

## Hearing Transcript

### House Appropriations Subcommittee on State, Foreign Operations, and Related Programs Hearing on President Obama's Fiscal 2017 Budget Request for US AID

March 16, 2016

GRANGER:

(OFF-MIKE) from life-saving disaster assistance to global health and other development programs that provide clean water, agricultural assistance and education.

The men and women of the USAID are the face of the generosity of the American people.

I'd like to take a moment to highlight the impressive work of USAID and other agencies in response to the Ebola epidemic.

This time last year, we were fearing the worst, but the response was an unprecedented example of American leadership overseas. Now we see another public health threat on the horizon, the Zika virus, and we expect collaboration across the U.S. government.

We want to hear your thoughts today about what can be done to immediately address the Zika outbreak with the resources and authorities available.

During the time I've chaired this subcommittee, I've been surprised by the length of time it takes for funds to be directed towards urgent needs. I also remained concerned about the size of USAID and how difficult it can be to partner with the agency.

Administrator Smith, I appreciate the discussions we've had in your first few months on the job. I hope we can continue to work together and to find real solutions to some of these long-standing problems.

The budget request includes approximately \$11 billion that USAID manages directly. Additional funds are partially administered by the agency; unfortunately, once again, the budget proposes to sacrifice congressional priorities for administration initiatives.

For example, the request for climate change programs, including the green climate fund, is proposed to be increased. Yet basic education programs and humanitarian assistance are proposed to be reduced.

The request prioritizes malaria, but suggests that tuberculosis and nutrition programs can be cut. In addition, the administration has once again proposed to reduce two of this committee's -- subcommittee's top priorities. Biodiversity activities and programs combat wildlife poaching and trafficking.

The subcommittee will carefully consider how to allocate resources to address the greatest needs and meet our shared priorities.

I want to close by thanking you, the men and women of USAID and your partners for the most important work you do every day to improve the lives of others and promote American interests.

I will now turn to my Ranking Member, Ms. Lowey, for her opening remarks.

LOWEY:

And I thank you, Madam Chair.

Administrator Smith, I welcome you again to the helm of USAID. I am pleased to have you here today.

USAID continues to play an indispensable role in spear-heading global development efforts. I'm sure we'll see even greater achievements under your leadership. Given unprecedented levels of humanitarian needs around the world today, you face the unenviable task of guiding U.S. response efforts on nearly every continent.

With this in mind, I have concerns regarding whether the fiscal year '17 budget request will provide USAID the necessary resources to implement current programs and prepare for new or unanticipated challenges.

First, I'm pleased with the proposed increases for malaria and (inaudible). However, I do not understand the cuts to nutrition and tuberculosis programs, when nearly 800 million people worldwide suffer from malnutrition, and T.B. claims more than 1.5 million lives per year.

Second, with regard to Central America in last year's omnibus, this committee provided \$750 million to address the root causes driving thousands of minors to flee.

I look forward to hearing from you what progress the Northern Triangle countries have made on good governance, the rule of law, education, job creation, citizen security that would provide the basis for further federal investment.

Third, the Zika virus has spread to more than 20 countries, yet many governments have responded to their citizens with antiquated messages to simply avoid pregnancy.

This is absurd; ignoring the potential effects of Zika by putting our collective heads in the sand will only make the problem worse. Restricting access to family planning and reproductive health services would be a failure to support women abroad during a public health emergency.

I hope we can work together without the partisan fights and divisive riders on this issue. Unlike the emergency funds to combat Ebola, which I recall only narrowly authorized the specific use in West Africa, funding for Zika must also come with as much flexibility as possible.

Finally, Administrator Smith, I still do not understand the administration's continued refusal to prioritize education. In 2013, your predecessor said, in testimony to this committee, that education was a core development objective.

Yet, given this year's low funding request, it appears to me that it's only a core development objective to Congress, not to the president or OMB.

There are currently over 120 million children and adolescents out of school, and some 250 million primary school age children in school but not learning the basic skills they will need to participate in their communities and economies.

According to USAID's own reporting, the world is in the midst of a global learning crisis. The United States has prioritized many admirable programs, from food security to electricity, health to economic empowerments. Yet, without universal literacy, these programs are out of reach for significant portions of poor communities.

We simply will not achieve real, long-term success without education at the center of our efforts.

In closing, I want to recognize the remarkable public servants throughout USAID who work night and day to better the lives of millions of people around the world.

I thank them and you for your tireless efforts. I look forward to advancing our shared development goals.

GRANGER:

Thank you very much. Administrator Smith, you can see there is a lack of members here. It's because they have already called votes, and they're waiting to vote.

So, I've asked you to proceed with your opening remarks. The issues that members want to discuss over time, they'll be here today, so I'd encourage you to summarize your remarks, so we have time for you to address questions. The yellow light on your timer will appear when you have two minutes left, and I will stay for your testimony, and then hope the rest will come.

Thank you.

SMITH:

I was complimenting you, and I didn't even have the mic on.

(LAUGHTER)

GRANGER:

Oh, I wanted -- we listened to that part, anyway.

SMITH:

No, I wanted to sincerely thank both of you. This is a great job; there's a lot of work we can do together, and there's some things about the agency I think we all want to improve, and it has been

a pleasure working with both of you and the ability to come up and seek your guidance, and work through how we would make some of these improvements is a real pleasure to me.

Let me quickly go through my remarks. As you know and have asserted yourselves, for more than 50 years, AID has led our nation's efforts to advance dignity and prosperity around the world, both as an expression of our values and to help build peaceful, open and flourishing partners.

This request will help advance that important legacy, but our budget line items tell only part of the story. In recent years with vital support from Congress, we acted to make our work more efficient, effective and impactful.

First, recognizing that foreign assistance is just one valuable tool of many. We're making smarter investments with our assistance, leveraging private capital and funding from other donors to scale our impact and support government, small businesses and entrepreneurs to mobilize domestic resources for development.

Second, recognizing that development is indeed a discipline and we're improving the way we do and measure our work. Since adopting a new evaluation policy in 2011, the agency's 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.

Third, recognizing that we can achieve more when we join forces with others, we've partnered with other U.S. government agencies, American institutions of higher learnings, NGOs and communities of faith. When we can achieve greater efficiency or impact, we align goals and strategies with governments and organizations all over the world. And engagement with the private sector is now fully embedded into the way we do business.

Finally, recognizing that development solutions are manifold, we're pursuing integrated, country strategies, helping to build local research capacity and harnessing science, technology and innovation to accelerate and impact faster, cheaper and more sustainably. These and other steps are making us more accountable, stretching our dollars further and helping USA live up to it's important role as the U.S. lead development agency.

For less than one percent of the federal budget, the president's request will keep us on this path, enabling us to meet new challenges, seize emerging opportunities, improve the way we do business and deliver transformational results on behalf of the American people.

