

**Testimony of Gayle E. Smith**  
**Administrator**  
**United States Agency for International Development (USAID)**  
**House Committee on Foreign Affairs**  
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Chairman Royce, Ranking Member Engel, and distinguished members of the Committee: thank you for inviting me here to discuss President Obama's Fiscal Year 2017 budget request for the United States Agency for International Development. I want to thank you for your continued leadership and commitment to global development.

For more than fifty years, USAID has led our nation's efforts to advance dignity and prosperity around the world, both as an expression of core American values and to help build peaceful, open, and flourishing partners for the United States. This request will help advance that important legacy, but our budget line items only tell part of the story. In recent years, with vital support from Congress, we have acted to make our work more efficient, effective, and impactful.

First, we recognize that though foreign assistance is a valuable tool, we cannot achieve sufficient impact through assistance alone. That is why we are making smarter investments with our assistance; leveraging private capital and funding from other donors to scale our impact; and supporting governments, small businesses and entrepreneurs to mobilize domestic resources for development. Through this approach, we are providing taxpayers with greater value for their money. For example, with every dollar USAID invested into more than 360 public-private partnerships active in 2015, partners committed about \$3.50 in both cash and in-kind contributions over the life of the partnership. In every region and every sector, we are using our assistance to spur investment from other donors, private businesses, and country governments.

Second, we recognize that development is a discipline. We have improved the way we do – and measure – our work. Since adopting a new evaluation policy in 2011, the Agency has averaged 200 external evaluations a year, and our data show that more than 90 percent of these evaluations are being used to shape our policies, modify existing projects, and inform future project design. We are also doing more to measure impact, and working to create the feedback loop to ensure that what we learn is built into what we do. We must continue to institutionalize these practices to ensure we can drive with evidence, make mid-course corrections, scale what works, and, importantly, be fully transparent and accountable.

Third, we recognize that USAID can achieve more when we join forces with others. We have partnered with agencies across the U.S. Government, with U.S. institutions of higher learning, with non-governmental organizations and with communities of faith. Where we can achieve greater efficiency or impact, we also align goals and strategies with governments and organizations all over the world, including donor nations and developing countries. And, engagement with the private sector – including small businesses – is now fully embedded into the way we do business. In fact, in Fiscal Year 2014 USAID was one of only three federal

agencies to receive an A+ rating from the Small Business Administration. Additionally, we are prioritizing local ownership, a key component of sustainable development. Since 2010, we have doubled the percentage of our funding obligated through local governments, civil society partners, and local businesses.

Finally, we recognize that development solutions are manifold. That is why we are pursuing integrated country strategies and harnessing science, technology, and innovation to accelerate impact faster, cheaper, and more sustainably. We are helping to build local research capacity and sourcing new ideas from all over the world. Our Global Development Lab is designed to take smart risks to test out new ideas and help scale successful solutions. We must continue to work to integrate these capacities across the Agency and with our development partners.

These and other steps are making us more accountable, stretching our dollars further, and helping USAID live up to its important role as the United States' lead development agency. I am proud to say that even as expectations grow ever higher, we continue to work hard to meet new challenges, seize emerging opportunities, improve the way we do business, and deliver transformational results on behalf of the American people.

For less than one percent of the federal budget, the President's request keeps us on this path. The request will provide the resources we need to deliver against our most urgent priorities and to advance our mission of ending extreme poverty and promoting resilient, democratic societies around the world while remaining consistent with the levels set in the 2015 Bipartisan Budget Act. Overall, the FY 2017 budget request for the State Department and USAID is \$50.1 billion, \$35.2 billion of which is Enduring, and \$14.9 billion of which is Overseas Contingency Operations (OCO) funding.

The President's budget request of \$22.7 billion for USAID-related accounts will help enable progress in the four core pillars of our work: (1) fostering and sustaining development progress; (2) preventing, mitigating, and responding to global crises; (3) mitigating threats to national security and global stability; and (4) leading in global development, accountability, and transparency.

## **FOSTER AND SUSTAIN DEVELOPMENT PROGRESS**

In countries around the world, USAID fosters sustained and inclusive economic growth, lifts millions of people out of extreme poverty, and promotes open and effective governance. This work has helped propel major gains in a whole host of sectors, from global health to food security, energy, education and water. The President's budget request focuses our resources on what works and uses our assistance to unlock additional funds from other donors, businesses, and most importantly, from developing countries themselves.

