

U.S. INTERESTS IN SOUTH ASIA AND THE FY 2020 BUDGET

HEARING BEFORE THE SUBCOMMITTEE ON ASIA, THE PACIFIC AND NONPROLIFERATION OF THE COMMITTEE ON FOREIGN AFFAIRS HOUSE OF REPRESENTATIVES ONE HUNDRED SIXTEENTH CONGRESS FIRST SESSION

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U.S. INTERESTS IN SOUTH ASIA AND THE FISCAL YEAR BUDGET

Thursday, June 13, 2019

House of Representatives

**Subcommittee on Asia, the Pacific, and Nonproliferation
Committee on Foreign Affairs**

Washington, DC

The subcommittee met, pursuant to notice, at 9:35 a.m., in room 2172 Rayburn House Office Building, Hon. Brad Sherman (chairman of the subcommittee) presiding.

Mr. SHERMAN. The subcommittee will come to order. Members present will be permitted to submit written statements to be included in the official hearing record. Without objection, the hearing record will remain open for five calendar days to allow statements, questions, and extraneous material for the record, subject to the length limitation in the rules.

We will be joined by members of the full committee who are not members of the subcommittee and, without objection, they will be allowed to ask questions at the end of the first round of questions. The first opening statement will be delivered by our ranking member, Ted Yoho.

Mr. YOHO. Good morning. Thank you, Mr. Chairman, for calling this hearing. I appreciate the opportunity to discuss the Fiscal Year 2020 State Department and U.S. Agency for International Development budget request for the South Asia region. I would also like to thank our distinguished witnesses for being here today.

The relationship between the United States and countries in South Asia concerning democracy promotion and economic growth is ripe for cooperation. However, the region also faces significant challenges particularly involving China's increased influence in the region. We have also seen the continued proliferation of human rights abuses and acts of radical terrorism. I would like to focus this hearing on how U.S. expenditures support the health of U.S.-Asia's democratic institutions, increase economic development, and address security concerns while best serving U.S. interests.

In recent years, we have seen an increased focus on South Asia. In 2017, the Trump administration announced their Free and Open Indo-Pacific Strategy which restructured the typical Asia Pacific approach and emphasized the importance of this region to the U.S. and our national security. This area is vital for national security. The development and the growth, as we have heard over and over again, there is going to be more people living in the Asia Pacific theater by 2050 in the world than outside of that.

This strategy is marked by respect for sovereignty, freedom of navigation, open markets, and transparent investment in the Indo-

Pacific and is carried out by agencies like the Department of State and USAID, whom we have here today with us and we are so excited. A June 2019 Pentagon report called the Indo-Pacific the single, most consequential reason for America's future.

For this reason, we must continue to address the region's shifting geopolitical landscape, increasing complex security outlook, lingering human rights issues—not lingering human rights issues, but more egregious human rights issues that we haven't seen since probably World War II—and enduring development challenges.

I look forward to hearing from our witnesses on how the Department of State and USAID intend to address these concerns and how Congress can best support them in these endeavors. I yield back.

Mr. SHERMAN. Thank you, Mr. Yoho.

Today's hearing examines the administration's budget request for South Asia and our interest in the region. We look forward to hearing from Ambassador Wells, Ms. Steele, and Ms. Freeman. I will introduce them at the end of my opening remarks.

In the 4-years from 2014 to 2017, our annual aid to South Asia averaged \$2.2 billion. This included one billion for Afghanistan and nearly 800 million for Pakistan. But our 2018 budget for South Asia has dropped almost in half, and the Fiscal Year 2020 budget is proposed at \$1 billion, including half a billion or a bit more than that for Afghanistan, and 70 million for Pakistan. This is a dramatic reduction in our efforts. It will be interesting to hear from our witnesses whether South Asia is dramatically less important to us than it was a few years ago.

As to India, we have a strategic partnership in the Indo-Pacific. I am working to strengthen that relationship as co-chair of the India Caucus. Our partnership is built around common democratic values, our economic relations, and our strategic interests. And of course, there have been several steps forward in the area of joint naval exercises, whether it be U.S.-India or U.S.-Japan-India. We do have a \$24 billion trade deficit with India. I look forward to hearing from our witnesses how we are going to open India's markets and how India is going to open its markets so that American exports will increase.

As to Pakistan, USAID projects have covered energy, agriculture, education, and health sectors. There is a small but growing middle class, civil society, independent judiciary, and we have had two elected changes in government at least in the—what should I say—official government as opposed to the whatever role in government the military plays beyond what is set forth in the constitution.

That being said, our aid to Pakistan less than a decade ago was two billion a year. We now have cut it to 70 million. If I did the math quickly, I would just say that is under 5, you know, that is a 95 percent reduction, roughly. Pakistan, I think, is very important to the security of the United States. There are those that argue that Pakistan is important because it is close to Afghanistan and I think it is just the reverse.

It is true that looking at history, looking at 2001, Afghanistan suddenly became critical to our national security and the fact that al-Qaida was able to operate there, who had devastating effects on our country. But looking forward, it is clear that Pakistan will have

a much bigger impact on the United States and, of course, is a nuclear country with—nuclear weapons State with a growing nuclear arsenal.

I want to hear about what we are doing with regard to forced conversions, particularly in southern Pakistan where young girls are, in effect, kidnapped, forced to convert first to Islam and then forced to marry. And I will want to focus on human rights in Pakistan as a whole and particularly in Sindh Province and, of course, Pakistan giving safe haven to terrorists that attack Afghanistan and India.

Now given the importance of Pakistan, I do not think there is anything more important than our public broadcasting to the people of Pakistan. We broadcast over only in one Pakistani language, Pashtun, which is both a Pakistani and an Afghan language, leaving out the many tens of millions of Pakistanis that speak Sindhi. I have offered an amendment which is pending on the floor and my staff may pull me out of this room and, if so, it is for a good reason, one that I am sure all of our witnesses will agree with and that is to increase the budget of Radio Free Europe and Radio Liberty, so that they can begin a Sindhi language service.

Whether we will be able to get them the full million and a half that they have said they wanted for a 24-hour service or whether it will be less, will depend upon the legislative process. So whether we get anything will depend upon the legislative process. But given Pakistan's—I mean Pakistan is, for example, the only State with nuclear weapons that has experienced a military coup, and I will turn to the historians on our panel to tell me just how many military coups Pakistan has had. But that is 100 percent of all the military coups in all nuclear States.

So, we do need to reach out to the people of Pakistan and I am by no means sure that the \$70 million we are spending is sufficient. Further, I will point out that the big thing we are doing for Pakistan is the IMF loan. While our aid is 70 million, the IMF loan is 6 billion. And, of course, I do not think that could have happened without the United States and I hope that I will be told by our witnesses that when Treasury's over there at the IMF they aren't just checking the boxes for fiscal purposes, but are, in fact, taking policy direction from the State Department.

In Afghanistan, we have given 130 billion in security and development assistance since 2001. The conflict continues. The Taliban finds safe havens in Pakistan. One of the reasons for this is because Pakistan fears a united Afghanistan that might make claims on its territory, particularly at a time when Pakistan might be pre-occupied with India.

The way to make Pakistan calmer and more solidly in favor of a peaceful, strong, and prosperous Afghanistan is to gain international recognition from the Durand Line. I will discuss with our witnesses what we can do at the United Nations to get the entire world to recognize the Durand Line and to make it plain to Afghanistan and Pakistan that their border is that line and that they can live in peace without either side, particularly without Afghanistan looking for an opportunity to expand its territory.

As for Sri Lanka, we all express our deepest condolences to those affected by the tragic Easter Sunday terrorist attacks. These at-

tacks took place 10 years after Sri Lanka ended its civil war, and I hope that these attacks will not impede the reconciliation efforts between the Sinhalese and Tamil communities.

As to democracy, development, and burden sharing, our foreign aid has supported development in the Maldives which might be the first nation submerged if we do not do something about global warming and global climate change, Nepal and Bangladesh. And I want to commend Bangladesh for hosting hundreds of thousands of Rohingya from neighboring Myanmar.

As I have said in this room before, if Myanmar or Burma is unwilling or unable to be a good government for the Rohingya people that live in North Rakhine State, then we should transfer and the United States should support the transfer—that portion of that State to Bangladesh, which is willing to accommodate the people. The Rohingya people of North Rakhine State deserve a government that tries to protect them, not destroy them.

Overall, our aid can consolidate democracy and advance development across South Asia. Freedom House scores the region at 3.7 on a scale of 1 to 7 where 1 is the highest. This is better than the 4.8 score of Southeast Asia, but the per capita income for South Asia is only \$6,700 if measured in purchasing power which is 40 percent less than Southeast Asia.

So there is much development work to be done in South Asia. In recent years, Australia and Canada have annually given 200 million, Japan gave nearly 600 million, and European countries have disbursed, apparently, \$3 billion to South Asia. I encourage our allies to continue that element of burden sharing as we, of course, carry the lion's share of the load when it comes to defense expenditures.

With that I will see whether there are other members of the subcommittee wishing to make an opening statement.

Mr. Perry?

Mr. PERRY. No, thanks.

Mr. SHERMAN. Mr. Levin?

Well, with that we will start with our witnesses. We will start with Ambassador Alice Wells, the former U.S. Ambassador to Jordan who has headed the South Asia Bureau at the State Department for 2 years as acting assistant secretary. Of course, our committee has been urging for the last over 2 years the administration to actually have permanent people in the positions, and I know that the party line of the administration is you do not need permanent people, but I think we do. I am not saying that Ambassador Wells would not be the perfect permanent assistant secretary, but the idea that you can operate the executive branch without appointing people, getting them confirmed, and filling the positions is absurd.

That being said, we will also hear from Ms. Gloria Steele who is acting assistant administrator for the Bureau for Asia at the U.S. Agency for International Development, USAID. And then, finally, we will hear from Ms. Karen Freeman who is assistant to the administrator for the Office of Afghanistan and Pakistan Affairs, again, at USAID.

Ambassador Wells?

STATEMENT OF ALICE WELLS, ACTING ASSISTANT SECRETARY FOR SOUTH AND CENTRAL ASIAN AFFAIRS, U.S. DEPARTMENT OF STATE

Ms. WELLS. Chairman Sherman, Ranking Member Yoho, and members of the subcommittee, thank you for inviting me to testify on the Department's Fiscal Year 2020 budget request for Afghanistan, Pakistan, and South Asia.

And before we begin, I want to recognize the servicemen and women, the diplomats, the development specialists, who risk their lives in service to our country, particularly one Department of Commerce employee, Chelsea Decaminada, for her ultimate sacrifice during the Easter Sunday attacks in Sri Lanka. Her commitment to public service is a model for all of us and she served her country with distinction.

I will first talk about our work in Afghanistan and Pakistan and then continue by describing the progress we have made on our Indo-Pacific Strategy in India and South Asia. Our goal in Afghanistan is a sustainable, political settlement to end the war. Our conditions-based approach is working and the Taliban have come to the table. As Secretary Pompeo has testified, the President wants to reduce the risks and costs to Americans in a manner that protects our counterterrorism interests. President Ghani shares this vision.

I traveled to Kabul last month where the Afghan Government agreed to focus assistance on our highest priorities: peace, self-reliance, and stability. We have been working with other donors to develop a post-settlement economic plan while not losing focus on the need to strengthen democratic institutions, include women, and see credible Presidential elections in September. This request supports those objectives. We recognize a durable peace in Afghanistan requires consultation with Pakistan and Pakistan is encouraging the Taliban to negotiate.

But our relationship with Pakistan is broader than just Afghanistan. We are asking Islamabad to take sustained and irreversible actions against terrorists who threaten stability in the subcontinent. One such organization, Jaish-e-Mohammed, precipitated the India-Pakistan crisis in February and we have made clear that there is no legitimate role for these non-State actors.

On May 1, we succeeded in listing Masood Azhar, the leader of that organization, at the United Nations 1267 Sanctions Committee, an achievement that was 10 years in the making. Our tailored assistance request for Pakistan reflects the relationship that is moving from aid to a more mature trade-based partnership.

From Afghanistan and Pakistan, we turn to South Asia where we support India's rise as the fulcrum of the administration's Indo-Pacific Strategy. Prime Minister Modi is committed to strengthening ties between our two countries and we congratulate him on his decisive election victory. India's election was free and fair and the largest exercise in democracy in human history.

As the Secretary said at yesterday's India Ideas Forum, "It is only natural that the world's most populous democracy should partner with the world's oldest democracy to maintain our shared vision for the Indo-Pacific." With India at its center, we have made good incremental progress in our Indo-Pacific vision since I last tes-

tified to the subcommittee. In July, the Secretary announced \$114 million in economic assistance at the Indo-Pacific Business Forum, and in August he announced \$300 million in security assistance at the ASEAN Regional Forum.

In November, the Vice President announced the Indo-Pacific Transparency Initiative in conjunction with over \$400 million in democracy rights and governance assistance and we thank Congress for supporting and approving these announcements. The Indo-Pacific Strategy is beginning to register successes. In September, the Maldives voted out the preceding corrupt regime that was implicated in secretive, unsustainable procurements of debt-financed infrastructure. Maldives instead elected a new president who is strengthening his country's outreach to both India and the United States.

Maldives is a concrete example of how our Indo-Pacific vision can inspire engaged voters in civil society to push back against corruption through the ballot box. We are happy to see that Congress supports this vision, and we thank you for passing the Asia Reassurance Initiative Act with broad bipartisan support. The President was happy to sign.

To conclude, this has been a year of success in our region and our budget request reflects that. While Afghanistan transitions to a more sustainable, post-settlement mission, the administration is refocusing its assistance request on the Indo-Pacific. I welcome today's discussion and hope we can agree to support America's diplomacy in this indispensable region. Thank you.

[The prepared statement of Ms. Wells follows]

Statement of Alice G. Wells
Senior Bureau Official for South and Central Asian Affairs
Before the House Foreign Affairs Subcommittee for Asia, the Pacific, and
Nonproliferation
“U.S. Interests in South Asia and the FY 2020 Budget”

Thursday, June 13, 2019

Chairman Sherman, Ranking Member Yoho – Thank you for inviting me to testify before your subcommittees on the Fiscal Year (FY) 2020 budget request for Afghanistan, Pakistan, and South Asia. This region, bordering both China and Iran, is fundamental to U.S. national security interests. It includes several of the world’s largest democracies, offers growing opportunities for trade and investment benefitting U.S. firms, and is critical for the success of two major Administration priorities: the South Asia and Indo-Pacific Strategies.

Before I begin, I want to recognize the thousands of servicemen and women, diplomats and development specialists, and Afghan and international partners, who risk their lives every day in service to our country. I want to recognize Chelsea Decaminada’s selfless sacrifice for her country during the Easter attacks in Sri Lanka. A young International Program Specialist of the Department of Commerce, her dedication and spirit were a model for all of us, and she served her country with distinction.

In previous testimony, I laid out the goals of the South Asia and Indo-Pacific Strategies. The Department has made substantial progress on both. As such, our FY 2020 request rationalizes funding for Afghanistan and Pakistan and increases funding for India, Maldives, and regional activities in South Asia that will support our Indo-Pacific goals. The Department’s overall request for these regions is \$1.07 billion, 16% below FY 2018. I will begin by laying out how this budget request supports our efforts to end the war in Afghanistan and define a long-term partnership for the future. I will describe our efforts to secure Pakistan’s support for the Afghan peace process and take action against militant groups operating from within its borders, and conclude by outlining how our regional and bilateral initiatives in South Asia support the Administration’s Indo-Pacific vision.

Afghanistan: Pivot Toward Peace

The President and the Secretary have made clear our top priority in the region is to end the war in Afghanistan through a sustainable political settlement that ensures that Afghanistan never again serves as a haven for terrorist attacks against the United States or our interests. As we seek an end to the war, we are working with the Afghan government to define the parameters of a sustainable, long-term partnership with Afghanistan; civilian assistance will continue to play an important role.