Specifically, the request of \$22.7 billion will help advance progress in the four, core pillars of our work. First, fostering and sustaining development progress. Second, preventing, mitigating and responding to global crises, third, mitigating threats to national security and global stability. And fourth, leading in global development, accountability and transparency.

In countries around the world, we work to foster and sustain development progress in a range of sectors. In global health, we will continue to save lives and build sustainable health systems. We will also continue to achieve transformational progress through the U.S. government's major development initiatives, including Feed the Future and Power Africa.

And we will continue to promote quality education and increase access to safe water and sanitation. Finally, as we know progress is not sustainable without open and effective governance in a vibrant, civil society, the request will enable us to expand our work in democracy, rights and governance.

As a global leader in humanitarian response, the U.S. is there whenever a disaster hits. Our assistance saves lives and protects precious development gains, whether in Syria and South Sudan, or on any of the four continents affected by El Nino this year.

The president's request provides the agility and flexibility that is so desperately needed to prevent, mitigate and respond to these global crises. We also work in places of strategic importance to U.S. foreign policy, to mitigate emerging threats and other global security challenges.

This request supports these critical efforts from planting the seeds of dignity and opportunity that offer a counter-narrative to violent extremism to fostering good will towards the United States. We're addressing the root causes of insecurity and migration from Central America, strengthening our partners in Eastern Europe and Central Asia and investing in long-term progress in Afghanistan.

Finally, this request will enable USAID to continue to lead. It includes support for the global development lab to help us spur and integrate innovation across and beyond the agency and for our Bureau of Policy Planning and Learning to help us continue to drive with evidence. It also supports our work to strengthen USAID as an institution and support the men and women of this agency who serve their country bravely, and in some of the world's most challenging environments.

It is my honor to serve to American people alongside the men and women of USAID and I look forward to working closely with Congress to make USAID more agile, accountability, and impactful. Together we're building the agency we need and the world deserves, and making investments in a better future that will pay dividends for years to come.

Thank you for this opportunity and your support, and I welcome your questions.

(RECESS)

GRANGER:

The committee will come to order. We'll have some members that are coming in. Unfortunately, because of our timeframe we're doing this, we're all over each other's hearings.

I'm going to start with a question. I think a very important budget issue, and the Development Assistance account is USAID's main source of funds outside of global health, and it's also the account that has the slowest rate of spending in our entire bill. We recognize that long-term development takes time, but the data is troubling.

The latest information shows more than \$4 billion in unexpended balances and an additional \$4 billion that has not been obligated. This is difficult to explain in a time of tight budgets.

Administrator Smith, I know you want to work on this problem during your time at USAID. Can you tell the subcommittee how you plan to address this issue?

One -- just even -- and why is USAID standard of an 18-month pipeline considered an acceptable amount of time to spend funding?

SMITH:

Thank you for that. As we've discussed before, this is a priority for me at looking at pipelines and spend time. On the pipeline side, there's been a reduction of 18 to 16 months, which is progress. This is also something that has been bumped up to what's called the agency's leadership council, so that there's a tracking on a regular basis of where we are on the pipeline.

Some of the reasons that we carry a pipeline are things beyond our control. There are some environments where it is harder and slower to obligate money than others, but there are some things we can fix on our side, and there's been a lot of great work done on looking at our systems and our processes for how we can spend down more quickly.

And I think with the combination of tracking it and what are quarterly meetings now at the leadership level of the agency to see exactly where we are and what additional we need to do, I'm confident we can make additional progress on this.

The notion of a pipeline is that we need to -- well, in health, it's one particular thing. You need to carry a pipeline for some specific reason so that you don't get to the point that you have any risk that people will not receive the assistance or the medicines that they need.

But in other cases, it's to have the assistance to plan and obligate even as we are learning what the impact is and seeing the spend down of the money we've got in the field. So it is not unusual to carry a pipeline of some volume. I think what we want to do is two things -- reduce the number of months of pipeline we carry and then, second, again, looking at our systems and our processes, see what we can -- and I've raised this with you before -- systemically fix, even as we look at particular accounts to spend those down. What do we need to do across the agency to speed up the time?

GRANGER:

All right, thank you. The other question I have is the issue of staffing. You had inherited an agency with more than 20 different hiring authorities. Included in the F.Y. '17 budget request is a proposal to add one more for the global development lab, and included in the emergency supplemental request to combat Zika is another proposal for two additional hiring authorities. Why does USAID need these new hiring authorities?

SMITH:

Madam Chair, you are absolutely right. We have a lot of authorities. I have learned about many of them in the last three months. And a couple things on that. We need specific authorities because at certain times we need specific kinds of people for a time limited period to undertake a specific task. And that's something the agency will always need. In the case of the lab, this is a new entity, and we need to be able to bring on specific people. With Zika, as with Ebola, there's a temporary need.

I think if I may just offer a reflection based on having worked at AID before, served on a congressional commission to look at these kinds of things, and led the president's transition team in 2008 that looked across all of our agencies, I think one of the things that's happened, frankly, over 20 years, rather than us from administration to administration looking at what does our development agency do foundationally, in terms of staffing to support its work, and then what are the capabilities it needs to surge if there's an emergency or a special requirement?

What's tended to happen over the years is that as a need arises, there's a new authority, a new way to hire, so on and so forth. As you can imagine, it's not the most efficient thing internally, and I'm sure it's of -- well, I know from what you've said to me in the past it causes you to scratch your head oftentimes.

So I think we'd like to propose two things. One, these authorities would help us a great deal, but at the same time -- and, again, can we look at over time what kind of hiring authorities this agency needs to have a strong foundation, so that we've got the institutional knowledge and memory that we can carry forward, and the ability to flex when we need to flex? We're also looking at this internally in terms of how this affects our personnel system. And we've done an assessment and put together a strategy to start fixing it internally to make us more nimble.

GRANGER:  
Good. Mrs. Lowey?

LOWEY:  
I mentioned in my opening statement my disappointment that the administration continues to undercut basic education programs. USAID has made progress toward reducing the pipeline that accrued after reoriented to the new education strategy in 2011, and I'm encouraged by the successful reading pilot programs that are going to scale in many countries and the heroic efforts to reach children in conflict zones.

But this year's low funding request would undermine these efforts. I know we agree on how important basic education is to our success in every development goal and that we know how to get results. So I have to ask, number one, why does the administration continue to underinvest in this sector? Two, last year, First Lady Michelle Obama announced a new initiative, Let Girls Learn, to tackle adolescent girls' access to education.

How were these efforts building on but not diminishing our work in basic education? And how does the administration plan to tackle such an important initiative with such an insufficient budget request? And lastly, can you share concrete results and progress with respect to USAID's bilateral education program?

SMITH:  
Thank you, Mrs. Lowey, for your championship not only of the work that we do, but for education. Our challenge on education is that we face multiple demands. Basic education, workforce education, given what we're seeing with jobs and the inability of people to find our create jobs, higher education, where there are places where we feel that our investments have enabled them to

provide better training for citizens so that they're creating an able workforce, and the emergency education to which you refer, which unfortunately has proven increasingly necessary in places like South Sudan and Nigeria.

