half since 1996. Despite progress, one in every 22 infants still dies before age 1. We will continue to prioritize reducing deaths of mothers, infants and children, expanding proven interventions across the country with a focus on the most remote areas. For example, through a partnership with Nepal's Ministry of Health and Population, we are promoting the widespread use of an antiseptic gel that reduces newborn death by 23 percent by preventing umbilical cord infections. The antiseptic gel is produced by a local Nepali pharmaceutical company, building local capacity for addressing health challenges. By 2015, it is anticipated to save 18,000 newborn lives. This low-cost health solution does not require refrigeration and is also extremely portable—a necessity to reach rural communities in Nepal's mountainous areas.

Other significant development challenges facing Nepal include high vulnerability to natural disasters and natural resource degradation made worse by global climate change. Nepal is

located in the Himalayas, where the melting glaciers due to climate change pose rising threats—including water scarcity, flooding and sea level rise—to those living in the region. The threat of an earthquake further compounds the risk of natural disaster for Nepal, with Kathmandu Valley being extremely vulnerable to seismic activity. USAID programs help increase the ability of the Nepalese people to sustain progress when disaster strikes, for example USAID’s new Community Resilience Program. I was in Nepal with USAID Administrator Rajiv Shah in February 2014 when he launched this new program, which will comprehensively address the needs of the extreme poor while increasing their ability to cope with ecological shocks—from drought to flooding to earthquakes—that threaten to set them back.

Sri Lanka

Following decades of conflict and a devastating tsunami, Sri Lanka is at a critical juncture that will determine the sustainability of the country’s peace for years to come. As Sri Lanka has focused on rebuilding communities, USAID has been there to help, reaching one in 20 Sri Lankans with assistance to meet basic needs during their resettlement and helping to catalyze local investment in support of economic revival. While the bulk of the displaced populations have returned to their communities or nearby regions in the former conflict areas of the North and East, post-conflict issues such as gender-based violence threaten the social fabric of the country. Sri Lanka continues to hold competitive local elections, despite a strong trend toward authoritarian consolidation at the national level. The recent vote by the United Nations Human Rights Council underscores the need to pursue lasting peace and prosperity now.

Island-wide USAID assistance supports peace and reconciliation efforts that help foster a more democratic and inclusive society. For example, USAID supports the Sri Lankan Bar Association and the Legal Aid Commission to help ensure that all Sri Lankans have access to justice and get a fair trial. We are empowering women by promoting livelihood opportunities beyond just the conflict zones and will continue to expand these activities to reach more women-headed households. Going forward, we will seek to empower youth through multiethnic events and forums for interethnic dialogue, and by establishing and expanding youth clubs that foster leadership and life skills for the next generation. To achieve targets in democracy and governance, we have ensured that all of our programs in Sri Lanka are synergistic, meaning, sensitive issues such as human rights activities are effectively being addressed as a part of broader programs. For example, by building the capacity of economically vulnerable families in livelihood skills and helping them reacquire personal documents such as birth certificates and national registration cards, they learn their rights, positioning them to become more active and better informed citizens.

USAID continues to provide support to civil society organizations extending much-needed services to vulnerable groups and enhancing civic dialogue and reconciliation. Our deepening engagement with civil society is a strategic move, given its vital role in the protection of human rights and the promotion of democracy and good governance—factors essential for long-term peace and development in the country. With the progressively difficult political space that is limiting our ability to carry out much of our programming, USAID’s increased investment directly to local organizations, with the aim of promoting sustainable development through local capacity development, has become a priority.

Given these realities, and USAID's aggressive focusing of resources in countries with the most need and where we can have the most sustainable impact, USAID is planning to reduce our footprint in Sri Lanka. Our democracy and vulnerable populations programs in Sri Lanka will continue to focus on reconciliation and defending civil liberties to ensure that the United States remains engaged in a positive, visible way to expand and protect the space available for civil society and those advocating for freedom of speech and human rights.

Maldives

Our smallest program in South Asia is in the Maldives, a country working to strengthen its young democracy and political institutions. Comprised of a scattering of 1,192 islands, the Maldives' highest point is only 8 feet above sea level, making it extremely vulnerable to rising sea levels. To mitigate the impacts of global climate change on the Maldivian economy and way of life, and contribute to a more peaceful and resilient Maldives, USAID is improving water security and increasing Maldivians' capacity to adapt to a changing environment. Through training programs and outreach interventions, USAID facilitates the participation of local communities and atoll and island councils in resource management planning with a particular focus on coral reef ecosystem health and reef fish stocks.

Bhutan

Although the United States does not have official diplomatic relations with the newly democratic country of Bhutan, USAID and the Department of State are helping to strengthen parliamentarians' understanding of their roles and responsibilities, and seeking to enhance civic engagement. Bhutan is also included in the South Asia Regional Initiative for Energy program to link its hydropower exports to the South Asian electrical grid.

Conclusion

Mr. Chairman, the evidence is clear: USAID's work saves lives, strengthens democracies and expands opportunity in a region of the world that is critical to our own future.

In 2011, President Obama said: "Asia will largely define whether the century ahead will be marked by conflict or cooperation, needless suffering or human progress." With one-fifth of the world's population—a third of which is living in extreme poverty—South Asia is a central focus of U.S. development assistance to ensure that the coming century is one marked by cooperation and human progress that extends mutual prosperity and security across the Asia-Pacific region.

I appreciate the opportunity to share what USAID is doing in South Asia and look forward to hearing your advice and counsel. I welcome any questions you may have.