In recent discussions in Kabul, the Department of State and the Afghan government have agreed to focus U.S. assistance on our highest priorities: furthering the peace process, ensuring Afghanistan does not serve as a terrorist safe haven, promoting Afghan self-reliance, and maintaining Afghan stability.

The resources we have requested for FY 2020 will help Afghanistan maintain and expand the gains it has made over the last 18 years, including the strides made by Afghan women and girls. The smaller request for FY 2020 for Afghanistan anticipates this more focused portfolio; however, significant prior year resources in the pipeline will allow us to avoid program disruptions as we transition to a smaller portfolio and have flexibility to respond to a political settlement. We also stand ready to provide humanitarian support as needed, so that a natural disaster or a significant return of refugees won't undermine Afghanistan's push for peace and stability.

At the same time, we are intensifying our engagement with partners. At last year's Geneva Conference on Afghanistan, the United States called on donors to begin planning for post-settlement Afghanistan, and several countries have responded. At the conference, the European Union announced a new \$535 million package of assistance for Afghanistan that focuses on support needed to implement and sustain a peace agreement. In addition, since the conference, the World Bank has been working with major donors and regional partners to develop a post-settlement economic action plan that will help Afghanistan navigate what could be a difficult economic period after a political settlement and hopefully speed the country's recovery.

As you have heard before, our assistance is not a blank check. We expect the Afghan government will continue on a path of reform, and we will use the Afghanistan Compact as a means to monitor progress and discuss new reform objectives to tackle Afghanistan's biggest challenges. Afghanistan has made some

progress on benchmarks in the Compact, including the conviction of high-level officials for corruption, independent management of security for the parliamentary elections, and improved government revenue collection. Continued progress is needed.

Pakistan – Transition from Aid to Trade

Our relationship with Pakistan remains one of our most complex and most consequential. In line with the Administration's South Asia strategy, our approach to Pakistan has focused largely on securing Islamabad's support for the Afghan peace process and for Pakistan to follow through on its pledges to take sustained and irreversible actions against all militant groups operating from within its territory. Our engagement with Pakistan on nonproliferation issues is also crucial. The United States and Pakistan both attach high importance to preventing the proliferation of weapons of mass destruction. We remain concerned, however, about Pakistan's development of certain categories of nuclear weapons and delivery systems.

On Afghanistan reconciliation, we recognize that Pakistan has taken steps to encourage Taliban participation in peace negotiations, which has been important to the progress we have made thus far. However, there is much more work to be done to achieve our ultimate goal of a peaceful Afghanistan free of terrorist groups. Pakistani officials are correct when they say that no other country will benefit more from a peaceful Afghanistan than Pakistan, and we expect Pakistan to continue to play a constructive role in reconciliation efforts.

On the broader issue of counterterrorism, the Pulwama terrorist attack in February that sparked a crisis between India and Pakistan underscored the importance and immediate need to halt terrorist activity in the region. We continue to urge Pakistan's leaders to make good on their pledges to take sustained and irreversible actions against terrorist groups operating within the country's borders, which is necessary for the long-term stability and prosperity of the region. In recent months, we have seen Pakistan detain some militants and seize assets belonging to front organizations raising funds for terrorist groups. While these steps are important, they are still reversible. Pakistan must sustain these measures and expand upon them, including by prosecuting terrorist leaders. The reality is that terrorist organizations such as Lashkar-e-Tayyiba (LeT) and Jaish-e-Muhammad (JeM) will continue to pose a grave risk to international peace as long as they are able to operate freely in Pakistan. On a multilateral level, we succeeded on May 1 in listing JeM leader Masood Azhar at the UN 1267 Sanctions

Committee – an achievement 10 years in the making. His listing sends an important message that the international community will not tolerate terrorism.

Sustained progress on these two issues – reconciliation and counterterrorism – will lie at the heart of a renewed bilateral relationship. We believe in the potential of the U.S.-Pakistan relationship to foster regional stability and economic prosperity. U.S.-Pakistani bilateral trade reached an all-time high in 2018, exceeding \$6.6 billion. U.S. exports to Pakistan rose four percent to \$2.9 billion, also an all-time high, and the trade deficit sunk to two percent, or \$782 million. Trade in agriculture was a particularly bright spot. U.S. soybean exports went from \$0 in 2014 to \$689 million in 2018. Pakistan’s market of more than 200 million people, including a growing middle class, provides ample opportunities for U.S. trade and investment in Pakistan to grow further.

This request does not include security assistance funding for Pakistan’s military. We will focus civilian assistance programming on priority areas such as building capacity to deter the proliferation of weapons of mass destruction; building law enforcement capacity to fight crime and terrorism; supporting economic development that can expand U.S. business ties with Pakistan; addressing communicable diseases that threaten both our countries; supporting civil society and religious freedom; and working with Pakistan to ensure that communities in the Afghanistan-Pakistan border region are stable and cannot be used as a base by terrorists. The request reflects the trajectory of our relationship away from an assistance focus and toward a more trade-based one, and the bright economic future we believe a more robust U.S.-Pakistan partnership can bring for Pakistan and the region, should Pakistan follow through on its pledges to fight terrorism and promote peace in Afghanistan.

The Indo-Pacific Strategy:

In the Indo-Pacific, the Administration is committed to ensuring a rules-based order, with free and open commerce, freedom of navigation, democracy, and the peaceful resolution of disputes. These principles have helped to improve living standards for half of the world’s population living in the Indo-Pacific region, and they remain critical for the region’s long-term future. Seventy percent of global commerce passes through the oceans of the Indo-Pacific, and the United States will protect its seas and skies through our diplomatic engagement, development efforts, and security cooperation. At the same time, the United States, alongside India, Japan, Australia, and other trusted allies and partners, will support the political and economic autonomy of Indo-Pacific countries to ensure they can chart their own

path to freedom and prosperity, as satellites to none. We cannot allow China, or any other country, to subvert our partners through unsustainable infrastructure projects that push economies into unsustainable debt, or by contributing to an erosion of transparency and democratic norms.

Since I last testified, Congress demonstrated its bipartisan support for this Indo-Pacific vision by passing its Asia Reassurance Initiative Act. With that Act, the Administration stands together with Congress by signaling to the region that America, itself an Indo-Pacific nation, is committed to promote mutual prosperity. The Department requests \$468 million for South Asia, which increases regional economic and security assistance, as well as development funding for India and Maldives. This more than doubles our FY 2019 request. We request that Congress support the Department's new security cooperation program in South Asia, the Bay of Bengal Initiative, with \$30 million in foreign military financing that will build maritime and border security capacity for Sri Lanka, Bangladesh, and Maldives. We also request \$64 million for regional activities to support raising infrastructure standards, supporting regional energy and digital connectivity, and bolstering cyber security. The Department continues to explore options for providing additional resources to support the Indo-Pacific Strategy in line with this request, and if available we intend to return to Congress to discuss them.

India:

[Insert quote from Secretary's June 12 prepared remarks].

Our request for India reflects its pre-eminent role in the Administration's Indo-Pacific vision and our two countries' commitment to shared principles and values. In May, India held the largest election in the history of the world. We congratulate India on its free and fair election, and Prime Minister Modi on his decisive victory. In his congratulatory call to the Prime Minister, President Trump reiterated his commitment to strengthening U.S.-India ties. In doing so, we will be building on several shared successes in the past year.

We launched the 2+2 ministerial dialogue last September, for example, and signed a Communications Compatibility and Security Agreement (COMCASA) to improve defense cooperation and interoperability. The Department of Commerce granted strategic trade authorization tier 1 status enabling American companies to export more high-technology items under a streamlined licensing process. The United States is also planning our first ever tri-service exercise with India later this year, which will involve all of our respective military services.

We're currently planning for the next 2+2 later this year, which will provide an important opportunity to deepen further our security and regional cooperation, including on pending defense deals, maritime security, and additional defense enabling agreements.

India's role in the Indo-Pacific is underpinned by its large and growing economy. Our two-way trade with India is rapidly increasing, expanding 12.6 percent last year to \$142 billion. The U.S. goods and services trade deficit with India was \$24.3 billion in 2018, down 11.2 percent from 2017. We want to continue to grow our trade relationship with India, but in a fair and reciprocal manner. Tariff and non-tariff barriers have been the subject of longstanding concern, and we are working with India to address market access challenges.

In our engagements with India, we will continue to highlight the importance of preserving a diverse and inclusive society. India's constitution provides strong protections for fundamental freedoms, including religious freedom. We look to India's democratically elected leaders and institutions to swiftly condemn acts of violence on the basis of religion and hold perpetrators accountable. This will help further India's security and economic interests and strengthen our bilateral relationship. We took note of PM Modi's comments following his reelection highlighting his government's commitment to inclusiveness and that "...a representative of the people cannot show favoritism towards anyone. We have to work for those who supported us and also those who did not in these elections with the same spirit."

Sri Lanka, Bangladesh, Nepal, Maldives, and Bhutan:

Beyond India and our regional Indo-Pacific strategy, the Department is also increasing bilateral engagement with other South Asian partners. Secretary Pompeo met in recent months with his counterparts from Bangladesh, Sri Lanka, Nepal, and Maldives, stressing the importance the United States places on their political and economic autonomy and encouraging each to share in our Indo-Pacific vision.

Though we have seen progress in implementing this vision for the region, political and economic freedom are not the only concerns for South Asia. On Easter Sunday, ISIS-inspired terrorists targeted churches and hotels throughout Sri Lanka with a series of coordinated suicide attacks. Our condolences go out to the 258 victims who died in those attacks, including five Americans, as well as many

others who were injured. Again, we ask the subcommittees to remember, forever, Chelsea Decaminada, who sacrificed everything to strengthen the partnership between our two countries.

We stand with Sri Lanka in investigating these attacks and strengthening its counterterrorism capabilities. The Federal Bureau of Investigation quickly deployed at the request of the Sri Lankan government, and helped dismantle the local terrorist organizations that carried out these attacks. Now we are assessing ways in which we may support the Sri Lankan government while it re-orient its security apparatus toward addressing international terrorism, and we will continue to impress upon Sri Lanka the need to respect human rights, including for members of minority groups, refugees, and asylum seekers. Similarly, as Sri Lanka heads into national elections, the United States will continue to urge that Sri Lanka maintain progress on post-conflict reconciliation, justice, and accountability, and adhere to its international human rights obligations and commitments. Our request also provides economic assistance to help insulate Sri Lanka from dependency and economic manipulation by other states.

A populous, quickly developing country at the crossroads of South and Southeast Asia, we propose for Bangladesh the largest civilian assistance request in the Indo-Pacific region. Moreover, Bangladesh is an increasingly important market for U.S. companies, with nearly 170 million people and sustained annual GDP growth of over 6%. At the same time, the Department continues to support civil society and labor groups throughout Bangladesh with diplomatic engagement and foreign assistance. We have publicly noted concerns regarding Bangladesh's December 30 election and the closing of democratic space for political opposition, media, and civil society. We raise our concerns with the Bangladeshi authorities at each opportunity.

Bangladesh continues to host over one million Rohingya refugees, providing shelter and support to a population that escaped ethnic cleansing from neighboring Burma. The Department's assistance request for Bangladesh includes substantial funding for refugee hosting communities. The Department of State and USAID have provided more than \$494 million in humanitarian assistance to support victims of the crisis since August 2017, of which more than \$451 million was for the Rohingya refugee and host community response in Bangladesh. This request will complement our humanitarian assistance and help support those in Bangladesh whose livelihoods and communities have been affected by the immense influx of refugees.

For Nepal, we have the opportunity to advance strategic priorities as much-needed political stability takes root. As we look for opportunities to deepen U.S.-Nepal relations, we have encouraged Nepal to take on a more proactive role in the Indo-Pacific region, and urge it to enforce UN Security Council Resolutions related to North Korea, among other priority global issues. The FY 2020 request will enable the United States to advance our mutual interest to help Nepal protect its sovereignty, enhance its security, and pursue prosperity.

Maldives is testament to the power of a free, open, and rules-based Indo-Pacific region. The Department commends the election of President Solih on a platform of transparency and anti-corruption. President Solih has taken aim at the preceding regime's secretive procurements of debt-laden, vanity infrastructure, and has strengthened his outreach to the United States and India. The Department and USAID worked with Congress to secure additional funding to support his reform agenda, including in public financial management, anti-money laundering, counterterrorism cooperation, and rule of law reform. Maldives is an exciting new Indo-Pacific partner, and an example of how engaged voters and civil society can push back against corruption and authoritarian tendencies in favor of transparency and human rights.

Although we do not have a request for Bhutan or official diplomatic relations, we maintain warm informal ties that continue to grow each year. Bhutan shares our views on dynamics in the Indo-Pacific and is aligned with our objectives in the region. We commend Bhutan for its successful democratic election in 2018—its third since voluntarily transitioning from a monarchy—and applaud the country's commitment to the Indo-Pacific goals of transparency, accountability, and strong democratic institutions.

Conclusion:

Building on substantial progress toward peace, counterterrorism, trade, and transparency, our assistance requests for Afghanistan, Pakistan, and South Asia are undergoing an important transition. While Afghanistan transitions to a more sustainable, post-peace, consolidated counterterrorism platform, and while Pakistan's budget re-emphasizes a relationship built on trade, not aid, the Administration is refocusing our assistance request on the Indo-Pacific, shoring up key partners and providing them the tools to protect their sovereignty and pursue democratic governance and private sector-led growth. We welcome an ongoing discussion with Congress and your subcommittee on how best to support American diplomacy and development efforts in this indispensable region.

Mr. SHERMAN. Ms. Freeman?

STATEMENT OF KAREN FREEMAN, ASSISTANT TO THE ADMINISTRATOR FOR THE OFFICE OF AFGHANISTAN AND PAKISTAN AFFAIRS, UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

Ms. FREEMAN. Good morning, Chairmen Deutch and Sherman, Ranking Members Wilson and Yoho, and members of the subcommittee. Thank you for having me here today to discuss the administration's Fiscal Year 2020 budget request for the U.S. Agency for International Development's assistance priorities for Afghanistan and Pakistan.

As a career Foreign Service officer, it has been my honor to serve my country and a privilege to testify before you today alongside my esteemed colleagues, Ambassador Alice Wells and Assistant Administrator Gloria Steele. Like those before me, I would like to thank our colleagues, the women and the men in our military who have served in Afghanistan, who in some cases have given their lives. And I would also like to express my appreciation to their families.

Our gratitude also goes to the brave American civilians who have served in both Afghanistan and Pakistan, USAID's Foreign Service officers, development professionals, and Foreign Service nationals, diplomats at the United States Department of State, and the men and women working shoulder to shoulder with us, implementing U.S. programs in the region and around the world. I have been proud to have served with these people over the past 30 years and they have my deepest respect.

Under USAID Administrator Mark Green's leadership, our agency's mission is to support our partners to become self-reliant and capable of leading their own development journeys. A key stepping stone on this path to self-reliance is ensuring governments are responsive and accountable to their citizens and to the international community. We make progress toward this by increasing private sector economic growth, strengthening democratic governance, and enhancing health and education outcomes.

But we must also reduce the reach of conflict and counteract the drivers of violence and instability. Specifically, USAID has three strategic development objectives in each country. In Afghanistan, accelerating private sector-driven, export-led economic growth including the growth of high value agriculture; sustaining and advancing social gains in health, education, and women's opportunities; and increasing the Afghan Government's accountability to its citizens including anticorruption in government and elections—pardon me.

In Pakistan, our objectives are helping to consolidate Pakistan's civilian government control on the border with Afghanistan, particularly in the newly merged districts of Khyber Pashtunkhwa, supporting civil society's efforts to build a more tolerant Pakistan, and promoting private sector-led economic growth including creating opportunities for U.S. businesses. The President's Fiscal Year 2020 budget request for assistance to Afghanistan and Pakistan reflects our Nation's efforts to advance our national security interests and increase regional stability.