We have also been able in education to do a couple of things that I think stretch our dollars further. One is public-private partnerships, which we do across the agency now. The value of those in education -- and all of these are basic education, so it is education across the board from 2000 to 2014 is \$957 million.

The other thing -- this is a place where I think the agency with what we've learned with the shift to really focusing on the ability of kids to actually read after they go through basic education -- is working with governments to affect their education policies and what they do across the board. So in some cases, we're affecting policy and national strategies even if we are only financing a piece.

As I think you may know, so far in the five-year strategy, we've reached 30 million children. And let me just give you a couple examples of places where I think in addition to the dollars that we invest kind of in a straight-line fashion we've been able to have impact beyond that. In Malawi, we've been able to support the national scale-up of a local language reading program that was proven to significantly increase student learning outcomes in the pilot phase.

Now, by supporting the national scale-up, we are not financing the entire national scale-up. Other donors are doing some of that. The government's doing some of that. But we've been able to play a role in the pilot and translating the findings of that into government policy.

In Jordan, the Ministry of Education with our support is now supporting nationwide adoption of these early grade reading and math policy standards curricula and assessment. So again, where we are able to provide kind of proof-of-concept of what works, we are finding that we are able to influence and work with governments to expand those efforts. May I..

LOWEY:  
Pardon me?

SMITH:  
I'm sorry. I just wanted to answer on Let Girls Learn. On Let Girls Learn, there are a number of ways that I think the first lady has envisioned and we've seen success of getting support for that initiative. Already, there are partnerships with the government of the U.K. and their assistance agency, DFID, with Japan and now with Canada. So part of what we are able to do is go to them, encourage them to do more, and quite frankly, they are spending a lot of their resources.

We have also been able to attract a great deal of interest on the public-private partnership front. We've found that there are a number of foundations, companies, propelled I think by their own interest, but also now by the Sustainable Development Goals, really want to get behind this notion of supporting adolescent girls.

Last, I think through the Challenge Fund, which is included in the budget, what that is set up to do is develop new ideas and ways of ensuring that girls when they get in school stay in school, because



as you know very well, one of the problems we have is retention. And I think through that -- again, it's \$35 million, but I think we will get ideas, recommendations and proposals on that that, again, the teams will be able to force multiply.

LOWEY:

Well, let me just say -- because I think my time is up -- we'll be coming back -- I'm always delighted to hear about successes, but you know and I know that there are millions of girls who are not getting an education.

SMITH:

Absolutely.

LOWEY:

And in fact, I think we heard recently, as we follow both the chair and I Jordan very carefully and the king comes and his deputies come on a regular basis. At one point, we were hearing they're building schools, which is all fine, but you can have girls in tents learning. So I'm glad to hear about your successes. Please keep them coming. But I really don't think the explanation for decreasing money for girls' education, when there are so many millions of girls, as you know, who need an education, so let's continue to work together on that.

SMITH:

Let's please do that. Thank you.

LOWEY:

Thank you.

GRANGER:

Mr. Fortenberry?

FORTENBERRY:

Thank you, Madam Chair. Good afternoon. Good to see you. Thank you for joining us.

SMITH:

Good to see you.

FORTENBERRY:

Sorry I missed your earlier statement. So I don't have the benefit of your testimony in that regard, though I would like to follow up on some of the earlier conversations that we've had regarding organizational structure of USAID.

It is difficult to get the arms and mind around the multiple tasks that you're engaged in and whether or not this is the most effective model to meet these four principles that you have well laid out in your opening statement that -- I agree with this -- foreign assistance is a valuable tool, it has to be explained to the American people as to why it's valuable. It's intimately tied to our own national security, as well as our own humanitarian and values interest, and creating the conditions for international stability are beneficial not only to other peoples, but to us, as well.

So there are intended multiple good outcomes here, but it also has to be a discipline. And joining forces with others leverages scarce dollars. In that regard, why don't you just walk through the basic -- I think earlier you talked about four columns and what those represent, their missions, as well as the expenditures that go toward each column of activity so that we can refresh ourselves?

SMITH:

Yeah, and I will...

FORTENBERRY:

And I'm going off memory from the earlier conversation. So you might not have had four columns. It might have been three...

SMITH:

No, I called them buckets.

FORTENBERRY:

Buckets, thank you.

SMITH:

But I do have these -- and I will confess that I pulled these buckets together as a way to, as you rightly see, get your arms around things and also some conversations with Mrs. Granger about this agency carries out a huge number of tasks in the interest of our national security, expression of our values, emergencies.

And so the first one where we're talking about fostering development progress, that's the one where I would define our primary purpose there is development where we've got the conditions to get meaningful long-term gains. It's the steady hard work of putting investments in the bank that are going to yield returns over time.

So in that category, I would put Feed the Future, for example. I would put our global health budget -- those are, I think, 978 and 2.9, respectively. I would put the work we're doing on Power Africa. And some of our country programs -- now, it gets a little tricky whether you put democracy and governance there. I would argue that we should. It's a long-term investment over time.

Then we get to preventing mitigating and responding to crises. That would carry our emergency assistance budgets, but also I think some very important work that we do on resilience, which is more of what the agency is doing. It's very, very effective work at reducing the vulnerability of communities and countries to external shocks, which we know we're going to see more of over time, and a lot of the analytical work that we do and so on, so Ebola, all of those things I think fall in that category.

The third are the times where as a matter of national security or foreign policy, USAID is called upon to bring the third D of defense, diplomacy and development to the table in the interests of policy and to pursue an important national security priority. Now, those are regions where it's difficult, Afghanistan. Our people work extremely hard under really difficult circumstances, are

given a challenging task in an environment where it is not near as easy as doing Feed the Future, quite frankly, where you've got better conditions.

FORTENBERRY:

Let me -- because the time is short, and I'm going to get cut off -- let me -- and maybe we'll have a chance to come back to it -- but let me introduce my perspective on one of your intense areas.

SMITH:

Yeah, please.

FORTENBERRY:

And I'm afraid our chair is going to get tired of me saying this, but agriculture has become cool. And I am very happy about that, being from Nebraska. And the whole idea of sustainable agricultural development as an augmenting of our traditional ag disposition or our traditional agriculture exports and programmatic systems is a key component of sustainable development.

SMITH:

Absolutely.

FORTENBERRY:

And it meets people where they are in the most nurturing of circumstances. And if we're looking for the ability to meet national security goals in terms of giving people some opportunity to have continuity with their own subsistence and build out true market systems that are beneficial to persons not controlled by others, you take away the options for twisted ideology and wrongly directed nationalism to coopt perspectives.

This is the right thing to do. We've got the technology. The populations are growing. It is consistent with, again, working toward the right market principles, and this helps create the conditions for international stability.