In global health, for example, the \$2.9 billion request will continue our work to save lives and build sustainable health systems in the countries where we work. We are focused on three goals:

ending preventable child and maternal deaths, achieving an AIDS-free generation, and protecting communities from infectious diseases. In all of these areas, we have achieved major progress. As part of the President's Emergency Plan for AIDS Relief (PEPFAR), USAID is helping support life-saving treatment for 9.5 million people and in 2015 helped provide testing and counseling for 68 million people. Additionally, our efforts have contributed to PEPFAR being well on track to reach the bold HIV prevention and treatment targets set by President Obama last September. Since 1990, we have helped save over 100 million lives, and the number of children dying preventable deaths has been cut in half. In partnership with UNICEF and other governments, our global leadership on ending preventable child and maternal deaths has spurred action from countries around the world. In fact, the Prime Minister of the Democratic Republic of the Congo recently agreed to increase domestic resources for health from 4.0 to 7.5 percent.

Additionally, our support of Gavi, the Vaccine Alliance has helped immunize two out of every five children born worldwide, and the President's Malaria Initiative (PMI) has helped countries throughout sub-Saharan Africa scale malaria prevention and control interventions, resulting in a major reduction in malaria illness and death. The request will continue these efforts, with \$275 million to support Gavi. To answer President Obama's State of the Union call to end the scourge of malaria, the request also includes an increase of \$200 million to fight malaria, made up of a \$71 million increase to the annual PMI level and a proposal to repurpose \$129 million in remaining Ebola emergency funds for malaria.

Through the U.S. Government's Feed the Future initiative, we will continue to strengthen U.S. leadership in ending hunger, malnutrition, and poverty. We are working in 19 focus countries in Africa, Asia, Latin America, and the Caribbean and are targeting our funds where our interventions have been most successful. The \$978 million request for Feed the Future reflects our evidence-based determination that increased funding for programs in, for example, Bangladesh, Ethiopia, Nepal, Senegal, Tajikistan, and Zambia will enhance our impact in those countries. At the same time, we have made plans to adjust programs in Haiti, Kenya, Mozambique, Rwanda, and Tanzania so we can achieve the same level of impact at a lower cost.

Feed the Future is a powerful example of what we can achieve when the world comes together around a shared global challenge, working with countries that want to take ownership of, contribute to, and be accountable for improving their food security. Over the past five years, Feed the Future and the New Alliance for Food Security and Nutrition have helped build a coalition that has committed more than \$30 billion – including funding from other donors and the private sector. Our coalition includes agencies across the United States Government such as the Department of Agriculture and the Millennium Challenge Corporation, over 70 top U.S. universities, and hundreds of other partners. This coalition has helped achieve major development gains, ranging from a 33 percent decrease in child stunting in Ghana to a 16 percent decrease in poverty in targeted areas of Bangladesh. And now, there is potential for the *Global Food Security Act*, which was passed by the Senate Foreign Relations Committee last week, to ensure that this partnership can continue to build on these gains for years to come.

Like Feed the Future, through Power Africa we have also mobilized a diverse global coalition of bilateral, multilateral, and private sector partners to maximize our impact across Sub-Saharan Africa. USAID and our partners across the government have successfully demonstrated that this model works, and governments across the continent are eager to get involved. Power Africa's recently released Roadmap outlines a concrete plan for how we will achieve the ambitious goal of adding 30,000 megawatts (MW) of electricity generation and 60 million connections by 2030, thereby doubling access to electricity across the continent. Power Africa has already helped transactions expected to generate 4,300 MWs reach financial close. Power Africa will continue to build on our ongoing work to strengthen the investment climate across sub-Saharan Africa and to increase the capacity of African governments and utilities to develop and manage their domestic energy sectors. And just this year, we launched a new app to monitor transactions across the continent in real-time. In addition to improving transparency, this tool will help drive the competitiveness of African markets.

We have much work ahead of us to accomplish our goals, but with the recent enactment of the *Electrify Africa Act*, I am confident that Power Africa will continue to transform sub-Saharan Africa's energy sector to ensure the lights are on in more homes, businesses, and schools across the continent.

I know there is a similar level of bipartisan support for our efforts in education. Over the past four years we have pursued a strategy that emphasizes quality, with a focus on improving early-grade reading, helping young people gain skills important for future employment, and increasing equitable access to education in the many crisis and conflict-affected areas around the world. This outcomes-based strategy is working, and our \$788 million request – along with the additional financing leveraged from partners – will allow us to continue to support education all over the world.