The Fiscal Year 2020 request for USAID in Pakistan includes 48 million in economic support funds. It is anticipated that our request for 400 million for Afghanistan will be adjusted downward as a result of recent program reviews. As Ambassador Wells has outlined, this has been a year of reflection on the appropriate balance of resources both human and financial in Afghanistan and Pakistan. Both missions are undergoing intense scrutiny and consultation with our partners, the interagency, and yourselves here on Capitol Hill. The lower request continues a downward trend as our assistance portfolios mature, adjust, and adjust toward a more sustainable level.

Although the 2020 request is reduced in comparison to Fiscal Year 2019, both missions will continue to implement a significant suite of assistance programs which are strategic and long-term and incorporate our partners, other donors and the private sector, and of course the countries themselves, as we engage in dialog on encompassing their aspirations and our comparative advantages.

Experience shows that women's participation in development is a key driver for sustainable outcomes including enhanced economic growth, improved health, education, and community cohesion and a reduction of conflict. Support for Afghan and Pakistani women is and will remain an important focus for USAID. Afghan women in particular have achieved much with the continuing support from the American people, and furthering these gains is a cornerstone of USAID's efforts.

Again, thank you for inviting me here today to discuss USAID's programs in Afghanistan and Pakistan. I look forward to answering your questions.

[The prepared statement of Ms. Freeman follows:]

**Statement for the Record United States Agency for International Development
Karen Freeman, Assistant to the Administrator and Director of the Office of Afghanistan
and Pakistan Affairs
Before the House Foreign Affairs Committee
“U.S. Interests in South Asia and the FY 2020 Budget Request”
Thursday, June 13, 2019, 9:30 a.m.**

Chairman Sherman, Ranking Member Yoho, and Distinguished Members of the Subcommittee: thank you for inviting me here to discuss the Administration’s Fiscal Year 2020 Budget Request for the U.S. Agency for International Development’s (USAID) assistance programs in Afghanistan and Pakistan. It is an honor to testify before you and a pleasure to be here alongside my colleagues, Principal Deputy Assistant Secretary, Ambassador Alice Wells, and Acting Assistant Administrator Gloria Steele.

I would like to begin by thanking our colleagues, the brave women and men in our military who have served in Afghanistan – who, in some cases, have given their lives – and their families. Our gratitude also goes to the American civilians who serve in both Afghanistan and Pakistan: USAID’s Foreign Service Officers and development professionals; diplomats of the U.S. Department of State; colleagues from across the interagency, and, the men and women who are working shoulder to shoulder with us to implement U.S. programs in the region. I would also like to thank the hundreds of local Afghan and Pakistani citizens who work – and sacrifice – alongside us to ensure their countries’ futures are ones filled with increased access to opportunities, enhanced stability, and a hopeful tomorrow for their children.

As USAID Administrator Mark Green has stated, USAID’s goal is to end the need for foreign assistance. Our Agency’s objective is to support partners to become self-reliant and capable of

leading their own development journeys. A key stepping stone on the path to self-reliance is ensuring governments are responsive and accountable to their citizens, and to the international community. We make progress toward this by increasing private-sector-led economic growth, strengthening citizen-responsive democratic governance and enhancing health and education outcomes, but we must also reduce conflict and counteract the drivers of violence, instability, and other security threats.

The President's FY 2020 Budget Request for assistance to Afghanistan and Pakistan reflects our nation's efforts to advance our national security interests and increase regional stability. These budget levels continue a downward trend as our assistance portfolios mature towards more sustainable levels. Although the FY 2020 request is reduced in comparison to FY 2018, both Missions will continue to implement a significant suite of assistance programs.

The FY 2020 request aligns with the Administration's South Asia Strategy. Released in 2017, it lays out the United States' national security and foreign policy priorities in the region and informs USAID's management of civilian assistance in Afghanistan and Pakistan. Our Missions in Kabul and Islamabad, in collaboration with the Office of Afghanistan and Pakistan Affairs, have developed Country Development Cooperation Strategies, or CDCSs, that directly align USAID's programming within the South Asia Strategy.

For Pakistan, the FY 2020 request includes \$48 million in Economic Support and Development Funds (ESDF). A more stable, secure, prosperous Pakistan that counters violent extremism in its territory and plays a constructive role in the region is in both our countries' interests. USAID's

FY 2020 civilian assistance request for Pakistan will complement Pakistan's own domestic development efforts and support U.S key interests: supporting the newly merged Districts of Khyber-Pakhtunkhwa (KP) formerly called the Federally Administered Tribal Areas (FATA), working with Pakistan's civil society to promote tolerance and combat drivers of extremism, and promoting private sector-led economic growth.

The FY 2020 request represents significantly lower civilian assistance levels compared to previous appropriations. This reflects the outcome of a presidentially determined review of all assistance to Pakistan. Nonetheless, civilian assistance will continue because simply put, Pakistan's trajectory matters to the United States. While our governments do not always see eye-to-eye, civilian assistance can both help shape that trajectory and support U.S. security and economic interests.

The FY 2020 request allows us to maintain an effective and appropriate relationship with Pakistan that addresses both national security and economic objectives. The FY 2020 request for USAID aligns with our Pakistan CDCS, and supports the following core U.S. Government objectives in Pakistan: 1) helping consolidating Pakistan's civilian government control on the border with Afghanistan, particularly in newly merged Districts of KP; 2) supporting civil society's efforts to build a more tolerant Pakistan; and 3) promoting private sector led economic growth, including creating opportunities for U.S. businesses.

For Afghanistan, the FY 2020 request is \$400 million in ESDF, guided by the core priorities of peace, security, and reconciliation; free and fair elections; private-sector competitiveness; and

Afghanistan's path to self-reliance. Civilian assistance will help the Government of Afghanistan (GoA) to complete essential reforms and become more responsive to its citizens. It is anticipated that our request for \$400 million for Afghanistan will be adjusted downward as a result of a recent program review.

FY 2020 resources for USAID will continue our focus on accelerating private-sector-driven and export-led economic growth, including the growth of high-value agriculture; sustaining and advancing social gains in health, education, and women's opportunities; and increasing the Afghan government's accountability to its citizens. These priorities underpin our CDCS goal, which is for Afghanistan to become a more inclusive, economically viable, and self-reliant country with which the U.S. Government can better partner in our National Security Strategy.

Support for Afghan women will remain an important focus for USAID. Afghan women's rights and opportunities have advanced with the continued support from the American people, and expanding these gains is a cornerstone of USAID's strategy. USAID's commitment to sustain women's programming reflects a goal of increasing women's participation in civil society and the peace process, the economy, and higher education.

A recent Embassy Kabul-led Afghanistan assistance review directed all agencies to focus on three priorities: support the Afghan peace process; preserve the Afghan state's stability (including support for citizen-responsive, democratic governance to guard against conditions that enable terrorist safe havens); and assist Afghanistan's transition to self-reliance by promoting export-led, market-driven, private sector growth, while providing support for civil society. We

recognize that an inclusive peace agreement and an end to conflict are crucial for Afghanistan's long-term prosperity and self-reliance. USAID's FY 2020 budget request will continue to support the advancement of these efforts.

USAID's CDCS aligns with these objectives by focusing on: accelerating private sector-led economic growth in key population centers; advancing gains made over the past 18 years, particularly for women and girls, in education, and health; and increasing accountability between the Afghan government and its citizens through improved service delivery, reduced corruption in key ministries, and credible elections. U.S. Government civilian assistance helps create the conditions necessary for peace and self-reliance by focusing on long-term, broad based development and reinforcing efforts to reduce violence and stimulate a political settlement to end the conflict with the Taliban. In addition, the U.S. Government also leverages other donor commitments and closely coordinates with our Afghan partners.

Over the past several years, with vital support from Congress, we have taken clear measures in Afghanistan and Pakistan to ensure our assistance promotes stable, inclusive, and increasingly prosperous countries. We appreciate Congress' recognition that USAID's development programs are critical components for achieving U.S. national security objectives, and that the stability our programs help countries achieve will ultimately improve the prosperity of the United States, Afghanistan, Pakistan, and our regional partners.

USAID is committed to investing development assistance strategically in Afghanistan and Pakistan to support the Administration's South Asia Strategy. U.S. assistance remains a critical

tool to promote regional stability, and more broadly, U.S. national security. We will continue to make these important contributions while also safeguarding taxpayer funds. It is an honor to discuss with you today what USAID is doing in that regard.

Thank you and I look forward to answering any questions you may have.

Mr. SHERMAN. Ms. Steele?

STATEMENT OF GLORIA STEELE, ACTING ASSISTANT ADMINISTRATOR FOR THE BUREAU FOR ASIA, UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

Ms. STEELE. Chairman Sherman, Ranking Member Yoho, distinguished subcommittee members, thank you for inviting me to testify on USAID's role in advancing U.S. policy priorities in South Asia, including the President's vision for a free and open Indo-Pacific, the South Asia Strategy and USAID's journey to self-reliance.

First, I will speak to the President's vision for a free and open Indo-Pacific region. The Fiscal Year 2020 budget request for USAID's development assistance in South Asia is \$332 million. This request includes support for USAID's continued leading role in advancing the Indo-Pacific Strategy in three primary areas.

First is strengthening democratic systems, which are critical for fostering good governance and transparency. Second is leveling the playing field for the participation of legitimate private enterprises, especially in the areas of infrastructure and digital economy. And the third is improving the management of natural resources, particularly in energy, which are important for sustained, long-term growth.

Second, the South Asia Strategy. The South Asia Strategy recognizes the strategic importance of the region for stability in Afghanistan. The request supports continued USAID engagement important to this objective. For example, deepening our strategic partnership with India, which shares economic and humanitarian interests in Afghanistan.

And third, the journey to self-reliance. In the words of USAID Administrator Mark Green, the ultimate goal of development assistance must be to work toward the day when it is no longer necessary. He has said, and I quote, "At the heart of our work is the core belief that each country must lead its own development journey."

We call the path to get there the journey to self-reliance. In support of this, we focus on building capacity and commitment of countries to drive their own development. This includes commitments to open and accountable governance and inclusive growth and it includes the capacity to mobilize funds domestically for their development. With Fiscal Year 2020 resources we will continue to strategically focus our efforts toward achievement of this goal.

I will next provide brief country highlights. For Bangladesh, our request includes resources for lifesaving assistance to Rohingya refugees and for ramping up our support to impacted host communities. In addition, our request supports programs aimed at restoring democratic processes, political pluralism and good governance, improving the business-enabling environment and agricultural economy, strengthening the conservation of targeted ecosystems in order to mitigate the impact of natural disasters, and attracting renewable energy investments. Our program supports Bangladesh in its goal of achieving middle income status by 2024.

For India, our budget request supports India's integral role to advancing both a free and open Indo-Pacific region and a stable South Asia. For example, India is central in our efforts to facilitate infra-

structure and energy investment and connectivity across South Asia. The request includes new funds for regional energy activities that contribute to advancing the President's vision of a free and open Indo-Pacific.

It also supports Asia EDGE, a U.S. Government initiative to promote energy security and expand energy access across the Indo-Pacific region. The request will also enable USAID to leverage domestic resources, including from India's robust private sector that is legally mandated to contribute to social causes in ways that help India better respond to its lingering development challenges, including poor health conditions, inadequate resources related to water and sanitation, and air pollution.

For Nepal, despite steadfast progress the country remains vulnerable to unsustainable debt, weak institutional capacity and future disasters. Following on USAID's support for the historic 2017 elections, the request will allow USAID to address emerging challenges to Nepal's transition to federalism. Our request also supports efforts to improve the country's weak business regulatory environment, advance a competitive market economy, and address health, food security, and education challenges.

For Sri Lanka, recent political turmoil compounded by the April terrorist attacks, growing ethnic religious nationalism, and slow progress and commitment to transitional justice and ethnic reconciliation exacerbate the country's development challenges. With elections on the horizon for late 2019 and early 2020, USAID will use Fiscal Year 2020 resources to bolster democratic governance, foster ethnic reconciliation, and enhance fair opportunities for trade and competitiveness. Assistance will also provide the Government of Sri Lanka with technical support for infrastructure development and for fostering the rule of law.

And, finally, for the Maldives, Fiscal Year 2020 resources will enable USAID to advance U.S. interests and seize burgeoning opportunities presented by the country's democratic opening. We will also use Fiscal Year 2020 resources to support the government's request for assistance in public financial management, in countering terrorism, and in managing its natural resources.

In closing, South Asia is a strategically important region for the United States. With this request, USAID will continue efforts vital to increasing partner countries' self-reliance and advancing a free and open Indo-Pacific region. Thank you.

[The prepared statement of Ms. Steele follows:]

Gloria Steele
USAID Acting Assistant Administrator for Asia
House Foreign Affairs Subcommittee on Asia, the Pacific, and Nonproliferation
“U.S. Interests in South Asia and the FY 2020 Budget”
June 13, 2019

Chairman Sherman, Ranking Member Yoho, and Distinguished Members of the Subcommittee: Thank you for inviting me to testify on the vital role of the United States Agency for International Development (USAID) in advancing U.S. foreign policy priorities in South Asia. It is an honor to testify before this committee.

USAID’s development and humanitarian assistance is key to achieving prosperity and stability for our partner countries, as well as the United States. The President’s Fiscal Year (FY) 2020 budget request for USAID’s development assistance in South Asia is \$332.3 million, which represents a 73 percent increase over FY 2019’s request. This request supports USAID’s programs in Bangladesh, India, Nepal, Sri Lanka, and the Maldives.

Advancing the President’s Vision of a Free and Open Indo-Pacific Region

South Asia, a cornerstone of the President’s vision to advance a free and open Indo-Pacific in which all nations are independent, strong, and prosperous, is a region of great strategic importance. According to the World Bank, South Asia is the world’s fastest growing region and is projected to remain so through 2021, with India and Bangladesh both averaging real GDP growth rates above 7 percent. Yet South Asia’s continued growth—and the ability of U.S. companies to compete in the Indo-Pacific region freely and fairly—is hindered by deficits in governance, rule of law, and infrastructure.

With FY 2020 funds, USAID will continue to play a leading role in advancing the United States’ whole-of-government approach to realizing a free and open Indo-Pacific region. Together with our U.S. Government partners, and in coordination with like-minded donors, USAID supports interagency initiatives and key bilateral and regional efforts focused in three primary areas.

First, to advance the President’s vision, we are helping to strengthen democratic systems that are critical for peace and prosperity. Foundational to a free and open Indo-Pacific region is the ability of governments to create and sustain the conditions needed to attract greater private investment and withstand foreign pressure—conditions that are transparent, that adhere to international rules and standards, and that uphold human rights, fundamental freedoms, and democratic values. The Agency is a leader in the Indo-Pacific Transparency Initiative, which promotes sound, just, and responsive governance through strengthened democratic institutions, processes, and principles in Asia.

Second, we are helping to unlock private enterprise-led economic growth, which is key to sustaining and accelerating development progress. To do this, we help advance reforms to governing laws, regulations, and policies to ensure fair and open market competition and level the playing field for legitimate players, including the U.S. private sector. Our leading role in U.S.

Government initiatives, including the Infrastructure Transaction and Assistance Network and the Digital Connectivity and Cybersecurity Partnership, drives private sector engagement in the development of sustainable infrastructure and the digital economy—both powerful accelerants of growth.

Third, we are helping to improve natural resource management. The Indo-Pacific region is rich in forests, fisheries, and other natural resources important to the region’s long-term growth—including vital energy sources. Yet their sustainability is threatened by irresponsible infrastructure development, resource extraction that ignores environmental and social safeguards, and high rates of transnational environmental crime. USAID helps strengthen applicable laws, promotes the adoption and enforcement of international environmental standards, and fosters private sector engagement on sustainable supply chains, energy sector transformation, and safeguards. We play a leading role in Asia EDGE (Enhancing Development and Growth through Energy), a U.S. Government initiative that is increasing energy security and expanding energy access and connectivity across the Indo-Pacific region.