You listed it first -- and I don't know if you did that intentionally as it's in the top of your mind as the main development assistance priority, or it's certainly ranking, but I noted you said Feed the Future first.

SMITH:

Well, I've been involved with Feed the Future since its inception for all the reasons that you point to, and it's also to your earlier comment about the need to make the case to the American people that assistance works and development is a worthy enterprise. This is also an area where we've got the evidence and facts to show that we're having real impact, so I think it's helpful in that regard, also. But I welcome your support for it and agree with you.

FORTENBERRY:

Thank you. Thank you, Madam Chair.

GRANGER:

Ms. Wasserman Schultz?

WASSERMAN SCHULTZ:

Thank you, Madam Chair. Welcome. It's good to see you again.

SMITH:

Thank you.

WASSERMAN SCHULTZ:

I wanted to touch on nutrition and the Rio summit, as well as Zika and family planning. As far as the Rio summit, I'd really like to know -- because nutrition has become one of the really kind of wonderful bipartisan efforts that we've made here. Congressman Diaz-Balart and I have led a resolution pushing the U.S. to follow through with our commitments at the last nutrition for growth effort. We want to make sure that we're stepping up to the plate and maximizing our reach.

So can you talk about our commitment and how we're going to make sure that we meet the kinds of commitments that we need to be able to make at the conference or at the summit, rather, and how we're planning to leverage the upcoming Nutrition for Growth to really be able to ensure that the global community strengthens its commitments for the lives of people, of children who are struggling from malnutrition and from stunting?

SMITH:

Yes, and thanks for your interest in this. And I want to point out one thing on nutrition, which Mrs. Granger and Mrs. Lowey both raised in their opening comments and concerns about the budget level. One of the challenges we have on nutrition, including going into things like the Rio summit, where what people look at as the measure of our commitment is a line item in a budget, is that what is carried in global health, which is where nutrition is counted, does not include the work we do on nutrition through Feed the Future, where we've seen reductions in stunting from between 9 percent to 33 percent in the areas where we work, or the work that Food for Peace does on resilience -- excuse me, where nutrition is one of the core activities that they undertake to, again, reduce the vulnerability of particularly the extremely poor.

So we have a great story to tell on nutrition and a lot of evidence to show that it works. Our thoughts in terms of going into Rio are that we need to do two things to kind of leverage that and mobilize the international community. One is lift up those partners who are doing more. There are a lot of developing countries that are putting their own resources into this and getting real results. We think that tells us a story and, quite frankly, compels some other donors that aren't stepping up.

The second -- this is an area where we've had huge interest from the private sector -- now, I've been enormously impressed by the degree to which every part of the agency has factored public-private partnerships into the work that they do. I think we are at the stage now -- and we're only in the preliminary discussion phase -- but with some of our partners with whom we may have seven or eight partnerships in different parts of the world to talk about what we've called kind of systemic partnerships where we look all across the value chain, even at a global level, to see what impact we have.

I hope we can make progress on those soon, because I think those could point to much greater gains in nutrition. So I share that as a priority with you, and I think we will be able to both deliver in terms of our commitment, but show enough results that we can persuade others to join us.

WASSERMAN SCHULTZ:

Good. And on Zika, how is USAID working to improve access to family planning with, you know, UNFPA and other international partners in the Western Hemisphere? I mean, you have -- and we talked about this yesterday with Secretary Lew -- there are countries that severely limit access to family planning, deem women as falling pregnant, somehow, as if it happens by accident. And, you know, clearly, we've all seen the heartbreaking pictures of babies with microcephaly and we've really got to make sure that we not only provide assistance for those who are afflicted with Zika, but to make sure that women -- in light of those nations' recommendations to their own people -- that they avoid falling pregnant for two years, at the same time they're blocking access to family planning to be able to make sure that doesn't happen.

SMITH:

Thank you for that. Our proposed approach on Zika -- and we've moved out on some of it, but not as broadly as we hoped to -- we're in dialogue with both the House and the Senate on our emergency request -- I think we need to address that three ways. One is through information, because I think when women have the information they need, the scientific information that they need, they can learn how to protect themselves.

And one of the things we are already moving out on is, how do we provide that public information? Again, we all know how powerful that is when women need to act.

The second is on care and a focus specifically on women of child-bearing age. With respect to family planning, our approach in policy has been that it is voluntary. We provide the information and we hope to be able to do that again in this instance, should it be needed by women who are affected.

RUPPERSBERGER:

The key is to have a good team, and I'm sure you have that team with you. I want to talk about TB, tuberculosis. And just before I get into the questioning, it seems to me that there are three different types of strains, and the first is just regular TB. The second is drug-resistant, which they call multi-drug TB. And the third which is extremely dangerous, and that is extensively drug-resistant TB.

Now, according the World Health Organization, TB is now the leading global infection disease killer ahead of HIV-AIDS. The continued spread of drug-resistant TB is a threat to global health security, with 480,000 cases of multi-drug -- that's the second -- multi-drug-resistant TB reported in 2014 globally.

Yet the World Health Organization estimated that less than 25 percent of people with a multi-drug-resistant globally are getting treated appropriately. Now, it's an increasing problem also for the U.S. And in 2015, the U.S. has three cases of the extensively drug-resistant TB, which is the most dangerous. The most difficult and expensive strain to treat, and including -- I'm from Baltimore,

Maryland -- and including one case in a young child in my state who's being treated at Johns Hopkins right now. And very sick right now.

Now, in December 2015, the president released the national action plan for combating the drug-resistant TB. And when it says national, that is really international and national, both here also. And a comprehensive plan for combating this MDR TB in the U.S. and abroad and accelerating research and development. But the president's budget proposes to cut funding for the USAID TB program from \$236 million in F.Y. 2016 to \$191 million, a cut of 19 percent.

Can you update the subcommittee on USAID's efforts to implement a national action plan and address what ramifications that this president's cut, if it's sustained, will have not only in the United States, but internationally? Did you get all that?

SMITH:  
I got all that.

RUPPERSBERGER:  
OK, good.

SMITH:  
And thank you for that. I was thinking to myself as you were speaking, we've done Ebola and Zika and now we've got extensively drug-resistant TB. The story just continues to get worse.

A couple things on this. Our request on TB does not reflect what we do through PEPFAR, the President's Emergency Plan on AIDS Relief, and through the global fund for AIDS, TB and malaria, to which we are the largest donor. So we have additional resources that go to TB, again, than are represented in the line item.

The other thing -- and particularly on the president's plan -- part of the reason that plan was put out there was a call to action, both domestically as you rightly point out, but globally. This is an issue that has been raised in the G-7, in the G-20, that we are seeing the acceleration of this and the world is not responding. And just as the president led on the global health security agenda, he has been out there pressing on the rest of the world to do more.