Pursuing this strategy, we have reached more than 30 million children and young people have benefited in more than 50 countries since 2011. Part of the reason for this success is that many political leaders are putting real capital behind education. For example, in Jordan, USAID developed an evidence-based reading and math program that improved student learning outcomes. Now, the Ministry of Education is supporting nationwide adoption of these early grade reading and math policies, standards, curricula, and assessments. Of course, with so much of the world in crisis, ensuring equitable education in unstable environments continues to be a challenge for the global community. USAID is on the front lines of this challenge, whether helping countries like Lebanon and Jordan expand access to education for all despite an overwhelming influx of refugees or acting quickly to set up non-formal education centers for Nigerian families displaced by Boko Haram.

In the coming year, we will continue our ongoing efforts to increase access to safe water and improved sanitation. This request of \$256 million will specifically support water supply, sanitation, and hygiene programming, or WASH. But USAID's commitment to improve access

to water extends well beyond that number; we support water programs in coordination with other sectors, including global health, food security, and disaster assistance. This is also another sector where we leverage a great deal of investment from others, including through partnerships with major corporations like Coca-Cola to improve sustainable water access.

The budget request also continues our important work to foster sustainable development that reflects the realities of a changing climate. The request of \$352.2 million through the Global Climate Change Initiative will further our work overseas to promote low-emissions development and to help our partner nations lighten their carbon footprint, adapt to climate-driven risks, and promote public health. And, we are enhancing our impact by pursuing cross-sector partnerships. For example, on behalf of the U.S. Government, USAID created the Tropical Forest Alliance 2020, a partnership of more than 60 government, private sector, and civil society participants working together to reduce commodity-driven tropical deforestation.

Our work in all of these sectors and more will be essential for fostering sustained and inclusive economic growth all over the world. But progress is not sustainable without open and effective governance. That is why this request also includes \$2.3 billion for USAID's work to strengthen democracy and governance around the world. This support is essential at a time when we are seeing troubling trends like democratic backsliding and closing space for civil society, independent voices, and aid workers. It also enables us to seize opportunities presented by significant democratic breakthroughs, such as last year's breakthrough elections in Burma and Sri Lanka.

And, as I noted earlier, we are continuing to learn more about how to achieve impact with this work. For example, an impact evaluation in Malawi found that an increasing number of well-trained election monitors reduced instances of fraud by up to six percent. And that helped inform our approach in Burma, where among other activities, we trained and deployed thousands of domestic observers. The result was the most inclusive, credible, and transparent election in the country's recent history. We are also working to bolster rule of law and good governance. In partnership with the Millennium Challenge Corporation and countries worldwide, USAID adopted e-governance innovations that revamped procurement systems in Indonesia and Paraguay, reducing corruption in public contracting.

The request also continues our important work to advance progress for women and girls across the world. That includes \$75 million toward the U.S. Government's Let Girls Learn initiative, including the Let Girls Learn Challenge Fund, which will enable USAID to empower adolescent girls through increasing access to quality education and removing barriers to success. Additionally, USAID will continue to pursue efforts to prevent child, early, and forced marriage; support children in adversity, and prevent gender-based violence.

We are also supporting various regional development strategies, including a \$75 million request for Trade Investment Capacity Building to align, focus, and expand current bilateral and regional

trade programs in sub-Saharan Africa and an additional \$10 million request for the Young African Leaders Initiative. Additionally, development is a vital underpinning of the Asia-Pacific Rebalance, and this request includes \$694.4 million to strengthen democratic processes, promote rule of law and respect for human rights, and enhance critical trade efforts and prevent pandemic health threats in the region.

## **PREVENT, MITIGATE, AND RESPOND TO HUMANITARIAN CRISES**

The United States is a world leader in humanitarian response. Whenever a disaster hits, we are there to provide food, medicine, water, even the tools to rebuild. Over the last seven years, USAID has deployed 23 Disaster Assistance Response Teams (DARTs); on average, USAID has responded to 60 emergencies each year. We currently have four DARTs deployed simultaneously – in Iraq, South Sudan, Syria, and Ethiopia. The United States is the single largest donor of humanitarian aid to the Syrian people, and is feeding more than one million people in South Sudan each month. We are responding to El Niño on four continents, including in Ethiopia where our efforts are building on the Government’s strong response and longstanding work to build safety nets for its people. Our assistance is saving lives and protecting precious development gains.

The request of \$3.3 billion in USAID-administered humanitarian assistance accounts provides the agility and flexibility that is critical in preventing, mitigating, and responding to global crises. The request includes additional flexibility in our Title II food assistance program to make it more effective, so we can assist approximately 2 million more people in crises with the requested resources. An additional \$107.6 million is requested to prevent conflict and stabilize emerging democratic processes in critical transition environments, and for quick response to urgent, unanticipated civilian contingencies. This will enable USAID to take advantage of opportunities to catalyze positive change in countries all over the world, as we have done in Burma, Kenya, and Colombia.