South Asia Strategy

South Asia is also strategically important to the President’s strategy for stability in Afghanistan. USAID’s country partnerships and engagement in the region help advance overarching U.S. objectives in this regard. This includes our deepening strategic partnership with India, which shares economic and humanitarian interests in Afghanistan, where India is the fifth largest donor. For example, in support of regional economic connectivity, this past fall, USAID sponsored the second annual India-Afghanistan trade and investment show, which both doubled attendance and the total value of deals negotiated compared to its inaugural year. With FY 2020 resources, we will continue advancing our efforts to bolster India’s role as a regional—and global—leader.

USAID’s Journey to Self-Reliance

At USAID, our ultimate goal for our partner countries in South Asia and around the world is to see them progress from being aid recipients, to partners, to fellow donors. We look forward to the day when foreign assistance is no longer necessary. We call the path to get there the “Journey to Self-Reliance.”

In support of partner countries’ progression toward self-reliance, USAID is realigning and reorienting its policies, strategies, and programmatic practices to improve how it partners with countries to develop their capacity and commitment to drive their own development. This includes commitments to open and accountable governance, inclusive growth, and the capacity to mobilize development funds domestically and through foreign direct investment. It also includes an emphasis on unlocking private enterprise-driven development to sustain progress.

This approach to development—which prioritizes fostering stable, resilient, prosperous, and self-reliant countries—is good for our partners around the world, our nation’s security, and the American taxpayer. With FY 2020 resources, we will continue to focus our efforts strategically where we can have maximum impact toward this goal. On that note, I will next provide brief country overviews and highlight our strategic focus areas.

Bangladesh

Bangladesh is a key Indo-Pacific partner in South Asia. With nearly one in five people living in poverty and a regression in its democratic development, the country faces immense hurdles as it aims to achieve middle-income country status by 2024. USAID programs focus on democracy, human rights, and governance; economic growth, food security, and trade; health and basic education; and environmental resilience and energy. We also continue our assistance to help some of the nearly one million Rohingya refugees in Cox's Bazar and Bandarban districts, as well as host and impacted communities.

In line with the President's vision for a free and open Indo-Pacific region, and advancing USAID's Journey to Self-Reliance, we are focused on strengthening democratic systems in Bangladesh. The FY 2020 budget request includes \$5.0 million for Good Governance. Programming supports the Indo-Pacific Transparency Initiative by promoting democracy, governance, and the rule of law, including improving access to justice and the delivery of legal aid in the formal justice system, particularly for underserved communities.

To restore democratic processes and political pluralism, programs will promote the democratic development, professionalism, and peaceful cooperation of political parties. Funds will also support labor rights and related reforms as well as strengthen space for civil society and media to act as a positive force in Bangladesh's democratic development. These activities both uphold human rights and promote increased U.S. investment in Bangladesh, as well as support Bangladesh in its goal of achieving middle-income country status by 2021.

We are focused on unlocking private enterprise-led economic growth. In support of this, the FY 2020 request includes \$7.5 million for Private Sector Productivity efforts. Programs will enhance the growth of Bangladesh's small and medium enterprises, including through the expansion of private sector partnerships and improvement of the business enabling environment. Key to this effort is boosting the agricultural economy. One-third of the FY 2020 ESDF request for Bangladesh will go toward improving agricultural market systems and nutrition through better farming practices, research, infrastructure, crop diversification, employment and entrepreneurship activities, and trade. This is a critical component of the U.S. Global Food Security Strategy.

We are also focused on improving natural resource management, which is especially important given the fact that Bangladesh is one of the most disaster prone countries in the world. Bangladesh is home to globally significant landscapes, including the Sundarbans, the world's largest mangrove forest. FY 2020 resources will help strengthen the conservation of key targeted ecosystems and support the establishment of a publicly accessible forest monitoring and inventory system and other sustainable landscapes interventions. Resources will also support USAID's continued assistance to the Government of Bangladesh to develop policies that encourage domestic and foreign investment in the renewable energy sector.

With regard to the influx of Rohingya refugees, and in recognition of the likelihood that their stay in Bangladesh will be protracted, USAID is pivoting to meet the needs of impacted

communities in Cox’s Bazar and Bandarban districts. Funding will support a multi-sector, integrated effort to improve local service delivery capacity, including water supply and sanitation, livelihood opportunities, and social cohesion. Funds will support marginalized children in Cox’s Bazar by increasing their opportunities for learning and supporting the resilience of school communities. These new investments will complement ongoing efforts to improve disaster preparedness by training local communities and government officials. In addition, USAID is rehabilitating and constructing cyclone shelters to mitigate potential impacts during the May-to-October cyclone and monsoon seasons. With USAID’s Office of Foreign Disaster Assistance support, our partners have completed repairs to 40 cyclone shelters in Cox’s Bazar as of early April 2019; in total, USAID partners plan to repair or refurbish more than 150 cyclone shelters, and by 2024, construct at least 20 new multi-purpose shelters.

India

In recognition of India’s integral role in both the President’s vision for a free and open Indo-Pacific region and a stable South Asia, the FY 2020 request includes an increase for India over both the FY 2018 and FY 2019 requests. Resources will bolster India’s continued emergence as a regional and global leader and strong strategic partner in advancing our shared objectives for peace and security in South Asia and the broader Indo-Pacific region. The request enables USAID to leverage domestic resources—including from India’s robust private sector that is legally mandated to contribute to social causes—in ways that help India better respond to its lingering development challenges, including health and air pollution.

India plays a central role in efforts to facilitate energy and infrastructure investment and connectivity across the region. This is particularly critical in South Asia, where intra-regional economic activity remains roughly 5 percent of South Asia’s total trade and holds tremendous potential to spur growth. The FY 2020 request includes \$20 million in new funds for Modern Energy Services, which will support regional energy activities that contribute to the goals of Asia EDGE to promote energy security and expand energy access. It will also build on the successes of the South Asia Regional Initiative for Energy (SARIE) to expand the market for, and accelerate the deployment of, new and renewable energy technologies in South Asia. Activities will also create an enabling environment for an expanded regional power market, accelerated deployment of new and advanced energy efficiency technologies throughout South Asia, improved and efficient performance of utilities, and enhanced private sector participation in the region. In addition to energy connectivity, funding will foster natural resource security, disaster risk reduction, digital connectivity, and cyber security in the region.

FY 2020 funding will also support the Government of India’s capacity and commitment to move the country further along its Journey to Self-Reliance. USAID has helped India overcome some of the country’s most pressing development needs, such as acute food insecurity, while also strengthening the government’s capacity to manage and implement its development agenda. Despite these achievements, the country is home to the world’s highest burden of tuberculosis (TB) cases, and 20 percent of global maternal and child deaths. Working closely with the Government of India, the private sector, and civil society to identify, pilot, and scale up cost-effective innovations and best practices, funding will target the most important issues constraining India’s ability to address health concerns and social inequality. Our approach is

concentrated, strategic, and focused on technical assistance that mobilizes India's robust domestic resources. FY 2020 funds will support the globally shared goals of preventing child and maternal death and combating infectious disease threats, plus expanding access to clean water and sanitation. Under USAID's new Global Accelerator to End TB, our Mission in India has already started to play a prominent role in leading both private sector investments and local partnerships to combat TB. This emphasizes USAID's strong commitment to India's goal to be TB-free by 2025, a highly applauded commitment made by Prime Minister Narendra Modi.

USAID's Mission in India currently programs most of the Congressional earmark for Tibetan communities in India and Nepal, which focuses on strengthening the self-reliance and resilience of Tibetan communities in South Asia through sustainable livelihoods improvement and strengthened local institutions, equipping them to become effective leaders and maintain the vitality of their communities and institutions while sustaining their unique identity and culture.

Nepal

USAID assistance will support Nepal's transformation as a more capable, self-reliant partner that asserts its democratic and economic independence and promotes greater stability in the Indo-Pacific region. Although the country continues to make steadfast progress in overcoming its development challenges, including a decade-long insurgency that ended in 2006 and earthquakes that killed over 9,000 people in 2015, Nepal remains vulnerable to unsustainable debt, weak institutional capacity, and future disasters. USAID helps Nepal to bolster democratic governance, boost private sector-led economic growth, address Nepal's energy security and regional connectivity, strengthen health care and education systems, and build its capacity to mitigate and respond to natural disasters.

Nepal is in the midst of a historic devolution of powers and transition to federalism, which carries the potential for increased socio-economic development and stability. However, early challenges to this transition have emerged, including increased opportunities for corruption, renewed grievances from the conflict era, insufficient local government capacity to provide services, and openings for non-democratic influences from external actors. With FY 2020 funds, our assistance will address these emerging threats and support Nepal's democratic sovereignty by promoting transparent and inclusive governance, a free and independent civil society that holds the government accountable, and strengthened rule of law to deter transnational organized crime. Following on USAID's support for the historic 2017 elections, the FY 2020 request includes \$9.5 million to solidify democratic gains by increasing Good Governance.

Despite Nepal's economic progress, corruption and a weak business-enabling environment have perpetuated a fundamentally non-competitive economy. This has left the country vulnerable to unsustainable debt and predatory lending schemes. In line with the President's vision for a free and open Indo-Pacific region and USAID's Journey to Self-Reliance, our assistance improves the country's regulatory environment necessary to accelerate economic growth. Programs will promote business-friendly policies and regulatory reforms that advance a competitive market economy and support small- and medium-sized businesses. A total of \$7.5 million in Economic Growth funds is requested to help Nepal leverage trade and investment opportunities and realize its largely untapped economic potential.

In line with Asia EDGE, our efforts help to strengthen the energy sector's legal and regulatory framework, enforce environmental and social safeguards, and facilitate cross-border electricity trade with partners such as India. Additionally, we are boosting the agricultural economy and food security through sector modernization and strengthened market linkages. Finally, building upon USAID's success in helping Nepal recover from the 2015 earthquakes, we will continue to promote modern safety standards and sustainable financing for disaster-resilient construction as an alternative model for infrastructure projects in Nepal which impose unsustainable debt and questionable standards.

Our health and education investments support Nepal's Journey to Self-Reliance and optimize the long-term effectiveness of U.S. assistance. FY 2020 Global Health funds support the globally shared goal of preventing child and maternal deaths and the latest evidence-based interventions to reduce chronic under-nutrition among women and children under 2 years of age. Building upon our success in increasing literacy rates for over 318,000 early grade students, USAID will continue to support the government's national rollout of its early grade reading program to prepare Nepal's children and youth to contribute to a productive economy.

Sri Lanka

An island nation located along major trade routes in the Indian Ocean, Sri Lanka is critical to maritime and regional stability. Sri Lanka continues to navigate a path toward stability and reconciliation after a 26-year conflict and several natural disasters. Recent political turmoil, compounded by the April terrorist attacks, growing ethnic-religious nationalism, and slow progress on commitments to transitional justice and ethnic reconciliation, exacerbate Sri Lanka's development challenges. With elections at the provincial and national levels on the horizon for late 2019 and early 2020, USAID will use FY 2020 resources to strengthen Sri Lanka's capacity to play a positive role in a free and open Indo-Pacific region by bolstering democratic governance, fostering ethnic reconciliation and religious harmony, and enhancing fair opportunities for trade and investment.

In line with a free and open Indo-Pacific region and Sri Lanka's Journey to Self-Reliance, roughly half of the bilateral budget request will promote democratic governance. Funds will strengthen democratic institutions and the rule of law, empower civil society and the media, build upon a growing political openness, and promote respect for human rights, including for members of minority communities. To support Sri Lanka's Journey to Self-Reliance and strengthen the effectiveness, transparency, and accountability of key democratic institutions, funds will be used to support capacity building of institutions, including the Parliament and independent commissions, and increase civil society engagement in electoral processes. Funds will also support Sri Lanka's efforts to fulfill its commitments to transitional justice dating from the end of the civil war.

Also in line with a free and open Indo-Pacific region and Sri Lanka's Journey to Self-Reliance, the remaining bilateral budget request will advance economic governance. Using FY 2020 funds, our assistance will help level the playing field for trade and investment through transparent and accountable public financial management systems that help Sri Lanka effectively manage

domestic resources and debt so that the country can achieve growth and self-reliance, and avoid taking on unsustainable debt. Programs will promote inclusive economic development that allows for island-wide growth, for example, through a focus on small and medium enterprise development and entrepreneurship opportunities. Assistance will also provide the Government of Sri Lanka, especially the Port of Colombo, with infrastructure technical support.

Maldives

Following the Presidential election in September 2018 and recent Parliamentary election, Maldives is experiencing a renewed commitment to democratic governance and the rule of law—a critical step toward a free and open Indo-Pacific region. Growing prosperity in the Maldives heavily depends on fisheries and tourism—industries that are vulnerable to weather and market volatility. USAID partners with the Maldives to strengthen democratic and economic governance and environmental resilience.

FY 2020 resources will enable USAID to advance U.S interests and seize burgeoning opportunities presented by the Maldives’ democratic opening. Following the election last fall, USAID was quick in responding to a request from the new Maldivian Government to assist with developing and implementing its reform agenda. Specifically, USAID’s support to-date has helped the government solicit and respond to citizen input for its governance plans; provided the President’s office with capacity building in anti-corruption oversight, and implemented program-based budgeting in several ministries. To sustain hard-won democratic gains, FY 2020 resources will strengthen the effectiveness, transparency, and accountability of key democratic institutions at the national and local levels; work with civil society to counter radicalization to violence and recruitment to violent extremist organizations by increasing the resilience of vulnerable populations; and bolster the work of government and civil society stakeholders to investigate human rights violations and abuses and reform laws and policies that contribute to them.

In addition, FY 2020 resources will promote improved economic governance, with particular attention to increasing government transparency, accountability, and efficiency. Resources will support Maldivian efforts to counter corruption by improving the policy and regulatory environment for public financial management, supporting effective budgeting, and streamlining processes and aligning current policies to conform to transparent, international best practices. This will improve effectiveness of national expenditure allocations and the efficiency of public investment management. Resources will also continue to strengthen decentralized management of more resilient reef ecosystems, and establish sustainable financing mechanisms to support adaptive marine management.

Conclusion

Chairman Sherman, Ranking Member Yoho, and Distinguished Members of the Subcommittee: South Asia is a strategically important region for the United States, with tremendous promise that is constrained by significant development challenges. Much depends on the development path the region charts today. This budget request would provide the necessary resources for USAID to continue its critical role strengthening American security and prosperity through strategic investments that increase partner country self-reliance and advance a free and open

Indo-Pacific region—contributing to greater stability and economic opportunity for all. Thank you for the opportunity to appear before you today. I look forward to your counsel and questions.

Mr. SHERMAN. I want to thank all of our witnesses. I will now recognize myself for 5 minutes.

Ambassador Wells, how important is it for us to reach out to the people of Pakistan in the languages they actually speak in their home, particularly in the language of Sindh?

Ms. WELLS. Very important, sir, and we do through our Karachi consulate have programming in Sindhi language to the 50 million person audience in that region. We also have local staff, whether it is in Karachi or elsewhere in-country that are engaged in Sindhi language outreach.

Mr. SHERMAN. So you are able to reach people by sending speakers out, by convening meetings, but if we did broadcasting in Sindhi we would be able to reach all 50 million people. I hope you support that record. For the record? Yes.

Ms. WELLS. We appreciate additional efforts of outreach in Pakistan.

Mr. SHERMAN. Now the big aid, and we are here not talking about 70 million for Pakistan, the big issue is the IMF loan. It looks like that is going through.