Now, in the case of TB, one of the issues we also face is a very high incidence in middle-income countries, so that one of the things we are pressing for through the action plan and our own work is that those countries step up and put more...

RUPPERSBERGER:  
What are some of those countries?

SMITH:  
South Africa, which has just in its own domestic budget rolled out increased funding for diagnostics and treatment, Brazil, which has recently -- and I'd like to think this call to action had something to do with it -- in addition to their own recognition of the problem -- expanded its national TB control program. Russia is a country with a fairly high incidence. So there...

RUPPERSBERGER:  
Even with all that vodka?

SMITH:  
It turns out vodka and TB just doesn't do it.

RUPPERSBERGER:  
It doesn't kill it, huh? OK.

SMITH:  
So, look, we are unfortunately in a moment where we've got to make some choices. This is one that we think if we marry it to, again, what we're doing through the global fund and PEPFAR and pressing on and working with middle-income countries to raise their contributions, we can still move the ball forward.

RUPPERSBERGER:  
It's important I know that we do our research, and I know there are funds that you have, but we deal a lot with medicine, but I would think some of the research that you're doing to try to deal with some of these things, it should be akin to like a DARPA situation, almost out of the box research that might be needed to address some of these issues that are getting worse and worse.

SMITH:  
Well, I think there's a lot more of that going on across the government as we see new diseases and higher prevalence, absolutely.

RUPPERSBERGER:  
Thank you.

SMITH:  
Thank you.

GRANGER:  
... the growth in funding by USAID and the Department of State to trust funds at the World Bank and other banks, and I'm concerned about the lack of oversight of the taxpayer's dollars. We received a report from the Department of the Treasury that we requested on these trust funds, but it raised additional questions to me.

First, how does USAID oversee this funding once it's been transferred to the World Bank or other banks? Second, are restrictions on U.S. foreign assistance adhered to if funds are provided to trust funds? And finally, there are examples of the trust funds languishing for years. Is there any mechanism for the United States to retrieve funds once they're provided?

SMITH:  
That's a really good question. And let me say a couple things. Trust funds are often very, very, very valuable in situations of post-conflict, for example, where you may have a weak government

that, quite frankly, doesn't have the capacity to manage multiple donors. It often makes a great deal of sense to put our resources into a trust fund, reduce the management burden that we impose.

I've worked with and through a lot of trust funds over many, many years. And trust funds are as good as they are built and as good as the oversight is. There are some very, very good ones, but there have been some that have been terribly ineffective.

What we generally do with trust funds is have a role in their creation, both through our role in the World Bank, where Treasury plays a key role. With the global food security fund at the World Bank, for example, we played a huge role in actually designing that from the get-go in terms -- including the governance structure.

In other cases, our oversight is, A, through Treasury and our role on the executive board, B, on the ground, in countries where we use trust funds, our aid missions and other donors regularly meet with -- require evaluations from trust funds of resources.

And, third, to your point upon whether U.S. law applies, a couple of things. For example, on terrorist financing, World Bank trust funds are required through their connections to the United Nations to screen for terrorist financing, specifically on health, when we provide contributions to a fund, our agreement letter includes provisions that they must honor that are in U.S. law.

All of that said -- so I think we have a role often on the ground floor through the bank, through regular monitoring in the field, and through stipulations we may put in our agreements, I think it's always important to take a look at how well a trust fund is working, and that's one of the things our teams do. We're looking now at how well things are going in Afghanistan, for example, because it can never hurt to kick the tires and make sure things are working really well.

As to the matter of trust funds that may be dormant and still have resources available, I don't have a specific answer for you, but I'd be happy to look into that and get you one.

GRANGER:

Great, thank you. Mrs. Lowey?

LOWEY:

Thank you. You just touched on Afghanistan, so I'd like to follow up, because so much of our efforts a few years ago was focused there, and many of us worry about what's happening now. And, in fact, at a hearing like this a few years ago, it would have been primarily about Afghanistan.

And the world has shifted its attention. Unfortunately, there are so many trouble spots, and your important work is evident in every one of them. But I have been -- and I continue to be -- concerned about the women of Afghanistan following the U.S. military drawdown.

And I think we need to be more mindful of how fragile the gains of Afghan women are. In 2014, USAID launched PROMOTE, an initiative focused on the empowerment of Afghan women in several ways. If you could share with us the progress this program has seen so far, what benchmarks do you use to assess whether we're having an impact, what is the current status and



near-term outlook for USAID's program in Afghanistan, and what are we retaining, what are we turning over to the Afghan government? And if we do turn it over, how successful have we been? And how does USAID combat fraud and abuse of U.S. taxpayers' dollars? You can take a deep breath.

SMITH:

First, thank you for your attention to Afghanistan. I think you're right that there's a lot of competition in the world now. I think this may be the most difficult transition our teams have been asked to handle. The circumstances are really difficult. The security environment is tough. I think we have some good fortune in that we have a president in Ashraf Ghani who knows development well. I've known him for a long time and worked with him.

But there is also some progress I think we don't want to lose sight of. School enrollment has gone from 1 million to 8 million. There are 60 percent of the population now lives within two hours of a health facility. It doesn't sound like something that would perhaps satisfy you or me, but it is a very, very big change.

When we started, 6 percent of Afghans had access to electricity. It's up to 28 percent. On the sustainability side -- and that's what we're really focused on now -- there is some progress. Domestic revenues are increasing about 25 percent a year. That's slow. It's not enough to get over the mountain, but we're certainly climbing up it.

On the issue of women and girls -- and you know that's a priority of the president himself -- he's spoken as articulately about girls' education as almost anyone -- we are seeing an uptick in enrollment in schools, and also in universities, where university enrollment is up to I think 175,000 or so, and I think some 35,000 of those are women, which, again, it's not 50/50 yet, but that is tremendous progress for Afghanistan.

On the program you mentioned, which is designed to ultimately reach 75,000 women, it's the largest gender program that we have in any country. Just a few results so far. We've provided 3,500 women with vocational training, trained over 2,000 midwives, facilitated almost \$2 million in small private-sector loans, so that women can start and sustain their own businesses, and train 25,000 female teachers to support basic education.

So that is starting. We're working with the Ministry of Education to do that, because when you ask what are we handing over, what we are trying to do with our partners is exercise the muscles of governance to the point that they work well and the government is putting resources on the table.

So we've seen I think some successes, if you look at the power utility, which at one point we were financing, the government has now taken that over. We're not financing it anymore. So there are things that we are handing over, and our hope is that we can sustain the gains, for example, in the social sectors, including for girls and women, work with the Ministry of Education, and gradually more and more of that will be handed over to them. But I don't think the task is completed yet.

We do a lot of evaluations in Afghanistan. We invite other evaluations -- GAO, the inspector general, and others -- get a lot of recommendations which we're constantly working into the

system. And part of that is in terms of waste, fraud and abuse from misuse of funds. I don't want to suggest that that's easy. And in an environment where our people can't move around freely, often have to rely on third parties to monitor, it's a constant effort to reinvent how we track funds, what we learn, what new systems we need to put in place.

