

Testimony for Assistant Secretary Lu
“Resourcing U.S. Priorities in the Indo-Pacific FY23 Budget”
Hearing of the House Foreign Affairs Subcommittee
on Asia, the Pacific, Central Asia, and Nonproliferation

June 8, 2022

Chairman Bera, Ranking Member Chabot,

The Indo-Pacific region is fundamental to our national security interests. I am here to represent the South Asia part of the Indo-Pacific Strategy. I firmly believe that the U.S. relationship with the countries of South Asia, and particularly India, is one we need to get right for the security of Asia, for the security of the United States, and for a world not dominated by countries hostile to our rules-based international order.

I am here to assure you that the money the American people commit in support of our Indo-Pacific strategic goals is money well spent. Our FY 2023 request increases critical funding for India, the Maldives, and regional activities in South Asia. The President’s overall foreign assistance request for the Indo-Pacific is \$1.8 billion, of which \$598 million is for South and Central Asia. We look forward to working with Congress to support these important efforts.

The President’s Indo-Pacific Strategy sends the message that the United States stands for something, not against any particular country or group of countries. It contains five pillars. I’d like to offer some examples of ways we plan to use the FY 2023 funding under each of these pillars.

The first pillar is advancing a free and open Indo-Pacific.

In Nepal, we are supporting programs to develop civil society and support Nepal’s commitments under the Summit for Democracy – which are to work on legislation to counter gender-based violence, to strengthen protections for migrant workers, and to fight corruption.

In the Maldives, we are providing funding through the U.S. Department of Justice to implement programs that strengthen the capacity of the criminal justice sector to investigate and prosecute complex criminal cases, including on terrorism and corruption.

The second pillar is building connectivity.

Strengthening the Quad and delivering on its commitments is a critical component of the Indo-Pacific Strategy. On May 24, we announced the new Indo-Pacific Partnership for Maritime

Domain Awareness. This initiative is expected to enable Indian Ocean partners to better monitor their coastal waters and to defend against illegal fishing, drug trafficking, and security threats.

The third pillar is supporting prosperity.

The centerpiece of the President's regional economic agenda is the Indo-Pacific Economic Framework for Prosperity. The thirteen countries that have joined the United States in launching the framework represent over 40 percent of the world's economy. We plan to use our resources within the IPEF context to support fair trade, resilient supply chains, decarbonization, clean energy, tax enforcement, and anti-corruption.

In partnership with USAID, we are also planning to support the growth of women's entrepreneurship through our public-private partnership, the U.S.-India Alliance for Women's Economic Empowerment. One of its many goals is to mentor five million women business leaders.

The fourth pillar is security.

Our FY 2023 Foreign Military Financing request of \$35 million will bolster the maritime capabilities of our partners. We are upgrading Bangladesh's high-endurance naval cutter. We are also using security assistance to provide military medical equipment and training to Nepal that will improve its capacity as a contributor to UN peacekeeping. And we are providing explosive ordinance disposal equipment to the Maldives, a country that has faced a series of terrorist threats in its history.

The fifth and final pillar is countering transnational threats.

The United States has provided, in partnership with COVAX, nearly 73 million doses of lifesaving COVID-19 vaccine to South Asia and has provided \$456 million in COVID assistance to the countries of South and Central Asia. As I travel in the region, I have seen that these vaccines and support to hospitals has meant the difference between life and death for millions of people.

Our U.S. assistance to people in the Indo-Pacific region is critical to demonstrating that we are a reliable partner. I guarantee you that our money is being well spent and each investment is directly aligned with our national security. We look forward to continuing to partner with U.S. Congress on implementing our Indo-Pacific Strategy.