

# United States Senate Committee on Foreign Relations

WASHINGTON, DC

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## **Chairman Kerry Opening Statement For USAID Nomination Hearing**

WASHINGTON, D.C.-- Senate Foreign Relations Committee Chairman John Kerry (D-MA) delivered the following opening statement at the nomination hearing for Dr. Rajiv Shah, President Obama's nominee to lead the United States Agency for International Development (USAID):

We are here today to consider the nomination of Dr. Rajiv Shah to be the next Administrator of the U.S. Agency for International Development. Today, USAID may be our last major foreign policy agency to have its leadership named, but its mission—poverty reduction and sustainable development—belongs near the top of our list of priorities.

In Rajiv Shah, the Administration has chosen a nominee who values new thinking, believes in ensuring accountability, and brings an impressive record to this new challenge. In his eight years at the Gates Foundation, Dr. Shah became a leading voice on agricultural development, global health, and food security. In May, he was confirmed unanimously by the Senate as an Under Secretary at the Department of Agriculture, managing a staff of over 10,000.

Clearly, Dr. Shah has accomplished a great deal, very quickly. And that is just what we are asking our development institutions to do as they reform and evolve to meet new challenges. The next USAID Administrator confronts a number of choices that will have profound implications for USAID's institutional future. This is part of a larger struggle over the shape and direction our country's global development efforts should take.

To find answers, the Administration has embarked on two very important initiatives. The White House has launched a Presidential Study Directive to review global development policy across the entire US Government. The State Department, for its part, has begun a Quadrennial Diplomacy and Development Review. We expect interim results early next year. The Committee looks forward to studying them carefully and working with the White House and State Department in genuine partnership to create real reform.

Congress has also been working to reform foreign aid. Just last month, the Committee reported out S. 1524 – the Foreign Assistance Revitalization and Accountability Act. This bipartisan bill, cosponsored by 19 members, is intended as a first step in a larger effort. We will continue to advocate for the broader structural and organizational reforms necessary to create a blueprint for 21<sup>st</sup> century foreign assistance and development.

To be sure, this is a moment of challenge and flux at USAID. But this is also a moment when people across government recognize that empowering our development agencies and giving them the resources they need is vital to achieving our larger foreign policy goals.

The next USAID Administrator, the de facto voice of development in the US government, will have several important tasks.

The first and most urgent is to ensure that USAID can respond effectively to today's national security, foreign policy and humanitarian priorities. Broader reform is vital, but that cannot distract us from addressing our current crises. A winning development strategy in Afghanistan, an effective direct partnership with the Pakistani people, and an ongoing civilian effort to sustain recent progress in Iraq as our troops draw down—all are vital to our interests, and each will require a serious effort. What's more, USAID must be ready to respond when humanitarian crises erupt— whether that means offering emergency relief in the aftermath of a natural disaster, providing food aid to relieve famine, or delivering shelter and supplies to protect refugees.

The second, longer-term challenge is to answer some core questions about the agency's future. Over the years, Washington has shaped today's agency through a patchwork of mandates, directives and initiatives. This hasn't always resulted in a consistent or coherent vision for USAID. By one count, there are now over 140 goals and priorities for U.S. foreign assistance. Now the agency needs to decisively define its roles, responsibilities, and essential mission.

That requires making some difficult choices.

First, we must decide whether USAID will remain the principal US development agency, and whether the Administration is committed to streamlining the proliferation of departments and agencies handling foreign assistance programs today.

Second, we need to strike the proper balance between the State Department and USAID—including how best to reconcile State's shorter-term diplomatic priorities with USAID's longer-term development goals.

Third, we have to ask tough questions about whether USAID's growing national security mission is compatible with its development aims. For example, we must consider whether USAID can participate effectively in counterinsurgency and stabilization operations while maintaining a credible humanitarian presence, or whether these functions demand a new approach altogether.

Dr. Shah, you are being given an opportunity to enact a bold and far-reaching reform agenda. It is encouraging that you come from an institutional culture that rewards the

innovation and risk taking that this moment requires. Rarely have so many key players been so willing to tackle tough foreign aid and development issues—including rewriting the Foreign Assistance Act. Today there is a bipartisan commitment to development, and to finally delivering the resources, funding and staffing necessary to have an impact on the ground.

Acting Director Alonzo Fulgham and others have done a commendable job holding down the fort, but today we have an opportunity to fundamentally reshape USAID and our broader development agenda.

Senator Lugar and I have been looking forward to confirming a USAID Administrator for months. Now that we have a nominee, we intend to ensure a timely and fair confirmation process.

The questions being asked today aren't just bureaucratic. In fact, the answers will affect millions of people in need across the globe, as well as our own country's strength and security.

We in Congress want to help you seize this moment, and we look forward to hearing your thoughts about the challenges ahead and the future of USAID.

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