I can tell you, I've talked to the teams about this a lot -- they spend a huge portion of their time constantly figuring out -- again, in one of the hardest environments I think we face -- how they can both get the results we need for sustainability in Afghanistan and take the recommendations that they themselves often solicit to make sure that we're protecting the resources we're given.

LOWEY:

Thank you. But I know how difficult it is.

SMITH:

It's really hard. It's really hard. And I will tell you honestly, I think the men and -- the biggest change I have seen in aid -- I was there during the Clinton administration -- is the...

LOWEY:

In Afghanistan, you mean?

SMITH:

No, in USAID.

LOWEY:

Oh, USAID.

SMITH:

Is the impact on the agency of the men and women who for 15 years who have worked in environments like Afghanistan where it is uphill and slow, two steps forward, one step back, on and on, hard to spend money, hard to track money. It is really, really difficult. And the reason I mention the gains is, I think there are enough gains there that we need to keep going, and I think we can get to where we need to go. But you are right to point out that this can't sort of fall off the radar and not get the attention it deserves.

LOWEY:

Well, let me thank you, because I know you've been involved here so very long. And when I meet these dedicated men and women, I really have just such enormous respect and working together with other groups like Mercy Corps that just get in there and putting their lives on the line in many respects...

SMITH:

Absolutely.

LOWEY:

It's extraordinary. But I just feel so passionately about the girls' education, and I know our chair does, in Afghanistan. And I do hope not only can we maintain what we've achieved...

SMITH:  
Can we expand?

LOWEY:  
But we can expand. So I look forward to continuing to hear about the progress.

SMITH:  
Absolutely. Thank you.

LOWEY:  
Thank you.

GRANGER:  
Mr. Fortenberry, do you have another question?

FORTENBERRY:  
Thank you, Madam Chair. I only want to spend a minute on each one of these things. The first question is -- and it's unfair to you -- and then I'll give you my answer -- but if you were re-designing this agency, what would you do? Starting from scratch. OK, I'll propose my solution or my perspective.

One of the -- if you think about America and how America's economic progress really was launched, it's through the land grant university system and extension, whereby technical expertise was then spread out across the land, mainly during agrarian times. But that's really the source of it, a foundational source of America's sustainable economic well-being.

Now, you don't have a corner on the market on development. Universities are in this business. Other areas of the federal government are. Charities. And all of that, that's good, that's fine. But it just seems to me that replicating the land grant system and then the cooperative extension service is a means to get to all of the various components of what we're trying to do here in a way that we already have knowledge about.

SMITH:  
You're speaking to an Ohioan, so I'm for this. And I've spent a long time in this field, and the land grant universities are also something where I've seen a return everywhere I've traveled, because you meet people who have either been taught by, attended, met with, benefited from the research from some of the land grant universities.

One of the things that I think we have done over the last few years which is important in building on that same kind of approach of, how do you take the knowledge and expertise that we have and share it systematically through our institutions, whether land grant or others? Part of Feed the Future...

FORTENBERRY:  
Which provide a permanency of continuity.

SMITH:  
Yes.

FORTENBERRY:  
And this is one of the difficulties of fragmentation of air-dropped aid, semi-permanent contracts that shift and change and...

SMITH:  
Well, and also changes from administration to administration. And one of the things that I will say has been a pleasure to me is watching it from administration to administration on health, for example. We've continued. It's my hope that from administration to administration we'll continue on food security and agriculture.

Early in the design of Feed the Future, one of the things we set out as critical was to establish relationships with U.S. academic institutions and other research facilities so we could build that kind of institutional partnership that would translate over time.

That has been done. My predecessor put a great deal of time and energy into that. Those are relationships that in some cases had faltered and I think have been rebuilt. Those same kind of relationships are being built through the lab, so this notion that we need to have long-term institutional relationships with institutes of higher learning is something I think that's been brought back through Feed the Future through the lab, and something I agree with you, we should absolutely continue.

FORTENBERRY:  
What is the best example -- again, another hard question -- where you had -- you're picking -- the agency has picked up the pieces from war, from external shock factors as you've said, has moved people with respect to local values and local norms into a more sustained position both in terms of eradicating poverty, structural poverty, putting in place governance structures that are consistent with human dignity, and then, again, provide continuity for real hope and human flourishing in the future. Where is the best example?

SMITH:  
Colombia. Now, here's the challenge, though, with that being the best example. That's taken a long time, and we're about to embark on the next phase of the transition. And I think there have been a lot of places where we've seen significant gains over a year, two years, four years. I mean, you can look at a country any number of them, including in sub-Saharan Africa, Central America, Latin America, where we say there's great progress, there's been a huge reduction in poverty, but do we have all the ingredients we need for that to be sustained?

And oftentimes, the answer is no, because it takes a very long time. And if -- you know, one of the things I would put on a white sheet of paper -- we can talk about that plain white sheet of paper sometime -- is the ability of us to sustain the very long-term work it takes for these transitions. It's not a two-year proposition.

FORTENBERRY:

It's a good answer. Let me add one more thing before my time is up. There is a very small program which you administer that goes through USDA called Farmer to Farmer. It was the brainchild of my predecessor. And what this does is it links farmers who are retired or who are in a phase of life where they have a little extra time with partner countries, communities in other areas where they can move their technical expertise, develop person-to-person contact. What a beautiful concept. And it's been very successful. However, I don't think it's branded very well.

I mean, think of the impact that if this was more well-known and then became a model for Doctor to Doctor, Nurse to Nurse, Engineer to Engineer, Lawyer to Lawyer. It fits seamlessly into what we already do, but it humanizes and personalizes it for the American people. Most people can't join the Peace Corps. Most people are beyond military volunteer age. Most people are not going to join the foreign service or the foreign ag service or USAID and an NGO, but they want to do something that has meaning. And that's a little small program that's not branded very well that I think if further -- I've talked to the secretary of ag about this -- further integrated into the ag department in partnership with you, and then maybe more -- administered more closely by the government itself, it becomes a template for leveraging the vast expertise and goodwill of many Americans in achieving the goals of leveraging additional assistance in continuity over time that are available to us, if we just tap into the expertise.

SMITH:

I like it.

FORTENBERRY:

I'll include you. I'm getting ready to write a letter to the secretary of ag on this, which he asked me to do. Maybe I can copy you.

SMITH:

No, please do, because I will meet with our Feed the Future team and also talk to the secretary about it.

FORTENBERRY:

OK, thank you.

SMITH:

I appreciate that. Thank you.

GRANGER:

Mr. Serrano?