Ambassador Wells, does Treasury just do what they want for checking off some economic boxes, or since this is the single most important thing we do with regard to Pakistan, do they listen to you?

Ms. WELLS. Yes. There is a discussion about the conditionality that we think would be appropriate for an IMF package to Pakistan. We have not seen the IMF package yet. We understand that there has been an agreement reached between the IMF and Government of Pakistan, but certainly we have communicated our strong views and Secretary Pompeo has also done so publicly on the need for any package to include a real structural reform to reinforce—

Mr. SHERMAN. If I can interrupt, what about Dr. Afridi? Can we, should we block this IMF loan until Dr. Afridi, his family, are free here in the United States?

Ms. WELLS. We believe Dr. Afridi is being held wrongly, inappropriately. With Congress's help we have withheld 130 million dollars in assistance to Pakistan already as a result of his incarceration, and we continue to raise Dr. Afridi's case.

Mr. SHERMAN. But we are letting them get what they really want which is the six billion from the IMF. And if they default on that the American taxpayers lose well over a billion. Have we offered any prisoner exchange, for example, Dr. Siddiqui, who I know has cooperated in terrorism, but is still, given Dr. Afridi's critical role are we negotiating or are we seeking to negotiate with Pakistan some sort of prisoner release?

Ms. WELLS. We have not offered a prisoner exchange for Dr. Afridi. Dr. Afridi is being held wrongly. He is not guilty of any terrorism charges.

Mr. SHERMAN. Almost every prisoner exchange—when we exchanged spies with the Soviets, the spies that we gave up were people working for communism and the people we got back were people working for freedom. By all rights they should have been freed anyway. I would hope that as another committee looks at those who—the first responders at 9/11, that you would do more to get

Dr. Afridi released and make more, offer more on the plus side even if it is unjust and withhold on the other side, because who is going to ever help America stop terrorism as long as Dr. Afridi is in jail.

I have talked before about the missing persons and forced disappearances, particularly religious minorities in the Sindh Province of Pakistan. I will ask both—well, I will ask all of our witnesses, to what extent do we bring up these human rights issues in our interactions with Pakistani officials? Ms. Steele?

And if it Ms. Freeman who pretty much deals with that then I will just—Ms. Freeman.

Ms. STEELE. It is Ms. Freeman.

Ms. FREEMAN. USAID remains concerned about all of the reports on human rights violations. And not only do we raise that with the government officials, but we also try to encourage the new initiatives with the Government of Pakistan and strengthen civil society to that end. Thank you.

Mr. SHERMAN. My time is expired, my list of questions is not. We will call on other members and we will do a second round for those who are still here. We will hear from our ranking member.

Mr. YOHO. Thank you, Mr. Chairman.

Thank you for your testimony. Ambassador Wells, it was music to my ears to hear you say moving countries from aid to trade as soon as possible. From a hearing like this it is amazing when I look back, it led to the inspiration for the BUILD Act and that is how that happened. That led to the bipartisan support to create the new USIDFC, the International Development Finance Corporation, modernizing OPEC, and strengthening our foreign development arm moving, again, countries from aid to trade. You know, so out of this meeting we hope to move beyond that.

It is such a large region from Afghanistan over to the east encompassing all the countries in between, I think it is about 1.8 billion people just in that region. And what I hear, again when we talk about development I hear over and over again we need to build democracies. And I have been a proponent of I do not think that is the right way to go. You guys have got collectively a tremendous amount of experience.

I think more importantly we should develop stable governments. If I look at the history that has been learned or the lessons that have been learned from Afghanistan, we moved into a country that we did not understand. We did not understand the tribal nature of a country and we tried to instill a democracy. And as we know democracies are very messy as we have learned over 240-plus years.

I think we should adapt our strategy and policies to fulfill the needs of a country and develop a stable government, because I see right now we are negotiating with the Taliban, but somebody correct me if I am wrong, they were a terrorist organization and we had a policy we do not negotiate with terrorists. Yet they control more land in Afghanistan today than they did before we went into Afghanistan.

My question to you is, the Taliban will not negotiate with the current, democratically elected Afghan Government. Is that not a major problem and should the Afghan Government be brought into the negotiations?

Ms. WELLS. Absolutely. And Ambassador Khalilzad's mission or his mandate is, you know, first to ensure that we are not threatened by terrorist groups operating inside of Afghanistan; and two, to protect the investments we have made over the last 18 years in Afghanistan; and then three, to end the war and reduce the burden on the United States. And the way he has approached the negotiations is through four interrelated elements.

The first element is to, you have guarantees and enforcement mechanism that the Taliban will break all ties with international terrorists, with any terrorist group on Afghan soil; second, to arrive at guarantees and enforcement mechanism for the withdraw of foreign troops; but three is to ensure Taliban participation in intra-Afghan negotiations and dialog, and that would include the Afghan Government. It would include the political opposition, civil society, and women.

And then the fourth element is a complete and comprehensive cease-fire. And you cannot have one without the other, all four interrelated. And, for example, how would we trust the counterterrorism guarantees if we do not understand the government that emerges from an intra-Afghan negotiation. And so, this process is underway. Ambassador Khalilzad is in Afghanistan right now working to create, working with partner President Ghani, and also bringing in the region through his consultations with Russia, China, the Europeans, and Pakistan of course.

Mr. YOHO. You know, I hear you on the development and the things that we want and we want to, you know, empower people, women, and everybody in society. But again, when you go to a country that is for thousands of years has never had that and we are kind of forcing this on them, I think there is—if we know that people want to become more successful economically, when we go in and do major infrastructure development—and that was the impetus behind BUILD Act, so that we could develop infrastructures that would lead to the development of economies that create the jobs that bring a better outcome—generally, I would think you would get more stability.

I mean we have been in Nicaragua, we had a hearing on that yesterday, with Daniel Ortega, and basically, we are still trading with this guy and he is a communist dictator by all practical means, but yet we have—we pretend it is a democracy and it is anything but. And so, if people do not understand a democracy, I think they would understand a stable government.

And again, it pains me that we are negotiating with the Taliban after what, 18 years and billions or trillions of dollars. I just depend on you with your collective experience to feel bold enough to say I think we should change the strategy. And if you cannot do it in the State Department, slip a note under my office door anonymously and I will be happy to follow through with this committee.

Mr. Chairman, I yield back.

Mr. SHERMAN. We have many methods of communication with all of you who work hard in our foreign policy agencies. With that I recognize the gentlelady from Pennsylvania.

Ms. HOULAHAN. Thank you, Mr. Chair.

And thank you very much for your testimony. Today it is nice to see some of you again and some of you for the first time. My ques-

tion is for Ambassador Wells and Ms. Steele, most likely, but I would welcome anybody to answer it. Yesterday, or probably this morning, because we just got out of the HASC all-day, 24-hour marathon markup, I was able to successfully include an amendment in the NDAA that directs the DOD to conduct research on the role of women in countering violent extremism.

Given the horrific Easter Sunday attacks in Sri Lanka, can you talk about the ways that State and USAID are perhaps working with or using women to help prevent the rise of extremism in South Asia?

Ms. WELLS. This is a very strong component, obviously, of the peace process in Afghanistan in ensuring that women's voices and views are incorporated. And so, you see that Ambassador Khalilzad actively soliciting the views of women, working with women's organizations in Afghanistan, working with stakeholders to ensure that women are included as representatives in any dialog or negotiating structure, this is reinforced by the White House's own initiative to emphasize women in peacemaking.

And so there will not be peace in Afghanistan if half the population is not understood and accommodated, and I would just add that as we come closer to peace negotiations, the demand for upholding women's education and women's rights has been so strong, and not just from women in cities but reports of women under Taliban control, what they want is education and an opportunity to work and so getting their voices heard is critical.

In Sri Lanka, the multi-confessional, multiethnic nature of that society, you have to have women also reaching across those boundaries, and so I will let Gloria discuss the range of programs that we have to do so.

Ms. STEELE. Thank you. You are absolutely right. A major component of our programs not just in Sri Lanka, but also in the Maldives is mobilizing women, the civil society particularly involving women, in order to help us address the root causes of violent extremism in both countries. One of the first things that we did when we provided assistance in the Maldives, for instance, was to get civil society together focusing specially on women and the youth in order to help us try to address violent extremism. This is a major component of our programs.

Ms. HOULAHAN. Thank you. And I certainly look forward to the opportunity to have the DOD do a little bit of research on all of our behalves on this issue.

And kind of transitioning into that, on Tuesday the administration finally released its Women, Peace, and Security strategy. I think it was about eight or 9 months late. And last month, I joined many of my colleagues on this committee in sending a bipartisan letter to Secretary Pompeo urging him to ensure the representation of Afghan women in peace negotiations with the Taliban.

So I would like if it is OK, Mr. Chairman, to enter that, ask for unanimous consent to enter that letter into the record.

Mr. SHERMAN. Without objection, so ordered.

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DEMOCRATIC WOMEN'S CAUCUS

June 6, 2019

The Honorable Michael Pompeo
Secretary
U.S. Department of State
2201 C Street NW
Washington, DC 20520

Dear Secretary Pompeo,

As the United States seeks to end the fighting in Afghanistan, we urge you to ensure that Afghan women are equally and meaningfully represented in the peace process and that any agreement protects women's rights. While we welcome the State Department's efforts to lay the foundation for an inclusive intra-Afghan peace process, we are concerned that women's voices are being excluded.

Research by the International Peace Institute shows that when women have a substantive role in peace negotiations, the likelihood the agreement will last beyond fifteen years increases by as much as 35 percent. Recognizing the importance of women's participation, Congress passed and President Trump signed into law the Women, Peace, and Security Act (PL 115-68). As you know, that law makes it U.S. policy to promote women's meaningful participation in preventing, managing and resolving conflicts. It builds upon a growing body of research that demonstrates, in the words of the 2017 National Security Strategy, that "societies that empower women to participate fully in civic and economic life are more prosperous and peaceful." Additionally, the Presidential Memorandum on Promoting Women's Global Development and Prosperity rightfully recognizes this relationship between women's inequality and a country's propensity toward violent conflict. The Afghan peace process is the first real test of U.S. implementation of this law, and we hope you take this opportunity to include women as decision-makers on matters of peace and security.

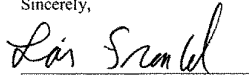
The significant gains of Afghan women and girls over the past 18 years have been some of the greatest returns on U.S. investment in Afghanistan. Since the Taliban government fell in 2001, women have voted in elections and served as parliament members and government ministers. According to the U.S. Institute of Peace, more than 68,000 women are employed in schools and universities, at least 10,000 are doctors and health care professionals, and Afghan women entrepreneurs have created roughly 77,000 jobs for Afghans.

Women from across Afghanistan have come together in an unprecedented way to call for their equal and meaningful participation in any ceasefire and peace process. The Afghan Women

National Consensus for Peace, a network of women's groups that includes the Office of the First Lady of Afghanistan, women members of the High Peace Council, the Ministry of Women's Affairs, and the Afghan Women's Network, recently convened groups of women in 34 provinces to discuss their priorities for the peace process. Yet during the February and May talks in Doha between American diplomats and the Taliban, Afghan women were not represented. Afghan women's voices need to be heard – not just on women's rights, but on the future of their country. We urge the State Department to protect Afghan women's negotiating position and hard-won gains in all discussions with the Taliban.

As negotiations with the Taliban continue, women's perspectives and the preservation of women's rights and human rights should be at the center of your efforts, including by ensuring that women have a meaningful seat at the table. Sustainable peace in the country and the region depends upon it.

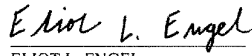
Sincerely,



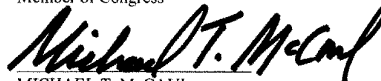
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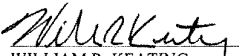
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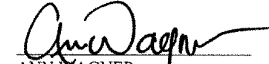
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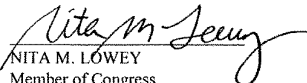
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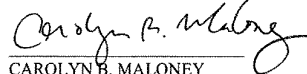
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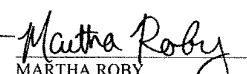
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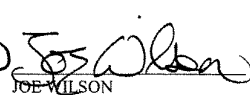


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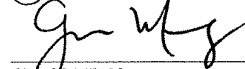
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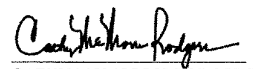

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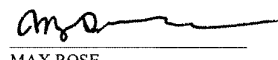

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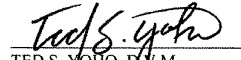

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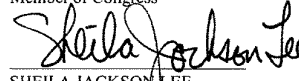

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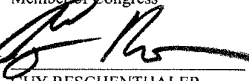

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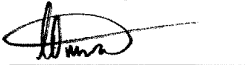

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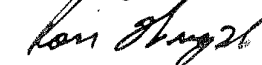

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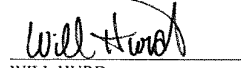

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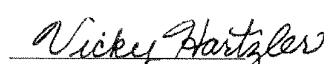

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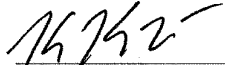

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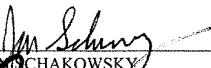

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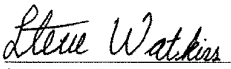

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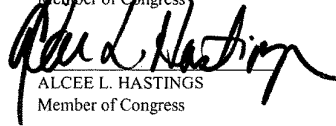

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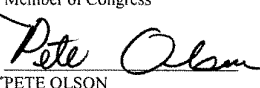

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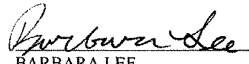

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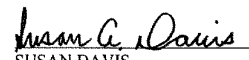

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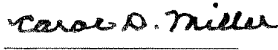

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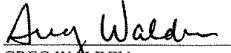

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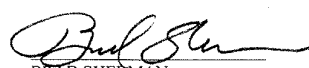

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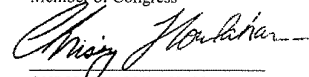

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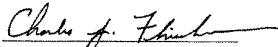

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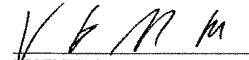

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THEODORE E. DEUTCH
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Peter Welch

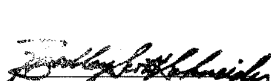
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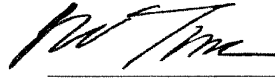
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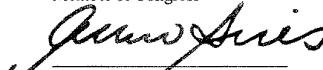
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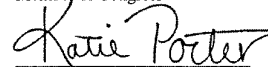

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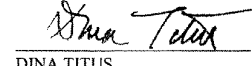

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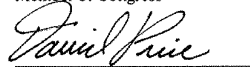

ADRIANO ESPAILLAT
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TONY CÁRDENAS
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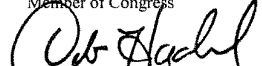

KATIE PORTER
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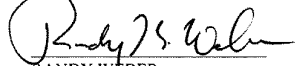

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Ms. HOULAHAN. And for the Ambassador, I was wondering if you could tell me a little bit about the status of those negotiations.

Ms. WELLS. Ambassador Khalilzad has made significant progress in getting the Taliban to the negotiating table. And not just any Taliban, but an empowered negotiating team that represents various constituencies of the Taliban and leadership figures. And in these discussions that have taken place in Doha and in the discussions that are taking place in Kabul with the Government of Afghanistan, hammering out those four elements of what are going to constitute a sustainable peace settlement. And so the progress is ongoing.

The next step, major step that needs to be taken is to achieve an intra-Afghan dialog and negotiation. There are certain things that can be discussed between the United States and the Taliban that are appropriate, but certainly nothing can be negotiated over the heads of the Afghan people.

Ms. HOULAHAN. And you feel as though women are being included in those early conversations?