We do this work in increasingly challenging environments, as we face crises that are chronic, complex, and severe. These crises strain our resources and take a toll on our people. That is why, even as we continue to respond to the most urgent crises, we must invest now to manage a future of rapid and often tumultuous change. That includes scaling up some of the most effective but least visible work USAID is doing across the agency to foster resilience – or the capacity of people, communities, and countries to withstand external shocks. And it includes using tools like our Famine Early Warning System and fragility analyses to help anticipate crises to the best of our ability.

It also includes staying the course for years to come on the Global Health Security Agenda – ensuring that investments made with funding from the emergency Ebola request in December 2014 continue to prevent the spread of Ebola and other infectious diseases. Ebola, and now Zika, have exposed the degree to which the world is unprepared to respond to infectious disease

threats. These outbreaks serve as an important reminder that all countries need to have the capacity to prevent, detect, and respond to disease threats. Full implementation of the Global Health Security Agenda will protect Americans by extinguishing outbreaks at the source before they threaten our national and global security.

## **MITIGATE THREATS TO NATIONAL SECURITY AND GLOBAL STABILITY**

As the latest National Security Strategy affirms, development plays a “central role in the forward defense and promotion of American interests.” That is why USAID works in places of strategic importance to U.S. foreign policy to mitigate emerging threats and other global security challenges. These are countries where achieving development gains is especially difficult, and development is an especially slow process. But our efforts there are nonetheless critical, from planting the seeds of dignity and opportunity that offer a counter-narrative to violent extremism to fostering good will toward the United States.

For example, the \$470.3 million request for USAID-implemented activities to improve prosperity, economic growth, and governance throughout Central America will help address the root causes of migration from the Northern Triangle countries of El Salvador, Guatemala, and Honduras. A dramatic rise in crime and violence has slowed economic growth in these countries, and USAID has made important progress through crime prevention activities. In fact, an initial analysis indicates a 66 percent drop in homicides in the Salvadorian communities where USAID targets its programming. Guatemala has taken critical steps to decrease impunity, and El Salvador has adopted the most comprehensive national security plan in the Northern Triangle – based on USAID’s community crime prevention model.

We acknowledge that in many of these challenging environments, security constraints and limited staff can make it difficult to monitor projects and measure progress. USAID is committed to responsible stewardship of taxpayer funds in any circumstance. That is why, in Afghanistan, USAID developed a multi-tiered monitoring approach that allows project managers to gather and analyze data from multiple sources, triangulate information to ensure confidence in the reporting, and use the results to make programmatic decisions. To implement this approach and ensure proper oversight, we are scaling up third-party monitoring.

Additionally, the request includes \$698.1 million in Economic Support Fund and Global Health Programs funding to help strengthen market economies and trade opportunities, independent media and democratic institutions, energy independence, and enduring commitments such as health and education in Europe, Eurasia and Central Asia. These efforts are part of the U.S. Government’s broader effort to help Ukraine, Georgia, Moldova and Russia’s neighbors stand strong against increased pressure from Russia.

## **LEADING IN GLOBAL DEVELOPMENT, ACCOUNTABILITY, AND TRANSPARENCY**

This request positions the United States for continued leadership in global development, accountability, and transparency. That includes \$195.5 million for the Global Development Lab (Lab), and our Bureau for Policy, Planning, and Learning (PPL). The Lab will help spur and integrate innovation across and beyond the Agency, while PPL will help us continue to lead with evidence-based approaches to development.

The request will also help support and strengthen USAID as an institution. The requested \$1.7 billion for USAID Administrative Expense accounts will sustain ongoing operations and build on recent reforms, including continued improvements in procurement, local capacity building, innovation, and accountability.

Finally, we cannot lead without the men and women of USAID. Not only do they bring an incredible amount of experience and expertise to critical policy decisions, they are willing to risk their lives in service to their country. In light of that, I ask that you please support the restoration of full Overseas Comparability Pay for USAID personnel who are deployed abroad. In addition to helping the Agency retain highly-skilled individuals in a competitive international jobs market, it will ensure fair treatment for those serving in relatively high-risk locations.

Again, I appreciate the opportunity to discuss the President's Fiscal Year 2017 budget request. It is a great privilege to serve the American people alongside the men and women of AID, and I look forward to working closely with Congress to continue to make USAID a more agile, accountable, and impactful Agency. Thank you again, and I welcome your questions.