

CONGRESSIONAL TESTIMONY

COMMITTEE: House Oversight Committee, Subcommittee on National Security, the Border, and Foreign Affairs

HEARING: Accountable Assistance: Reviewing Controls to Prevent Mismanagement of Foreign Aid

DATE: March 21, 2024

WITNESS: Mr. Jim Richardson

Mr. Chairman, Ranking Member, and distinguished members of this Committee,

My name is Jim Richardson. I appreciate the opportunity to discuss how we can improve U.S. foreign assistance. I started my career on Capitol Hill, having spent 15 years in the working in the Senate and then here in the House. Later I had the great honor of heading up one of the largest reorganizations of the US Agency for International Development (USAID), which occurred during the Trump Administration. We moved to a data-informed, goal-oriented approach, and worked to realign our structure, people, and systems to match. After USAID I was the Director of the Office of Foreign Assistance at the State Department. There I coordinated assistance across USAID and the State Department on behalf of the Secretary of State.

Needless to say, I've encountered both the obstacles and the tremendous potential inherent in our foreign aid endeavors. Today, I will underscore the pressing need for (1) strategic alignment, (2) renewed focus on effectiveness, and (3) the careful selection of partners and instruments to maximize the impact of foreign assistance.

First and foremost, strategic alignment with our national security objectives is paramount. In today's dynamic geopolitical landscape, we must prioritize initiatives that directly support America's national security interests. With limited resources and relentless global challenges, it's imperative that we carefully choose where and how we employ foreign assistance to achieve our national security goals.

China's aggressive approach, especially in the developing world, poses significant challenges to our strategic, diplomatic, and economic interests. To counter this, we must view foreign aid as a strategic tool. Unfortunately, foreign aid is too often viewed as charity or used to advance narrow political ideologies. This is both wasteful and dangerous.

Furthermore, we must demand maximum impact from our foreign assistance programs. Progress must be measured against specific, meaningful benchmarks that drive toward concrete outcomes. Whether it's facilitating the self-sufficiency of aid-dependent nations, promoting bilateral trade, or advancing strategic goals, our assistance must bring about measurable results.

We must critically evaluate existing programs, cease ineffective approaches, and embrace innovative modalities that suit the unique circumstances of each situation. This includes shifting towards more conditional assistance, partnerships, loans, and investments and away from traditional approaches that have too often proven ineffective.

Not every country or situation requires a new modality, but there are many instances that do. Take Ukraine, for instance. Here, economic development is more robust, so transitioning towards loan-based assistance could better align with the principles of reciprocity. Loans foster economic self-reliance and encourage responsible fiscal management and sustainable development practices.

Finally, I want to touch on how we engage our implementing partners. As you know, the United States government utilizes a wide array of for-profit, non-profit, and international organizations to implement its programs.

Reducing our reliance on Public International Organizations (PIOs), specifically the UN family, can be an important strategic shift. While coordination remains essential to ensure that efforts are not duplicated or wasted, U.S. foreign aid should be directed through partners that align most closely with our national security objectives and minimize risks. Working directly through the PIOs is inherently less transparent and accountable. Instead, we should select partners who can best accomplish the given task efficiently and effectively. This is often a local partner, which has the added benefit of building the capacity of the host country.

Once identified, rigorous vetting processes are imperative to ensure the suitability and integrity of our partners. We must ensure, within legal constraints, that all partners, including Public International Organizations, are subjected to the same vetting standards. Failing to vet comprehensively poses significant risks, as clearly seen recently in Gaza with UNRWA.

Furthermore, we must broaden both the geographical scope and criteria of our vetting processes. A wider geographical lens enables proactive identification of vulnerabilities across the global landscape, addressing emerging challenges in diverse regions. In terms of criteria, while terrorism remains a paramount concern, we must also consider a broader spectrum of transnational threats, such as drug trafficking, human trafficking, and wildlife poaching. By exclusively collaborating with partners meeting the highest standards, we can bolster the effectiveness and integrity of our assistance efforts.

Foreign assistance is an incredibly complex topic, so I deeply appreciate the fact that you are holding this hearing. I look forward to further discussions on this critically important matter. Thank you.