Ms. WELLS. They are. And both in Ambassador Khalilzad's extensive outreach, but also in President Ghani's own solicitation of the views of Afghan women, the role of Afghan women in the Peace Council. I would note that about a third of all voters in the parliamentary elections in Afghanistan were women. We have 69 women members of Parliament. Women are part and parcel of not just government, but in all aspects of society now in Afghanistan and it is one of the foremost achievements of the last 18 years.

Ms. HOULAHAN. Thank you. And my time has expired and I yield back.

Mr. SHERMAN. We move from the gentlelady from Pennsylvania to the gentleman from Pennsylvania.

Mr. PERRY. Thanks, Mr. Chairman, and I thank our panelists for their attendance today.

Ambassador Wells, I want to turn to India a little bit and have a discussion regarding our ties—correction—India's ties with Russia, especially on the military side and particularly their purchase or acquisition of S-400 surface-to-air missiles, and if that will result or, in your view, if it will invoke CAATSA sanctions. And what is India's calculation in receiving that weaponry from Russia and is there any indication that they did so because they couldn't get some like kind of capability from the United States?

Ms. WELLS. Thank you. I think we have seen India, over the years, in particular over the last 10 years, start to diversify its weapons sources. And so, we, our trade relationship in defense sector went from zero to 18 billion over the last 18 years and we expect a continued progress in expanding that defense relationship. But it is still the case that about 65 or 70 percent of India's military hardware is Russian origin. And when President Putin visited in October of last year, there were additional announcements of big-ticket military items that were potentially under consideration.

What causes concerns with the S-400 is that it effectively could limit India's ability to increase our own interoperability, that at a certain point a strategic choice has to be made about partnership and a strategic choice about what weapons systems and platforms a country is going to adopt. It is the case that 10 years ago we did

not offer the range of military equipment to India that we are prepared to offer today, and so we are very much engaged in a conversation with India over how we can broaden our defense relationship.

And you saw a key step forward last year when the Ministers of State and Defense met each other, when we negotiated and signed the COMCASA agreement which allows for the sharing of classified information, one of these basic foundational agreements that foster military interoperability. So we are making, I think, significant strides forward in our military relationship. There is no blanket waiver or a country waiver when it comes to an S-400. We have serious concerns about a possible S-400 purchase and we are continuing our conversations on what the United States or other defense providers how they could assist India.

Mr. PERRY. Were we aware that they were in negotiation for the S-400 prior to its acquisition? I mean did we know they were engaging in that with Russia in advance of the acquisition and the delivery? I mean, were we in the conversation?

Ms. WELLS. We were aware of India and Russia's negotiations. These have been long-running.

Mr. PERRY. I am sure.

Ms. WELLS. Many, many years in the making, and so—

Mr. PERRY. So what did we do to try and dissuade, and encourage, dissuade India and encourage them to take a different path, particularly with the S-400, and did we do anything to offer any alternatives, or was it and is it inappropriate to do that at this time?

Ms. WELLS. Well, I think under the Trump administration we have been very clear that we are ready to help meet India's defense needs and we are seeking a very different kind of defense partnership, building on the major defense partner designation that India has received from Congress, and so how to make that as robust and as meaningful of a relationship as possible.

You know, we now do more military exercises with India than with any other country. Just a few weeks ago, India, the United States, Philippines, and Japan did a sail-by in the South China Sea. In both our bilateral, trilateral, quadrilateral formats, we are working together in ways that we did not even conceive of 10 years ago. And so, we would like all aspects of our military relationship to catch up to this new partnership.

Mr. PERRY. What do you envision the relationship with the U.S. and India vis-a-vis China, strategically? I mean can you give us like a 1-2-3 overview of what the State Department envisions for that relationship or of that relationship vis-a-vis China?

Ms. WELLS. Both the United States and India believe in a free and open Indo-Pacific region. We believe—so, first, we are worried about China's ambitions and aggressions as they are manifesting themselves in the Indo-Pacific. I think, second, we are concerned by a policy of predatory lending, unsustainable loans, loans that do not adhere to labor, environmental standards and loans that have led to, in the Indian Ocean region, the loss of sovereignty, whether it is in Sri Lanka or Pakistan or what was about to happen in the Maldives.

And so, I think we have a clear-eyed understanding of the need for us as like-minded democracies to work with other like-minded democracies like Japan and Australia to provide alternatives to countries in the region. We are not trying to make this a zero-sum game, but countries should as they pursue necessary infrastructure development not have to go down a road that is ultimately going to compromise their national security or their economic well-being.

And we have, through our bilateral and now these quadrilateral sessions that we are doing with India, Japan, and Australia, we are working on sort of practical steps that we can take to coordinate on our finance development, so through the BUILD Act, the practical steps we can take to make sure our assistance programs, whether it is USAID or the Millennium Challenge Corporation, are helping to promote regional connectivity.

And this is really one of the most exciting elements of the Indo-Pacific Strategy and where I expect to see a lot of progress. The President will be meeting with Prime Minister Modi and Prime Minister Abe in Japan at the G20 and we will have an opportunity, I think, to again highlight this new partnership of ours.

Mr. PERRY. Thank you, Mr. Chairman. I yield.

Mr. SHERMAN. I now recognize the gentleman from Michigan.

Mr. LEVIN. Thank you, Mr. Chairman.

I am deeply concerned about the degradation of democracy in Bangladesh. When the people of Bangladesh went to vote in December, some were turned away. They were told polling stations were closed for lunch, had run out of ballots, and that is after reporters noticed that when polls opened some ballot boxes already appeared full. And that is after the Government of Bangladesh neglected to provide credentials and visas to most election monitors.

And I would add that my own constituents who went to participate in—saw multiple, multiple violations of basic election procedures. Maybe it is no surprise then that the Awami League won 96 percent of the seats contested. I think we need to take these issues very seriously. The government-appointed Election Commission says the election was legitimate, but I do not think we can leave it at that.

Ambassador Wells, what is the State Department doing to support thorough, independent investigations into these allegations of election fraud? With all due respect, it seems that we are just moving on.

Ms. WELLS. In our human rights report and in our public statement that followed the elections, we were clear that we did not consider the elections free and fair, given the widespread reports of irregularities that you have mentioned included the ballot box stuffing and the intimidation of opposition polling agents and voters, and certainly the legal cases that were brought against opposition candidates in the lead up to the elections.

We have urged Bangladesh and the independent Election Commission to investigate these concerns seriously. At the same time, you know, we see that the six opposition members that were elected to Parliament have taken their seats and we are encouraging the opposition to participate fully to demonstrate that there needs to be, the government needs to have an opposition body to provide alternatives to, to shine a light on government practices.

We do not lose sight of the fact that Bangladesh over the last, you know, years, has made significant strides in lifting millions of people out of poverty and the government's social indicators are noteworthy. And that is something to respect, and it is something to respect that this government has taken in a million—

Mr. LEVIN. So that sort of mitigates our protection of basic democratic norms and procedures or it is a mitigating factor somehow?

Ms. WELLS. No, sir. I do not want to suggest that. I mean we have been very clear about our view on the election.

Mr. LEVIN. All right. Well, then let me turn to the situation with Rohingya. The Government of Bangladesh has raised the possibility of relocating Rohingya refugees living in Cox's Bazar to Bhasan Char, an island in the Bay of Bengal. NGO's have expressed concern about this possibility noting that access to health care and other basic necessities could be limited on the island. It is particularly vulnerable to monsoons, and Yanghee Lee, the U.N. Special Rapporteur for Myanmar has questioned whether the island is even habitable.

Ms. Steele, what is the administration's position on the potential relocation of Rohingya refugees to Bhasan Char?

Ms. STEELE. We have always informed both the Governments of Burma and Bangladesh that our position is to support voluntary returns. Voluntary, safe, and dignified returns to Burma.

In terms of Bhasan Char, we have joined other donors in saying that we need to have an assessment of the island to make sure that these are livable and safe for the refugees.

Mr. LEVIN. How long will such an assessment take?

Ms. STEELE. We do not know, and we have been encouraging donors to come together and continue to put pressure on the Government of Bangladesh. But as of now, the Government of Bangladesh has continually, as a result of pressure from the international community, the Government of Bangladesh has postponed, repeatedly postponed the movement of the refugees—

Mr. LEVIN. All right, thank you. And let me try to squeeze in one more question, again, about Bangladesh. As a result of the security situation there, the State Department has ordered the departure of families of Department personnel stationed there. State Department employees do not want to go there and be separated from their families and it is not a great work situation.

When does State anticipate allowing families to return to Bangladesh, Ambassador Wells?

Ms. WELLS. Right. It is an ongoing process of reviewing the security situation and the government's ability to deal with potential terrorist incidents. The drawdown took place after the Holey Bakery attack that took place, you know, on the diplomatic enclave. So as somebody who has to recruit our officers to Bangladesh, I am keenly interested in being able to take that step forward when appropriate.

Mr. LEVIN. All right, thank you.

Thank you, Mr. Chairman. I yield back.

Mr. SHERMAN. Thank you. I recognize the gentleman from Utah.

Mr. CURTIS. Thank you, Mr. Chairman and Ranking Member for holding this committee. Thank you to our witnesses who have come today. I would like to switch gears just a little bit to Nepal and ref-

erence the election of 2017 which was a pretty significant mandate and it seems like there has been some struggling since then.

And I am going to let you all decide who can best answer this question. Can you give me an update on our relationship with that government as the U.S. Government and how that is going?

Ms. WELLS. We have a good, close working relationship with the Government of Nepal, which, you know, the government has had—there have been many governments over the last 5 years, and so the prospect of having an election which brings in a government for a full term offers a greater stability in decisionmaking and greater opportunity to move forward.

In addition to the assistance that we provide under USAID, we have launched with Nepal a Millennium Challenge Corporation compact, which is you have a \$500 million program, the Nepalese are contributing another 130 million, and it is an extraordinary sign, a signal of confidence in Nepal to demonstrate that working with Nepal we can create conditions of good governance that will help serve as a model for other foreign direct investment.

In addition to the assistance, we have Peace Corps volunteers who have been in Nepal for over 70 years. We are growing our defense relationship focused on disaster assistance and humanitarian relief. We provided over \$190 million in earthquake relief and continue to play a very important role in helping that government develop the housing standards and the retrofitting. So it is a robust relationship that is not just limited government to government, but really enjoys a strong people to people basis.

Mr. CURTIS. That is good. You talked a little bit earlier about China and relationship with some of these countries. We are worried about that as well and their acceptance of China's Belt and Road Initiative. It seems like we are going down the same path there with China with the predatory lending. Can you speak to that? And is the Millennium Challenge helping with that or what else can we be doing to change that course?

Ms. WELLS. We certainly discuss with the leadership and we had the Foreign Minister and Foreign Secretary here over the last several months to have partnership dialogs. We discussed with the leadership the concerns over predatory lending, the options that are available, whether it is through foreign direct investment where American companies are most active. Obviously, Nepal has a very close relationship with India which has a major role to play in Nepal and is Nepal's largest trading partner. So it is a subject of conversation and certainly Nepal is aware of our concerns.

Mr. CURTIS. Is that enough to keep them from going down that path and do we need to be doing more? I know that is a tough question and probably applies to the entire world, right?

Ms. WELLS. Well, it is interesting. Recently there was a joint U.S.-Chinese project in Nepal, a private sector project, a tunneling project, and that was what we sought to highlight to the government. When—it does not matter whether it is Chinese, Indian, you know, whoever is the lender, if the project is transparent, if it is competitively bid, if it meets international standards, we support it.

Mr. CURTIS. Sure.

Ms. WELLS. You know, Nepal needs infrastructure. But everyone needs to be careful about the terms that infrastructure is offered on.

Mr. CURTIS. Yes.

Ms. Steele?

Ms. STEELE. Thank you. Nepal is one of our biggest target countries under the Indo-Pacific Strategy and through our assistance in the Indo-Pacific Strategy we were working with the government in order to address and prioritize the use of their public finances so that they can be more productive. We are helping them to generate revenue through better tax administration. We are helping them to improve the business processes in order to be able to attract more legitimate private enterprise investments so that they do not fall prey to the what, the offerings of others that would make them go into a long-term, unsustainable debt.

So that is what we are doing with them, and we are hoping that they will be able to improve their competitiveness and address their corruption, which is a major issue for how countries fall under the debt trap.

Mr. CURTIS. I am pleased to hear that. I applaud those efforts and hope we can continue those and do even more and that you will continue to let Congress know what our role is in that. I think many of my colleagues are also very interested in that.

Ms. STEELE. I think the support that you have given on both sides through the Indo-Pacific Strategy is very encouraging and a very strong impetus for us to be able to move and achieve the goals and objectives of the Indo-Pacific Strategy.

Mr. CURTIS. Thank you. Mr. Chairman, I yield my time.

Mr. SHERMAN. I will now recognize the gentlelady from Virginia.

Ms. SPANBERGER. Thank you, Mr. Chair.

Ambassador Wells, I have a question for you. According to the State Department's Congressional Budget Justification book for Fiscal Year 2020, they write, "India's emergence as a regional security provider and global leader is essential to advancing U.S. interests." However, in June 2019, the White House formally ended concessions for India under the Generalized System of Preferences, GSP, which exempted Indian goods worth more than 6 billion from import duties. This move came in the context of ongoing tensions over U.S. imposition of steel and aluminum tariffs.

I am curious if you could speak a little bit about what this impact is, how you think this GSP decision will impact our strategic relationship with India, and how the State Department is adjusting our foreign policy and engagement strategy because of it.

Ms. WELLS. We have a multifaceted relationship with India and, you know, on the whole, this is a partnership that is moving forward that is, it is the centerpiece, really, of an Indo-Pacific Strategy, and Secretary Pompeo spoke to that yesterday in his public remarks. It does not mean we do not have frictions. And one of the frictions, historically, has been on trade, on tariff barriers. India has the highest tariff barriers of a G20 country; historically, it has been a protected market. And so, our failure to negotiate an agreement over the course of the last year, year and a half, led to the decision to suspend the GSP benefits.

And that said, when you look at the trade relationship, we have 142 billion trade relationship. It increased 12 percent last year. U.S. exports increased 28 percent. The trade deficit went down 11 percent, you know, to 24 billion. So, you know, we see India making strategic purchases of, you know, of defense industry or defense weaponry, of aviation, of energy. This is going to very much be at the top of the agenda when Secretary Pompeo visits India later this month.

Ms. SPANBERGER. Do we have any concerns or should we be concerned that both the steel and aluminum tariffs and the GSP decision together could potentially push India closer to its cooperation with China, Russia, or even potentially Iran?

Ms. WELLS. I do not think so, no. I mean we are India's largest and best market, you know, 20 percent of India's goods come here. There is Indian foreign direct investment in the United States. There is huge interest by U.S. firms in India. As Prime Minister Modi begins his second term, you know, he is preoccupied with job creation, and attracting foreign direct investment is going to be a key part of that strategy.

So, you know, trade properly, you know, conducted can be a huge strength to the relationship and that is certainly our focus as we begin our engagement with Prime Minister Modi in his second term is how do we, you know, affix this part of the relationship so it better matches the positive trajectory we see in other areas.

Ms. SPANBERGER. Thank you. And recognizing some of the challenges and certainly may be a uptick in some difficulties, in your opinion, is there anything else that Congress could be doing, could be assisting in to ensure that we are retaining and building upon the relationship, this already strong relationship that we have with India?

Ms. WELLS. I think congressional support for the India-U.S. relationship has been extraordinary, you know, and the designation of India as a major defense partner, the bipartisan support that the relationship enjoys, has been critical and will continue to be critical. I mean this is a relationship where, you know, we have four million Indian Americans who also provide great ballast to the relationship and perspective on the relationship. And so I would just say please keep on providing that, that bipartisan consensus that we should be moving forward with India.

Ms. SPANBERGER. Thank you, Ambassador Wells. And I thank the other witnesses for being here today and I yield back.

Mr. SHERMAN. Thank you. We will now go to a second round. I believe everyone here has asked one round of questions.