SERRANO:

Thank you, Madam Chair. And thank you to you, Administrator, for being here with us today. I'm going to ask a question that I've been asking for years. I've never gotten an answer. I'm going to try it again. How do we get into a country that doesn't want us to be there? And I said as an example Cuba. Did the Cuban government say it's OK for USAID to be here, involved in activities? Did Mr. Gross know what he was getting into, where at that time and for many years an unfriendly

government, unfriendly -- and I'm a believer that we caused a lot of that unfriendliness -- but nevertheless unfriendly.

I mean, I sometimes can't tell the difference -- and I'll be as blunt as I can -- between your agency and the CIA on that issue.

SMITH:

Sir, I think the policy of the agency -- and I think it has been very much the policy of our government for decades -- is that we strongly support civil society and the rights of people to organize and speak their views. Unfortunately, some governments don't support that. And we abide by U.S. law in our democracy and governance programs. We support civil society all over the world.

We also abide by the Brownback amendment, for example, which is included in annual appropriations bills, which reads specifically that with respect to the provision of assistance for democracy programs in this act, the organizations implementing such assistance, the specific nature of that assistance, and the participants in such programs shall not be subject to the prior approval of the government of any foreign country. We abide by that law, sir, and it's in annual appropriations.

SERRANO:

OK, so you do get into countries in a covert way?

SMITH:

No, it's not covert. We support partners on the ground. There are civil society organizations all over the world, including in Cuba and in individuals, and in the case of Cuba, we also have followed the law, as passed by this Congress, but there are civil society organizations all over the world that operate in their countries and oftentimes with U.S. support. It's not us going in and sneaking in.

SERRANO:

But, I mean...

SMITH:

And I think if you look...

SERRANO:

I understand that. And I'm not necessarily against that. But I've always been amazed, especially in Cuba, on how we pull that off. I mean, to be writing to a group and saying, "You should be doing this," that's one thing. To be sending them text messages, if that's available, that's OK. Sending them videos, that's OK. But going in physically and establishing yourself there against the wishes of that government, how do we do that? I mean, or do -- the Cuban government knew you were there all the time, right, USAID was there?

SMITH:

Sir, respectfully -- and we've discussed this before -- past programming in Cuba, much of that was undertaken before I joined the agency. I'm more than happy to have teams come up and brief you on the very specifics of everything that has happened up to now. I can tell you that where we are now is that our programs have hit their expiration date, and I have asked our teams to do a forward-looking portfolio review to see how we proceed, and we will continue to support, as the president has said, democracy, human rights, and governance in Cuba, despite the change in policy. It's still a priority for the United States.

SERRANO:

And I think that's fine. You didn't answer my question, but I don't think you did it because you didn't want to. I don't think you know the answer to the question, and I don't think anybody really knows the answer to the question. The thing is that a lot of members of Congress -- and this is not a knock on any of my colleagues -- accept things as they are. "Well, that's the way it is." I tend to at times ask, why is it that way? You know, how did we get into that country? I mean, I know invasions. I know how we got into Iraq. I know how the CIA gets into places. We all know that.

But I can't for the life of me figure out how USAID gets into a place, works on the ground, and then is surprised when one of the members is arrested or something for being in a place they're not supposed to be in.

SMITH:

Right, let me share with you -- I can assure you, we do not invade anyone. New guidance was put in place at the agency almost a year ago for how the agency operates in environments where the space for civil society is closed because governments do not support the right of their citizens to engage in the way they feel they should be able to do so. And we work through partners in those cases. This is not USAID personnel on the ground.

And I'm speaking from my experience. I joined the agency in December. And if you would like to go back into the past, I'm more than happy. Again, I would like to bring a team of people to discuss it in detail. I was not present for all that. But I can tell you that we work with partners. They are aware of the laws. They are supposed to have -- we require them to have now risk analysis plans, risk mitigation plans, shutdown plans, should it become difficult for them to operate. We regularly review all of these programs. I've been able to attend one since I started, and all these things have been put in place I think to get to some of the concerns you point to, which is the well-being of partners.

GRANGER:

Thank you. Mr. Ruppertsberger?

RUPPERSBERGER:

Thank you. I'm still fairly new on this committee, but one item that has intrigued me is the Global Development Lab. Or I think it's supposed to be -- and I referred to it in my last questioning -- kind of the DARPA of the development world. And I've worked with DARPA in my former committees and I find them to be probably one of the most outstanding organizations, because they think out of the box, they're willing to take risk, but the whole purpose is to have the ingenuity and the development to keep America ahead of our enemies or adversaries or whatever.

DARPA has a 50-year track record of true innovation. And the Internet, GPS, stealth tech, drones, and they have really -- their involvement has dramatically altered our military to an extent. Now, it's my understanding that the Global Development Lab is supposed to do the same. The lab is designed to be an outside-the-box innovative group dedicated to disruptive ideas and technologies to solve development challenges. Their mission, the key to this lab is disruptive. It has to break down traditional ways of getting at problems, as to end up notions of protocol and how we deliver services, and it has to be allowed to think differently, act differently, in the end game to find breakthrough solutions.

Now, I can say this. It's kind of tough to have an organization like that with a manager. A manager has to have accountability and whatever. But this is something that has worked in our military, and I would really like you to address what your opinion is, as the administrator for USAID, how you would manage that. I know that USAID has requested \$170 million, which is a lot of money, and for this line item. And I'm asking, as the manager, how can you guarantee that this group will not just unconditionally take the traditional ways down the road and that you have the right people who are smart, that -- you know, they are given the right and the ability to be a special group?

It's kind of like the -- if you know this country, the transition, when our younger generation would go to work with no coats and ties and had pool tables, but this is -- you know, addressing those brilliant people that need to try to take this group to another level. Could you tell me what your opinion is and how you're going to manage it?

SMITH:

Thank you for that. And I think the lab is a really valuable addition to the agency. And it's got a lot of smart people in it, so I'm very confident that we've got intelligent, smart people running it.

One of the other benefits, in terms of when you ask how do you manage it, is one of the things these people tend to do, and they do it of themselves, but they also help the rest of the agency figure out how to do this, is that they measure things all the time. They pay attention to data. They pay attention to evidence. That's part of what drives their work.

So in my work with them since I -- actually since I've been nominated -- and when I look at their plans for the coming year, they have set targets for themselves. And, again, they measure across the board to see if they're delivering. And I think there's a high probability that they will.

I think the challenge in managing the lab is twofold. On the one hand, I think it needs to have the space to innovate and be disruptive, as you rightly point out, but I think at the same time it needs to be sufficiently integrated that we are taking advantage of the innovation it brings to the table and figuring out how to both integrate them into our programs and get them to scale, because the other advantage we have -- we're the United States. So if the lab comes up with a development solution, as they have in many cases that if scaled could change the world, we've also got to do the work of figuring out how we use our convening power to kind of force multiply in that way.

So my view is, as a manager, I'm going to judge them against the measurements they have put forward of their goals and objectives for the next year. They've done a fine job, I think, of striking



the balance between space for innovation in a kind of unfettered way, as well as innovations that are directed towards our priorities.

