

**Follow
@HouseForeign**

The FY 2016 Budget Request: Assessing U.S. Foreign Assistance Effectiveness
Chairman Ed Royce – Opening Statement
March 17, 2015

This hearing will come to order. Today we review the budget requests of the U.S. Agency for International Development and the Millennium Challenge Corporation.

When thinking about your effectiveness, the ultimate objective must be to see countries *graduate* from foreign assistance. Countries that respect individual and property rights are more likely to enjoy stability and economic growth, both essential to overcoming poverty. When it comes to development, the right policies matter, far more than the dollars and cents.

These are the principles this Committee promoted through the African Growth and Opportunity Act, which I helped write 15 years ago, and plan to help reauthorize this year. And these are the principles that guided the founding of the MCC. By working with poor but relatively well-governed countries; by recognizing sound policies; and by committing to the principles of transparency and accountability, MCC *is* putting countries on the path toward graduation.

Today MCC is requesting the ability to enter into “compacts” that would advance regional economic integration and trade. I am pleased to be working with Ms. Bass on this. However, MCC must stay true to its roots and not dilute its rigorous selection criteria, a constant concern.

Meanwhile, USAID has established itself as a global leader in humanitarian assistance and disaster relief. From the devastating earthquake in Gujrat to the deadly Ebola epidemic in West Africa, USAID typically responds first. In the Philippines, I saw first-hand Typhoon Haiyan’s devastation. USAID knew that it would take three weeks for U.S. food aid stored in Sri Lanka to arrive – 12 weeks if they had to ship food from the U.S. – so they bought food locally and saved lives.

I was pleased to see the Administration renew its request to exempt a quarter of the Food for Peace budget from costly, outdated, and inefficient U.S. purchase and shipping requirements. But the President should have asked for more. This is timid reform. Still, I will work with the Administration and my colleagues so that our food aid reaches more people, in less time, for less money.

Despite strong performance in the area of disaster relief, USAID has historically struggled to perform in other areas. Its poor performance in Haiti led this Committee to pass successful legislation last Congress to step up oversight of the lagging aid effort there. And reports of waste continue to come out of Afghanistan.

To its credit, USAID has been working to redefine itself over the past five years. In many areas, it is putting MCC principles into practice. The agency is focusing on results and innovation, while tapping the expertise and capital of the private sector. USAID also is becoming more transparent; the agency has begun implementing a number of the transparency reforms that this Committee has demanded and Mr. Poe has advanced.

What isn't commendable is the Administration's failure to nominate an Inspector General, which has left USAID and MCC without a "top cop" for over 1,200 days. Ranking Member Engel and I have encouraged the President to get the second longest IG vacancy filled – *now*.

And I am demanding that USAID sort out its policy with the Government Accountability Office, so it can once again gain complete, timely access to the information it requires to execute its Congressionally-mandated oversight role. This is in keeping with USAID's new commitment to transparency, as well as the former Administrator's personal pledge to me.

There is no shortage of challenges on your plate. And at under two percent of the total annual budget, the International Affairs Budget has had to punch above its weight. That won't be changing any time soon, meaning a focus on efficient and effective programs.

I look forward to working with you, Ambassador Lenhardt and Ms. Hyde, to address these challenges and opportunities over the coming year.

I will now turn to Ranking Member Engel for his statement.