Ms. Wells, or Ambassador Wells, I did not promise you you get by with just one round. The current Sri Lankan Government came to power with overwhelming support in the Tamil community. The government has disappointed many in the Tamil community as far as its dedication to justice, peace, and reconciliation. There is little movement on a Federal constitution giving autonomy to the Tamil regions. And of course, much more needs to be done on accountability for human rights violations that have occurred during the civil war and especially its last phases.

The Sri Lankan military—and this is probably the most important aspect, continue to hold on to civilian lands in Tamil areas,

and of course the longer that is delayed—the longer they delay the return of that land, the more likely it is that the military occupation becomes permanent. What, you know, will we continue to press the Government of Sri Lanka on these issues of reconciliation with the Tamil community, and especially the need for the military to give up land that it is occupying?

Ms. WELLS. Yes. And we invited the Sri Lankan Foreign Minister and Foreign Secretary here to Washington for a strategic dialog and that was very much a part of the dialog. We welcome the fact that Sri Lanka, you know, has co-sponsored the U.N. Human Rights Commission resolution extending the international monitoring of its commitments to human rights, reconciliation, justice, and accountability. The progress has been slower than we would like to see.

Mr. SHERMAN. I will count on you to continue to make that a priority for us.

What level of aid have we provided for the Rohingya refugees in Bangladesh? Yes, Ms. Steele?

Ms. STEELE. The total amount of funding for the Rohingyas both in Burma and Bangladesh is approximately \$500 million to date, starting in 2017.

Mr. SHERMAN. So that is 500 million a year?

Ms. STEELE. No, 500 million—

Mr. SHERMAN. Total.

Ms. STEELE [continuing]. Since 2017.

Mr. SHERMAN. Since 2017, so the—and with the administration budget request what would it be of the coming fiscal year?

Ms. STEELE. A significant amount of the funding that goes through the Rohingya is humanitarian assistance which is not included in the budget that you have reviewed.

Mr. SHERMAN. Ah. It is not included in the—

Ms. STEELE. In the budget that we are discussing. It is, for instance, for USAID it is part of our Office of Foreign Disaster Assistance.

Mr. SHERMAN. Right.

Ms. STEELE. And Food for Peace, which is separate from the budget that we—

Mr. SHERMAN. I realize it is outside the purview of your agency. Do you happen to know what it is? Can you give us a number or—

Ms. STEELE. Oh, I am not aware of what the number is for—

Mr. SHERMAN. OK, so we will have to—

Ms. STEELE [continuing]. For budget outside of my bureau.

Mr. SHERMAN [continuing]. We will have to put it together. Obviously, Bangladesh is a poor country and has taken in people that would otherwise be not only ethnically cleansed but subject to genocide. And I realize that—well, I believe, Ambassador Wells, your purview does not extend to Myanmar Burma? No.

But the question I have, and I guess this affects your purview, is whether the United States will take the position that if the Government of Burma, Myanmar does not extend citizenship and protection to the Rohingya who were born there that we would support the transfer of North Rakhine State to Bangladeshi sovereignty. That is right on the border, literally, of your jurisdiction.

Ms. WELLS. Well, I will not speak for my colleagues, but I think it is a traditional position of State Department that we support the territorial integrity of countries and the sovereignty of countries.

Mr. SHERMAN. But when the people of South Sudan were subject to horrific treatment by the Khartoum government, we were in effect the midwives for the creation of an independent South Sudan. And I will not say that that has worked out well, but we did support the creation of an independent State when a government in Khartoum could not.

Ms. WELLS. Right. What we have focused on is, you know, can we get the conditions in Myanmar so you can have Rohingya go and look and see what their neighborhoods look like. Are the conditions such that they have confidence in returning, you know, how can we—

Mr. SHERMAN. And is citizenship and passports part of that?

Ms. WELLS. The U.N. Report recommendations listed, you know, citizenship as one of the key issues that would help restore confidence. I think right now, you know, the Rohingya would like to return home if the conditions support a dignified return. And for those countries that are working in Myanmar and supporting the Myanmar Government, is how do we get the Myanmar Government to create those conditions.

Mr. SHERMAN. Yes. I would say if the Myanmar Government does not announce that it is dedicated to the protection of these people and the issuance of citizenship documents, that we alter our position and call for the transfer of North Rakhine State to a country that will protect these people. This is their land. They have lived there for generations. And they have been subject to, I think, cleansing, and one might say attempted genocide.

Certainly, if you lay that out compared to the facts of South Sudan, a change in international borders would be called for. Keep in mind, the government of Khartoum never denied the citizenship of the people of South Sudan.

I will turn to Ms. Steele. What steps can USAID and the State Department take to partner with the charitable efforts of the South Asia diaspora community in the United States to help the people of South Asia? How can you work with the large and generous diaspora community?

Ms. STEELE. We have been working with them, in particular with the Indian diaspora, in order to identify areas where we could work together. And they have the same interests as we do in addressing, for instance, the health issues and air pollution issues in the country. India—well, I met with a diaspora group of the Indian diaspora group recently, and they had expressed deep concern over the fact that India has the highest TB rate in the world. One-sixth of maternal and child mortality happens in India, and some of the high—most polluted cities in the world are in India.

And so we have agreed to work together. Our proposed plan to create a foundation, the U.S.-India Development Foundation, using Indian private sector is intended to capitalize and mobilize on Indian resources to address our joint interests in development.

Mr. SHERMAN. I thank you. And we often hear in Washington of public-private partnerships. When I hear that phrase I get concerned that maybe the deal is too good for private investors seeking

a profit, but in the case we are talking about here, we are talking about a public-private partnership with charitable intent.

And with that I will recognize the ranking member.

Mr. YOHO. Thank you for the second round, Mr. Chairman.

If we go back to Afghanistan, if a deal is struck with the Taliban, what concerns do you have with regard to the progress we have made on the rights of Afghan women? And I want to kind of focus this again on, you know, we always stress building democracies versus let's build a stable government, and if we build a stable government we can progress into these things and think a lot quicker.

So I would like to hear, Ms. Steele, if you want to answer that.

Ms. STEELE. I do not cover Afghanistan, Congressman. I would like to defer to—

Mr. YOHO. I am sorry. I am sorry.

Ms. Freeman?

Ms. FREEMAN. Those proud women are in my jurisdiction.

USAID has had a history since the early years, in fact, the entrance into Afghanistan of working very closely with the women of Afghanistan in supporting their advancement. It is amazing to look back at 2001 when they had no access to education, to private sector, anything, and now in 2018 when we can look at—I recently attended a trade show in India that was between Afghanistan and India and, there, women attended and they were able to cut \$500 million in contracts.

Mr. YOHO. That trade show was in India?

Ms. FREEMAN. Yes.

Mr. YOHO. And there were women from Afghanistan?

Ms. FREEMAN. There were, indeed. And their attendance, their participation really highlighted their experience, the increase in their capabilities and how much they shine outside in the business world. Currently, we have been able to leverage about \$3.2 million in private sectors loans to about over 1,700 women.

Mr. YOHO. What are the results of that? What kind of loans? Are they creating businesses?

Ms. FREEMAN. These are new business loans, exactly, to—

Mr. YOHO. Are they becoming successful businesses?

Ms. FREEMAN. Indeed, they are. And we have been working with them with the Women's Chamber there in Kabul and to expand their access to not only financing, but also in terms of leveraging their ability to raise their voices and speak their concerns to the government as well.

Mr. YOHO. Has the tolerance of the Taliban toward women in society, education, has that improved since we all remember how they came in and—I remember that one young girl that got shot in the eye as a signal that they do not want women being educated. Has their outlook changed on women becoming educated, women being involved in business?

Ms. FREEMAN. I would highly doubt it, but I would—

Mr. YOHO. Me too.

Ms. FREEMAN [continuing]. Cede to my colleague.

Ms. WELLS. The Taliban say that their views on education have changed and the proof is going to be in looking at the areas that they control or dominate and what is the situation there, and you see a variety of practices. You do see girls' schools operating. In

some conservative places they do not. In some places they have more of a religious education. They divert from the curriculum of the Ministry of Education.

But in the conversations that the Taliban are having with us and with other like-minded countries, they emphasize the fact that their views have evolved when it comes to education and working outside the house.

Mr. YOHO. Let me ask you this then. What concerns do you have with the elements of the Taliban splintering off from the group and aligning themselves with ISIS and how is that going to affect the progress that we have made if we do not have a stable government there?

Ms. WELLS. It is certainly a possibility for members of the Taliban to hive off and join ISIS. Some members already have. And that is why it is going to be critical that any peace agreement contain those guarantees——

Mr. YOHO. Right.

Ms. WELLS [continuing]. By the Taliban that they are opposed to any terrorist presence and will combat any terrorist presence on Afghanistan soil.

Mr. YOHO. Well, that is why I keep bringing up, you know, I think our focus should be on a stable government, because look at South Korea after the Korean conflict. It wasn't what we would call a democracy, but after a short period of time once they started gravitating that way, they are our sixth largest trading partner today.

I look at Vietnam after the Vietnam War, you know, we went in there to prevent communism. It is a communist country, but yet today it is a vibrant, market economy and we see baby steps moving in the right direction for human rights. You know, we cannot expect them to get to where we are at after our 200-year struggle and we still do not have it right.

So if we focus on those things that we know will stabilize a government: rule of law, honor it in contracts basic human rights, drawing them this way. As the people become more to experience liberty and freedom, I think then you will see the changes that we want versus trying to push it the other way that causes the resentment in governments or groups like the Taliban.

Mr. Chairman, I yield back and thank you for the second round. Thank you all.

Mr. SHERMAN. You are free to leave.

[Whereupon, at 10:57 a.m., the subcommittee was adjourned.]

APPENDIX

SUBCOMMITTEE HEARING NOTICE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-6128

Subcommittee on Asia, the Pacific, and Nonproliferation
Brad Sherman (D-CA), Chairman

June 13, 2019

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs, to be held by the Subcommittee on Asia, the Pacific, and Nonproliferation in Room 2172 of the Rayburn House Office Building (and available live on the Committee website at <https://foreignaffairs.house.gov/>)

DATE: Thursday, June 13, 2019

TIME: 9:30 a.m.

SUBJECT: U.S. Interests in South Asia and the FY 2020 Budget

WITNESSES: Ambassador Alice Wells
Principal Deputy Assistant Secretary for South and Central Asian Affairs
U.S. Department of State

Ms. Gloria Steele
Acting Assistant Administrator for the Bureau for Asia
United States Agency for International Development

Ms. Karen Freeman
Assistant to the Administrator for the Office of Afghanistan and Pakistan Affairs
United States Agency for International Development

By Direction of the Chairman

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.

COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF SUBCOMMITTEE ON ~~ASIA, THE PACIFIC, AND NONPROLIFERATION~~ HEARINGDay Thursday Date June 13, 2019 Room 2172Starting Time 9:35 AM Ending Time 10:57 AM

Recesses ____ (____ to ____) (____ to ____) (____ to ____) (____ to ____) (____ to ____) (____ to ____)

Presiding Member(s)

Chairman Brad Sherman

Check all of the following that apply:

Open Session ☒Executive (closed) Session ☐Televised ☒Electronically Recorded (taped) ☒Stenographic Record ☒

TITLE OF HEARING:

U.S. Interests in South Asia and the FY2020 Budget

SUBCOMMITTEE MEMBERS PRESENT:

Attendance form attached.

NON-SUBCOMMITTEE MEMBERS PRESENT: (Mark with an * if they are not members of full committee.)

*None*HEARING WITNESSES: Same as meeting notice attached? Yes ☒ No ☐

(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: (List any statements submitted for the record.)

*IFR Sherman**QFR Wagner**SFR Connolly**IFR Houlahan**QFR Houlahan*

TIME SCHEDULED TO RECONVENE _____

or

TIME ADJOURNED 10:57 AM
Subcommittee Staff Associate

HOUSE COMMITTEE ON FOREIGN AFFAIRS
ASIA, THE PACIFIC AND NONPROLIFERATION COMMITTEE HEARING

<i>PRESENT</i>	<i>MEMBER</i>
X	Brad Sherman, CA
X	Gerald E. Connolly, VA
	Ami Bera, CA
	Dina Titus, NV
X	Andy Levin, MI
X	Abigail Spanberger, VA
X	Chrissy Houlahan, PA

<i>PRESENT</i>	<i>MEMBER</i>
X	Scott Perry, PA
X	Ted Yoho, FL
	Ann Wagner, MO
	Brian J. Mast, FL
X	John Curtis, UT

**STATEMENT OF SANJAY PURI
FOUNDER & CHAIRMAN
THE U.S. INDIA POLITICAL ACTION COMMITTEE (USINPAC)**

**BEFORE THE COMMITTEE ON FOREIGN AFFAIRS
SUBCOMMITTEE ON ASIA, THE PACIFIC, AND NONPROLIFERATION**

**REGARDING
U.S. INTERESTS IN SOUTH ASIA**

June 13, 2019

Mr. Chairman, Ranking Member:

Thank you for holding this important hearing.

It comes at a time when India just held the largest election the world has ever known. Over 600 million people voted, and Prime Minister Narendra Modi won again in a record-breaking landslide.

In 2014, at the request of USINPAC, the late Congressman Eni F.H. Faleomavaega, who once served as the Chairman of this Subcommittee, flew a flag over the United States Capitol in commemoration of Modi's first victory. The flag was flown "as a token of friendship." As you may know, Congressman Faleomavaega was the first Member of Congress to visit Chief Minister Modi in Gujarat and did so in cooperation with USINPAC because he believed, like we do, that peace, prosperity, democracy and development for India are intertwined with U.S.-Asia relations.

For too long, U.S.-India relations have been defined by a goal to prevent war between India and Pakistan. Pakistan has a long history of encroachment and violence across the Line of Control (LoC). Although the LoC is not a legally recognized international boundary, it is a de facto border that divides India and Pakistan in Kashmir, and has been recognized since 1949 when the two countries declared a ceasefire. As the Congressional Research Service (CRS) mentions, the Line has often been identified as a potential nuclear "flashpoint."

The dispute over Jammu and Kashmir has been ongoing since India and Pakistan became independent in 1947. It is no secret that between 300,000-500,000 Kashmiri Hindus have migrated due to persecution. In 2001, tensions escalated when terrorists from Pakistan attacked India's Parliament in New Delhi. In response, the two countries amassed nearly a million troops along their common border. Then and now, U.S. response has been generally apathetic, amounting to little more than encouraging India and Pakistan to sit down and resolve their differences.

In 2003, USINPAC – a nonpartisan, nonprofit organization and the voice of over 3.2 million Indian Americans – called for the U.S. to take a stronger position on cross-border terrorism and we were successful in moving forward legislation sponsored by Congressman Faleomavaega that would require the Administration to disclose to Congress the extent to which Pakistan is fulfilling its pledge to permanently halt cross-border terrorism and shut down terrorist camps. This action was the first time the U.S. House of Representatives had acknowledged, in a bipartisan manner, Pakistan's role in fueling militancy in Jammu and Kashmir. Had the U.S. stood firm in holding Pakistan accountable for eschewing terrorism and the proliferation of nuclear weapons, we might not be dancing on the edge of war in response to the terrorist attack carried out on Feb. 14, 2019 in Pulwama by Jaish-e-Mohammed (JeM), a Pakistan-based and supported terrorist organization that claimed responsibility for the bombing.

At least 40 Indian paramilitary police personnel lost their lives in the attack, which happened due to cover provided to JeM by Pakistan. The attack took place in the heart of the Kashmir Valley, and India rightfully responded because it had to defend its sovereignty. Pakistan should be held accountable. It is no longer enough to condemn state-sponsored terror. Pakistan must end the practice, and the U.S. should step up.