And then my goal -- and, again, I'm a short timer -- is to see whether we can put in place some sort of process and if we can pull one of these or two of these innovations forward, really look at how do we use our role as the U.S. government to convene others and take some of these things to scale? Because I think that's the other piece of this.

RUPPERSBERGER:

And everyone has to be held accountable, especially for the money that we're putting in.

SMITH:

Absolutely. Absolutely. And we do a great deal more evaluation than was done in the past across the agency, so I think that helps us do that. I'm a strong believer in accountability, but also transparently measuring our results, because that will tell us whether we're succeeding or not.

RUPPERSBERGER:

OK, great, thank you.

GRANGER:

Ms. Wasserman Schultz will have the last question.

WASSERMAN SCHULTZ:

Thank you very much. Just briefly, I continue to be concerned, as many other members do, about Haiti and its continued struggle with being able to utilize, plan and execute projects that are funded by USAID's assistance. There was a GAO report on the \$1.7 billion in USAID assistance that Haiti's received, and they clearly found a lack of planning for the sustainability of non-infrastructure projects.

And so can you talk about what USAID has done to address GAO's recommendations in its report and to try to focus on projects with long-term sustainability and what your view is on how Haiti is doing and how we can get them to do better?

SMITH:

Sure. And with GAO and other reports, what the agency does is track what the recommendations are and where we are with respect to implementing them. I don't have the specifics on exactly where we are against the number of recommendations they provided, but I can get that information to you.

I'd say a couple of things. I think the challenge of sustainability in Haiti is that Haiti still doesn't have some of the core capabilities that are needed to sustain the gains. And a lot of that rests with governance. And I don't mean a government that we may like or dislike; I mean a government that actually has the skills, inclination and steadfast commitment to governing and managing resources.

And I think one of the biggest challenges in Haiti, which was not aided by its history, and certainly was not aided by an earthquake that literally destroyed any physical semblance of government that

existed, but it's still an uphill battle, I think, to get the kind of sustained gains we need in Haiti, given the weakness in capacity across the entire government.

So I think that's been a constraint. I've worked Haiti for a long time, and actively once the earthquake struck, I think that's still our long-term challenge.

In sustainability, I think there are -- I'll just mention two examples to you. We have done a lot of tree planting across Haiti and found very high returns so far in terms of the sustainability there, that those -- I forget the -- I can get you the exact percentage, but it is well over 75 percent, 80 percent of the 5 million some trees that we have planted with partners in Haiti are still growing, they are still being taken care of, and so they are still there.

But I was recently involved in a review of another project that we did with partners, the Inter-American Development Bank and Coca-Cola, on mangoes. Haiti produces, it turns out, very, very good mangoes. We found that through the course of that project we were able to increase incomes, train producers in skills that enabled them to care for and produce better quality mangoes for export.

What we agreed, though, in terms of sustainability is we can't judge yet whether that's going to be sustainable. We're going to come back and look in a year and see whether it is sustainable, because, again, what's necessary to really sustain it, it has to be either graft to either communities and/or governments that will sustain it.

So I think Haiti is still a challenge. I think it's one we have need to and a commitment to working on. But I would have to say, in all honesty, this is still going to be very, very slow going.

GRANGER:

Thank you. Mrs. Lowey?

LOWEY:

As we close, I can't resist, and I want to thank my colleague, Ms. Wasserman Schultz, for bringing up this issue. We've had probably two of the best professionals -- and there are many extraordinary professionals at AID -- Beth Hogan and then Tom Adam, retired. And we've had in-depth briefings on Haiti.

We don't have Boko Haram, thank goodness. We don't have other terrorist groups there. And we have really good people who have endured a great deal. And it really is, for me, one of the most -- I don't want to quite say depressing -- but unhappy situation, because it seems to me we could do so much more.

And I'll give you one suggestion. I tried to put in place what I've called the community of learning, getting people outside of Port-au-Prince, establishing a school. We have Paul Farmer, who's doing very good work on health care, putting in place some kinds of source of ways for them to learn a living. We just can't seem to do it. And we're upwards of \$3 billion -- we have other private-sector money.

So I just want to say, as someone who's worked on AID programs a long time, that many outstanding professionals, I would like to work with you in the short period of time -- and I know when you say governance, we have governance problems everywhere. And I wonder what are the lessons learned? How do we improve the governance problem?

I think, frankly, of course, you'll always have people come and say, oh, we did this, we did that, but basically it's been a failure. And we don't have governance, we don't have jobs, and the people keep smiling and singing. And I really feel we've let them down, so I'd like to work with you to see what we can do to really improve the situation. I know you don't have that much time. But I just have always felt that this was doable and somehow we just haven't done it.

SMITH:

I would love to work with you on that. And thank you for your kind words about Tom and Beth. I have benefited enormously from Beth's knowledge and experience, including on this issue.

I think in an interesting way -- and you may be able to tell, I'm the eternal optimist, glass-half-full kind of person.

LOWEY:

As are we.

SMITH:

We may have a bit of an opportunity, quite frankly, in Haiti right now, by which I mean if you look at the sheer force of that earthquake, it literally broke Haiti in two. I still can't wrap my arms around, my head around what actually happened.

Then there was a very big surge of activity around reconstruction. And this often happens. And during the big surge, things often get quite confusing. Everybody is there. Lots of donors. Peacekeeping force, lots of attention. It's now a slightly quieter period. I think we've got some evidence and knowledge in the bank, both from Haiti, but from other cases about what has worked and what hasn't. We've got a lot of evidence of what didn't work, but I think we've got some important evidence of things that have worked.

So I think it may be possible in a slightly quieter way, if you will, to take some things that have worked, figure out where we can build on them -- your notion of communities of learning is quite interesting. So I would be delighted to work with you on this.

LOWEY:

Well, I thank you very much. And I thank my colleague for bringing the issue up. And I know you have in your district, as I have, many Haitians who would like to be helpful. And I look forward to talking about successes a few months from now.

SMITH:

I'm game.

LOWEY:

Thank you, Madam Chair.

GRANGER:

Now, as we close, just a couple of things. One, Mrs. Wasserman Schultz raised Zika during the questions. You mentioned a few things USAID had been doing, but not how much funding that's actually been obligated. So can you follow up after this and just let us know that for this fiscal year?

SMITH:

Yes.

GRANGER:

The second thing as we close, one issue I mentioned in my opening statement, we continue to hear from organizations with little experience competing with USAID about how difficult it can be to partner. There are many groups that are doing good work, have ideas they bring to the table. I know that we could all give you an example of someone we'd heard from.

So if you -- we need you to come up with ways to address this issue and report back to the subcommittee, if you'll do that.

SMITH:

I'd be happy to.

GRANGER:

Good, thank you. Administrator Smith, thank you again for your time.

Members may submit any additional questions for the record.

The Subcommittee on State, Foreign Operations, and Related Programs stands adjourned.