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Examining Fiscal Year 2024 Budget for South and Central Asian Affairs  
HFAC Joint Subcommittee Hearing  
July 13, 2023

Chairman Wilson, Ranking Member Philips, Chairwoman Kim, and Ranking Member Bera,

South and Central Asia is a region vital to our national interests. It is at the crossroads of strategic competition with China and Russia. It is where the future of the 21<sup>st</sup> century economy will be written. And it is home to one of our most consequential relationships, India.

The President's fiscal year 2024 foreign assistance request is \$1.223 billion for South and Central Asia, providing the resources necessary for our ambitious agenda. It includes funds to expand our diplomatic presence in the Indo-Pacific, to build resilient energy markets, and to support counterterrorism and maritime security. The budget request also includes \$2 billion over five years in mandatory funding to enable the U.S. to make game-changing investments in the Indo-Pacific to out-compete China. We look forward to working closely with Congress as we advance our goals in South and Central Asia.

#### Indo-Pacific

We've heard from many members on this committee that we need to match our words with our resources in the Indo-Pacific. This budget requests substantial increases in funding for the region. Here are some of the ways we plan to use these funds, if appropriated by Congress.

India is an essential partner in the Indo-Pacific. Prime Minister Modi's state visit to Washington demonstrated that we are growing closer in alignment, specifically on emerging technologies and defense. Assistance to India targets energy security, supporting India's ambitious goal of 500 GW of renewable energy by 2030. We appreciate Congress' partnership on India, including on ensuring that the advancement of democracy, human rights, and religious freedom are at the center of our partnership.

Our Indo-Pacific assistance also enables us to work with the key maritime states of Bangladesh, Sri Lanka, and Maldives to build maritime surveillance, counter illegal fishing, and prevent the illicit trafficking of people and goods. For example, we've provided three U.S. Coast Guard cutters to-date to Sri Lanka using Foreign Military Financing. When I visited the Port of Colombo earlier this year, I heard firsthand how Sri Lanka is using these vessels to patrol its exclusive economic zone and provide security to nearby shipping lanes. Ultimately, this has helped Sri Lanka resist pressure tactics by the PRC.

#### Pakistan

I know the integrity of Pakistan's democracy is a key concern to those on this committee. We firmly believe that a prosperous, democratic, and human rights-respecting Pakistan is important to U.S. interests. We use our foreign assistance to support Pakistan's independent civil society, strengthening their advocacy for reform, oversight, and accountability. I've talked with advocates

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and journalists who thank the United States for continuing to foster democratic communities and spaces.

More broadly, our assistance targets discrete areas where we can productively collaborate with Pakistan – including on countering terrorism, promoting health, and addressing the climate crisis. Last year, catastrophic monsoon floods killed over 1,700 people, displaced millions, and left a third of the country underwater. The United States’ swift response provided substantial assistance and a Defense Department airbridge that delivered humanitarian supplies. Moving forward, our resources will focus on climate-smart agriculture, clean energy, and water management.

### Afghanistan

Our assistance to Afghanistan is consistent with our continuing interest in supporting the Afghan people, protecting U.S. citizens, and resettling Afghans to whom we have a special commitment. We strongly and unequivocally condemn the Taliban’s systemic abuses of women and girls, and other marginalized groups, in Afghanistan. The United States will continue to provide assistance addressing the basic needs of Afghans where women can be safely and meaningfully involved in the aid cycle, from aid assessments to delivery and monitoring. We have carefully crafted assistance to support the Afghan people, not the Taliban.

### Central Asia

We have a historic moment of opportunity in Central Asia. The countries of Central Asia are under enormous pressure from Moscow, which exerts significant control over energy and trade. Despite this pressure, they have refused to send troops to fight with Russia in Ukraine, emphasized Ukraine’s independence and sovereignty, and even provided humanitarian assistance to the people of Ukraine. That is why, last year, we launched the Economic Resilience Initiative in Central Asia (ERICEN). This initiative aims to catalyze transformative economic growth in the wake of Russia’s war of aggression in Ukraine. Through our assistance, we are expanding alternative trade routes, teaching thousands of Central Asians English, expanding job opportunities for returning labor migrants, and helping businesses succeed and grow. These efforts demonstrate our reliability as a partner, bringing Central Asia into closer alignment with us over the long-term.

### Conclusion

The President’s Budget Request for Fiscal Year 2024 charts a clear path for engagement in South and Central Asia. We look forward to partnering with Congress on our interests in this strategically important region.