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March 6, 2012

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**GRANGER OPENING STATEMENT: STATE AND FOREIGN OPERATIONS  
APPROPRIATIONS HEARING ON FY 2013 USAID BUDGET REQUEST**

The Subcommittee on State, Foreign Operations, and Related Programs will come to order.

I would like to welcome the Administrator of the U.S. Agency for International Development, Dr. Raj Shah. Dr. Shah, thank you for appearing before the Subcommittee today to provide testimony and answer questions about the fiscal year 2013 budget request for USAID.

The Administration's total request for the State-Foreign Operations bill is \$54.7 billion, including funds designated as regular discretionary and as Overseas Contingency Operations (OCO). USAID administers a large portion of the foreign assistance in this bill in the areas of health, development, democracy promotion, and humanitarian aid.

I know it has been a challenging year since you last testified before the Subcommittee. USAID is currently addressing some of the most difficult situations around the world. You and the staff you lead are working to provide humanitarian assistance in response to the drought in the Horn of Africa, deliver sustainable development solutions in conflict zones, and promote democratic transitions in the Middle East and North Africa.

I also commend you for continuing your work to change the way USAID does business by emphasizing the role of the private sector in development and by creating more accountability in our foreign assistance programs. At the same time, I also want to highlight a few of my concerns.

As we have discussed before, questions remain about USAID's strategy of providing more assistance directly through host countries. While I understand the importance of strengthening recipient governments so they can eventually stand on their own without our help, this proposal requires much more careful consideration.

For that reason, new language was included in the fiscal year 2012 appropriations bill limiting assistance going directly to, and through, foreign governments until certain requirements are met. The Subcommittee will be seeking more information to ensure that USAID is complying with the changes in law.

Next, I want to call attention to the reductions proposed in the fiscal year 2013 budget request for the Global Health account. You were very direct with this Subcommittee last year about the lives that could be lost if funding for global health programs was reduced. Yet, the Administration is now proposing similar cuts.

We need you to explain whether the proposed reductions can be taken without jeopardizing U.S. leadership in important areas like malaria and maternal and child health. I urge you to work closely with the Congress over the next year so that we all have the same information and can make thoughtful decisions about funding these life-saving programs.

As you know, another long-standing issue I will continue to raise is that this Administration continues to make large, multi-year foreign assistance commitments during a time when our own economy is in a downturn. Administration officials have told the Subcommittee that pledges for two signature initiatives will be fulfilled in the next year, but I understand that there are upcoming meetings to discuss what will follow.

Dr. Shah, I want to remind you that the Administration is now required to let the Committee know in advance of any future commitments. As I told Secretary Clinton last week, my concern is that the United States remains in an economic crisis, and we will be in a very difficult position if we cannot live up to our promises around the world.

I am also concerned about whether these commitments are crowding out other priorities such as democracy promotion activities.

I want to close with an issue that has been prominent in the news and is an immediate concern for this Subcommittee – the deteriorating security situation in Afghanistan. I am very concerned about the safety of our troops and our civilian employees there. In fact, this new violence calls into question whether the current assistance strategy can be successful if Americans are not even safe to work in ministries alongside Afghan staff who should be our partners.

With that in mind, I want to close by thanking the men and women of USAID. When I meet anyone associated with your agency, it is always clear that you lead a very dedicated group of Foreign Service officers, civil servants, and implementing partners who often put themselves in harm's way to promote American interests and values around the world.

Dr. Shah, thank you for appearing before the Subcommittee today. I look forward to your testimony.

Before I turn to Mrs. Lowey for her statement, I would like to acknowledge two losses to the Committee - Chairman Lewis and Ranking Member Dicks will both be retiring from the Congress at the end of this year. Both have been dedicated to this Committee, and this Subcommittee in particular, and their presence will be sorely missed.

I will now yield to Mrs. Lowey.