



For Immediate Release
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NATIONAL SECURITY SUBCOMMITTEE HEARING

“U.S. Aid to Pakistan: Planning and Accountability”

Washington, D.C. – Today, the Subcommittee on National Security and Foreign Affairs continued its extensive oversight of U.S. efforts in Pakistan by conducting a hearing designed to examine U.S. economic and development assistance programs including the Enhanced Partnership with Pakistan Act, informally known as the Kerry-Lugar-Berman bill that was signed by President Obama on October 15, 2009.

A copy of Chairman Tierney’s opening statement as prepared for delivery is below:

**Statement of John F. Tierney
Chairman
Subcommittee on National Security and Foreign Affairs
Committee on Oversight and Government Reform
U.S. House of Representatives**

**Hearing on “U.S. Aid to Pakistan:
Planning and Accountability”**

As Prepared for Delivery

December 9, 2009

Good morning. Thank you to all our witnesses for testifying before the Subcommittee today.

On October 15, 2009, President Obama signed the Enhanced Partnership with Pakistan Act, informally known as the Kerry-Lugar-Berman bill, tripling U.S. civilian economic and development assistance to Pakistan to \$1.5 billion annually until 2014.

While Kerry-Lugar-Berman was a largely bi-partisan demonstration of U.S. commitment of long-term assistance to Pakistan, serious concerns remain regarding the ability of USAID and the State Department to effectively and efficiently manage and account for such a massive increase in assistance.

In November, I led a congressional delegation to Pakistan in order to investigate, among other things, the status of U.S. assistance programs and the State Department and USAID's capacity to manage and oversee Kerry-Lugar-Berman funding.

At the time, Ambassador Holbrooke's team and USAID in Pakistan were actively searching for a new delivery model for U.S. civilian assistance to Pakistan.

I understand that this policy review is now almost complete and I look forward to the administration testifying before the Subcommittee on their plans in early 2010.

During the congressional delegation, we met with Pakistan's civilian leadership and political opposition, and a wide variety of civil society members, NGOs, and international contractors. We also traveled to Peshawar to deliver aid supplies directly to the principal hospital that had been receiving wounded from the many bombings there over the last several months.

You will not be surprised to hear that everyone had a different perspective on how the U.S. can best deliver aid. Prime Minister Gilani prefers for more aid to be funneled through the central government. In the provinces, meanwhile, we heard that more money should go straight to the provincial government.

Local NGOs boasted that they could cut out the high administrative fees of international contractors and build more domestic capacity. But international NGOs and contractors claimed that the local players did not have the capacity to do so.

In short, our meetings helped us quickly identify the many problems with the various aid delivery models under consideration, but we found no consensus regarding how to go forward. Clearly, there is no silver bullet solution for delivering aid in Pakistan.

More disconcerting than the lack of consensus regarding the best aid delivery model was the lack of capacity at USAID in Pakistan.

For years, USAID has been marginalized and stripped of personnel while at the same time U.S. foreign policy has increasingly emphasized aid delivery in high risk conflict and post-conflict countries like Iraq, Afghanistan, and Pakistan.

It is no wonder that USAID has become so dependent on international contractors to plan, manage, and even oversee massive development projects.

This challenge is only made more difficult by the current security environment that makes it very difficult for either USAID personnel or Western expats to see, let alone actively manage or oversee, many projects, particularly in FATA and the Northwest Frontier Province.

As a result, both USAID and international contractors are often entirely dependent on sending third-party locals to verify and account for major development and assistance projects.

Although I understand the temporary security need for these oversight work-arounds, I have serious concerns about USAID's ability to provide long-term oversight and accountability of major projects without ever seeing them in person.

I plan to continue to work with Congress and the administration to bolster USAID's internal staffing and capability. We must reverse USAID's decline of the last decade if it is to serve as a central tool of U.S. foreign policy in South Asia and the Middle East – a task that it has been assigned, but not given the tools to fulfill.

In the meantime, however, any new plan for U.S. civilian assistance to Pakistan must factor in USAID's limited capacity – both limited personnel to actually manage and oversee contracts and, for security reasons, limited visibility on many of its projects.

For today's hearing, we have brought together three experts with a great variety and depth of experience in both Pakistan and U.S. assistance programs. While I do not expect any of them to provide the silver bullet solution, I do hope that they can give us some fresh perspective on this very difficult challenge.

Of course, if any of you do have the silver bullet, please don't hesitate to share.