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### Opening Statement Rep. John Tierney, Ranking Member

#### Subcommittee on National Security, Homeland Defense, and Foreign Operations Hearing: "USAID: Following the Money"

May 11, 2011

I want to thank Chairman Chaffetz for convening this hearing. And thank you Administrator Shah and Inspector General Gambatesa for agreeing to testify today.

USAID is a critical tool for U.S. foreign policy and national security. In the past decade, we have tasked the Agency with tremendous responsibilities for development and humanitarian assistance in some of the most hostile and challenging environments on earth, including: Afghanistan, Pakistan, Iraq, and Haiti. The success of USAID's mission in each of these countries is critical.

Lieutenant General John Allen, the President's nominee to be the next commander for U.S. forces in Afghanistan, recently spoke regarding the importance of USAID. His remarks are noteworthy. He stated:

In many respects, USAID's efforts can do as much – over the long term – to prevent conflict as the deterrent effect of a carrier strike group or a marine expeditionary force. There are adversaries in the CENTCOM region who understand and respect American hard power, but they genuinely fear American soft power frequently wielded in the form of USAID projects. While the hard power of the military can create trade, space, time, and a viable security environment, the soft power of USAID and the development community can deliver strategic effects and outcomes for decades, affecting generations.

While foreign assistance may have no natural constituency here at home, it is helpful to hear the strong words of support from Secretary Gates, General Petraeus, and Lieutenant General Allen for continued congressional funding of USAID's mission. In today's budget crunch, it is easy to pick on USAID as a soft target for cuts. Those proposed cuts are shortsighted. Aid is the key to building stronger sovereign governments that can support their own people in Afghanistan, Pakistan, Iraq, and Haiti.

While I support fully funding USAID, I have also expressed vocal concerns over the past decade as the Agency has struggled to implement robust accountability mechanisms and find the appropriate aid delivery vehicles. In particular, I have been concerned that USAID has become overly reliant on international contractors as implementing partners, has lost too much internal capacity, and has implemented programs without the necessary monitoring and evaluation mechanisms in place.

The result has been not only disconcerting levels of waste, fraud, and abuse in many major projects in Afghanistan, Pakistan, and Iraq, but a lack of vision and focus within the Agency. USAID's mission is so important we simply cannot afford to make these same mistakes again.

I am very encouraged, therefore, by Administrator Shah's "USAID Forward" reform agenda. Critically, this agenda directly seeks to address the principal concerns that I have raised for many years and that have been featured in numerous hearings of this Subcommittee. Namely, USAID is planning procurement and implementation reform that will lessen their reliance on large international contractors; USAID is planning to build more internal management and policy capability; and USAID is planning to significantly strengthen its monitoring and evaluation capacity.

I look forward to hearing from Administrator Shah today about his progress in implementing this reform agenda and what Congress can do to support it.

The USAID Inspector General also plays a critical role in providing additional oversight and accountability of USAID. I have long advocated that the IG put more personnel in the field in contingency operations to monitor projects directly. I have also advocated that the IG do more to help USAID build monitoring and evaluation mechanisms into its programs at the beginning of projects instead of at the end.

Toward that end, I was glad to see USAID's comprehensive pre-award survey of Pakistani institutions to determine their capacity to receive aid and work as implementing partners. I encourage USAID to do more to address the weaknesses identified in those surveys prior to funding direct assistance.

Thank you again Chairman Chaffetz for convening this important hearing. I hope we can all support these efforts to improve transparency and accountability at USAID.