Did Pakistan violate the U.S. F-16 User Agreement during its raid on India military installations in Kashmir after the Pulwama attack? We deserve to know. India says it has parts of an AIM-120 Advanced Medium-Range Air-to-Air Missile (AMRAAM) as evidence that Pakistan used U.S. F-16 fighter jets during its raid on India military installations in Kashmir. Pakistan says no F-16s were used. USINPAC has called for the U.S. to investigate. We want unequivocal assurance that a top-down, bottom-up investigation is underway and that U.S. technology and equipment is not being diverted or misused.

USINPAC is also concerned about a \$6 billion preliminary International Monetary Fund (IMF) agreement with Pakistan. Pakistan is deeply in debt to China. Mr. Chairman, USINPAC applauds your leadership in saying that any IMF loan to Pakistan cannot be a convenient way for cash-strapped Pakistan to repay its debt to China. In a July 30, 2018 CNBC interview, U.S. Secretary of State Mike Pompeo warned against the IMF using American dollars to bail out Pakistan's bondholders. "Make no mistake," he said. "We will be watching what the IMF does."

USINPAC is not against the people of Pakistan, or aid for education, economic development, women's empowerment, etc. But we are against state-sponsored terrorism, and against the misuse of IMF loans. USINPAC is on record with the U.S. Secretary of Treasury in calling for no more IMF bailouts for Pakistan until Pakistan bans and arrests its terrorist groups and militants. USINPAC is also on record before this Subcommittee. When it comes to Pakistan, the IMF's tool of economic surveillance is not enough. The U.S. is the largest cumulative contributor to the IMF, and USINPAC will continue to urge the U.S. to say no more bail-outs, loans or Stand-By Agreements until Pakistan changes course.

The Pakistani-sponsored attack on Pulwama was the single-deadliest in the history of the Kashmir conflict. It happened only months ago. The U.S. should pay attention. Both Pakistan and India possess nuclear weapons, and the U.S. cannot afford to let its dependence on Pakistan in Afghanistan constrain its relationship with India. USINPAC commends the Administration for cutting aid to Pakistan but the U.S.-India relationship deserves greater attention.

It is unfortunate that the Administration has just announced that it is stripping India of special trade status, as of June 5, 2019. Excluding India from the Generalized System of Preferences (GSP), which allows India to export certain goods to the U.S. duty-free, will not be good for either country. India will respond and both sides will feel the economic crunch brought on by tit-for-tat tariffs. But I am hopeful that as a result of this hearing that the U.S. might re-think India. India will not budge when it comes to aspiring "for

better standards of living,” as Prime Minister Modi has already indicated. India lives in one of the world’s toughest neighborhood. It is the world’s largest democracy and a counterbalancing influence in the region. India is expected to become the world’s most populous nation by 2028. The U.S. and India should sort out their differences sooner rather than later.

USINPAC was founded, in part, for reasons like this. USINPAC works to bring about outcomes that matter. Lawmakers in the U.S. and India are part of this history-making movement. Together, we have advocated for a range of issues that have far-reaching implications. Our work is sweeping – and often the first of its kind on Capitol Hill – from renewable energy and higher education conferences to groundbreaking events featuring Under Secretary of State Nicholas Burns in support of the passage of the U.S. India Civil Nuclear Agreement. We have been at the forefront of H-1B visa and employment-based green card reform. We have called for a fairer process for immigrants, and we continue to urge dialogue and comprehensive immigration reform that respects everyone, including Indians and Indian Americans who, like many others, are being affected and penalized by an immigration system that is not working.

USINPAC successfully urged the U.S. Congress to withdraw negative resolutions against Prime Minister Modi and played an important role along with many others including you, Mr. Chairman, in PM Modi receiving an invitation to speak before a Joint Meeting of Congress. USINPAC has been involved in Presidential, Senatorial and Congressional races. We have fought to put Indian Americans on the courts and in the Administration.

We are known for furthering economic ties. USINPAC has hosted over 25 business delegations between our nations and held numerous conferences and roundtable discussions in close cooperation with the U.S. Senate and the U.S. House of Representatives. USINPAC has welcomed PM Manmohan Singh, Minister of Finance Arun Jaitley, BJP President Amit Shah and others to Washington, D.C.

We have been at the National Press Club and recognized by CNN, NPR, The Washington Times, The New York Times, The Hindu, The Times of India, and other global outlets. On behalf of our membership, I have testified before the U.S. House Committee on Foreign Affairs as an expert witness on U.S.-India relations. Our achievements and advocacy have been commended and included in the U.S. Congressional Record. But, Mr. Chairman, I cannot thank you and this Subcommittee enough for supporting the cause of India.

Our sister organization, the Alliance for U.S. International Business (AUSIB), has also worked closely with the U.S. Congress, advocating for fairer treatment of small and medium-sized companies in the federal marketplace. Congressman Steve Chabot, also a former Chairman of the Subcommittee on Asia and the Pacific, has stood in strong support of us, noting that “India is very important not just to Asia but to the world.” Like you, some of his first hearings as Chairman were on India because, as he said, “India is one of the U.S.’s strongest trade partners.” We cannot lose sight of the overarching importance of U.S.-India trade relations. For the Indian American community, this often

means we cannot lose sight of the importance of small and medium-sized businesses, and entrepreneurs. Small businesses are the backbone of the American economy and, like Chairman Chabot said, “When small businesses are strong, America is strong.”

As an entrepreneur, I often host other entrepreneurs. I have hope for the future because of the intelligent solutions being put forward to solve issues plaguing vulnerable populations. Entrepreneurs from India, the U.S. and elsewhere are mobilizing innovative and sustainable solutions to address social, educational and environmental issues. However, small and medium-sized businesses often need help accessing the federal marketplace. This is why I created ACEL360, a business accelerator that drives the growth and increases the enterprise value of small and mid-sized federal contractors. For the Asian Pacific American community, it is especially critical for us to have leaders like you, Ranking Member Yoho, and Members of this Subcommittee who consistently promote equal opportunity, advancement and inclusion.

Mr. Chairman, it is the hope of USINPAC that the United States will redouble efforts to bolster relations with India and Indian Americans. I particularly thank you for your care and attention, as co-Chair of the Congressional Caucus on India and Indian-Americans and as Chairman of the Subcommittee on Asia, the Pacific, and Nonproliferation. Your work is noticed and appreciated. Thank you for your outstanding service. And thank you for the opportunity you have extended to USINPAC to have testimony included for the record.

Statement for the Record
Submitted by Mr. Connolly of Virginia

The Trump Administration's FY 2020 international affairs budget continues the President's unilateral retreat from the world, and the South Asia region is no exception. The President's budget slashes U.S. assistance to the region by nearly 18 percent, including significant cuts to Afghanistan, Bangladesh, Pakistan, and Sri Lanka. This dramatic reduction stands in stark contrast to the Trump Administration's own stated priorities in its National Security Strategy, which highlights that "a geopolitical competition between free and repressive visions of world order is taking place in the Indo-Pacific region." It is difficult to see how this depleted budget would address challenges to U.S. national security interests from China's expanding influence, continued instability in Afghanistan, the ongoing Rohingya refugee crisis, and widespread threats to life and property in the region posed by climate change.

In Afghanistan, the Trump Administration is pursuing an elusive peace agreement with the Taliban, while leaving our Afghan partners on the sidelines. In an effort to push the Taliban to the negotiating table, the Administration has amplified its bombing campaign. The United States dropped more munitions over Afghanistan in 2018 than the previous three years combined, undoubtedly contributing to the record number of 3,800 civilian deaths in the country last year. At the same time, the President has proposed gutting U.S. assistance to Afghanistan by 24 percent, including a \$100 million cut to economic support and development funding. Giving the Taliban a legitimate platform to the exclusion of the Afghan government and gutting U.S. bilateral assistance undermines our Afghan partners and threatens our troops on the ground.

Across South Asia, China is expanding its influence through its Belt and Road Initiative (BRI), which is a massive infrastructure program that China promises will attract more than \$1 trillion of investment over the long-term. Characteristic of China's model of development, BRI projects often solicit unsustainable debt burdens for recipient countries, employ Chinese state-owned enterprises or labor, and lack transparency surrounding financing and contracting. We are already witnessing early signs of a backlash to China's predatory style of investment. In Sri Lanka, a Chinese state-owned company took control of the deep-sea port it had built in Hambantota after the Sri Lankan government was unable to service its loans. The Maldives, a nation with a GDP of less than \$5 billion, has a current estimated debt to China of \$3 billion. As China bolsters its investment in the region, often to the detriment of our partners, President Trump's budget signals a U.S. retreat.

In Bangladesh, we are approaching the two-year anniversary of the August 2017 violence in Burma's Rakhine state that sparked the exodus of an estimated 745,000 Rohingya refugees. Bangladesh remains one of the poorest nations in the region and relies heavily on the international community to support the basic needs of these displaced people. As global attention to this humanitarian crisis has waned, the Rohingya remain in highly precarious circumstances – unable to return to Burma and unsure of their future in Bangladesh. According to UNICEF, 97 percent of Rohingya refugees aged 15-24 are not receiving any education or vocational skills training, and

families are forcing their young girls to marry to gain some financial respite. As Bangladesh attempts to navigate this crisis, the Trump Administration's budget would slash aid to Bangladesh by 28 percent.

In South Asia, we face unprecedented humanitarian crises, extremism, climate change, and other threats to global stability. This region requires our dedicated leadership and engagement, and yet the Administration's FY 2020 budget cedes the ground to our adversaries.

**Questions for the Record Submitted to
USAID Acting Assistant Administrator Steele by
Representative Ann Wagner (#1)
Subcommittee on Asia, the Pacific and Nonproliferation
House Committee on Foreign Affairs
June 13, 2019**

Question:

Ms. Steele, I am deeply concerned about reports of attacks on India's religious minority groups carried out by groups claiming to support the ruling Bharatiya Janata Party. How is USAID working to promote religious freedom and subdue nationalistic violence in India?

Answer:

USAID is also concerned about reports of attacks on India's religious minorities. USAID places a strong emphasis on the rights of religious minorities and aims to protect and vigorously promote religious liberty. USAID strives to include and be sensitive to the needs of religious and ethnic minorities in all of its programming, and works in states across India which have significant minority religious groups.

The new USAID/India country strategy will partner with the Government of India, the private sector, and other development stakeholders to provide development solutions that recognize the need for stronger integration of youth, women, and marginalized groups. Inclusive development is a key pillar of USAID's approach to development assistance. Our efforts ensure all people who face discrimination are fully included and can actively participate in and benefit from our development activities.

**Questions for the Record Submitted to
Senior Bureau Official Alice Wells
Representative Ann Wagner (#1)
House Foreign Affairs Committee
June 13, 2019**

Question 1:

Ambassador Wells, the February terrorist attack in Kashmir and subsequent standoff between India and Pakistan sparked renewed anxieties over the two nuclear powers' ability to deescalate tensions. How does the United States support communication between India and Pakistan during crises?

Answer 1:

The United States remained closely engaged via all available channels with the governments of India and Pakistan following the Pulwama terrorist attack and subsequent period of escalated tensions. Secretary Pompeo spoke with Indian Minister of External Affairs Swaraj and Pakistani Foreign Minister Qureshi to press for concrete steps to defuse the crisis, including the urgency of Pakistan taking sustained and verifiable action against terrorist groups operating on its soil. Other senior U.S. government leaders engaged in similar conversations with Pakistani and Indian leaders during the crisis.

An important element of this engagement was to encourage both sides to prioritize direct communication as a means of avoiding miscalculations and a further escalation of tensions. While we believe the substance of discussions to resolve outstanding disputes between India and Pakistan are up to the two sides to determine, the United States supports any and all positive steps the two countries can take to expand communications by senior officials, improve relations and avoid conflict.

**Questions for the Record Submitted to
Senior Bureau Official Alice Wells
Representative Ann Wagner (#2)
House Foreign Affairs Committee
June 13, 2019**

Question 2:

I understand that Russia sought to assume a role as a mediator between India and Pakistan during the most recent crisis. Ambassador Wells, is this a space in which U.S. and Russian interests align and cooperation is possible, or do you believe that Russia is trying to diminish the United States' role?

Answer 2:

The Russian government did announce, during the most recent crisis, its willingness to mediate between India and Pakistan. However, we do not believe that Russia played any significant role in the crisis de-escalation.

The international community shares an interest in peace and stability in South Asia, and particularly in India and Pakistan avoiding conflict.

Our National Security Strategy and our Russia strategy are designed to prepare us to respond and engage in a systematic competition with Russia. We are clear-eyed about the challenges Russia poses to many fundamental U.S. interests, but open to dialogue with Moscow when it is truly in our and our Allies' interests, recognizing the limitations of such engagement.

**Questions for the Record Submitted to
Acting Assistant Secretary Alice Wells by
Congresswoman Ann Wagner (#3)
House Foreign Affairs Committee
June 13, 2019**

Question 3:

Is the United States tracking extremist groups in Bangladesh, including Jamaat e-Islami? How is the U.S. countering the rise of violent extremism in Bangladesh?

Answer 3:

The United States has close cooperation with Bangladesh's counterterrorism services to track terrorist groups. The Government of Bangladesh maintains Jamaat e-Islami has links to organizations it considers domestic extremist groups, and deregistered it as a political party in 2013 for inciting violent protests countrywide. The party remains politically active but does not participate in elections.

The United States is using a whole-of-society approach to counter terrorist radicalization and recruitment in Bangladesh. USAID and the Bureau of Conflict and Stabilization Operations build the capacity of local organizations to develop community-level CVE programs. USAID also assists local partners to develop CVE capabilities across national and local governments and in communities by building local systems to prevent violent extremism. Through the Global Engagement Center, partners connect at-risk populations with compelling and credible alternative messages online. The Bureau of Counterterrorism provides support to Bangladesh through programs which support community policing, referral mechanisms, and family-led interventions. The Bureau of Counterterrorism also supports Bangladesh's participation in the Strong Cities network.

**Questions for the Record Submitted to
Acting Assistant Secretary Alice Wells by
Congresswoman Ann Wagner (#4)
House Committee on Foreign Affairs
June 13, 2019**

Question 4:

Many analysts have drawn attention to China's efforts to encircle India with a "string of pearls" of military and commercial facilities along Indian Ocean sea lines of communication. However, I understand that China is also investing in infrastructure in the Himalayas. Ambassador Wells, is this part of a concerted effort to encircle India? How is the United States working with Himalayan countries to ensure they understand the pitfalls of China's predatory investment practices?

Answer 4:

China's attempts to encircle India through a "string of pearls" approach can be dated back a number of years. Port investment in Chittagong and Hambantota, as well as the major China-Pakistan Economic Corridor (CPEC) initiative in Pakistan, serve as a few examples. Nepal's bypassing of procurement practices and awarding the Budhigandaki Hydropower project to China Gezhouba Group Corporation (CGGC) illustrates the challenge. We continue to underscore to Nepali government officials that making award decisions on infrastructure projects without following normal procurement practices sends the wrong signal to potential investors, and leaves countries vulnerable to corruption and foreign manipulation.

The United States provides alternative support to Himalayan countries through several lines of effort. The Millennium Challenge Corporation (MCC) provides the largest infusions of U.S. assistance in specific areas. The \$500 million MCC compact for Nepal will increase the availability of electricity and lower transportation costs – helping to spur investments, accelerate economic growth, and reduce poverty. The new U.S. International Development Finance

Corporation that should become operational in October 2019 will have a \$60 billion portfolio cap and can make equity investments and be easier for like-minded governments in the region to use.

Bhutan has withstood Chinese overtures. After officials from Beijing sought Bhutanese support for the Belt and Road Initiative, Bhutan declined to send a representative to the Belt and Road Forum in late April. Border disputes have also made relations tense with China, and we commend the resilience that Bhutan continues to exhibit. As fellow democracies, the United States and Bhutan continue our strong relations, driven by fundamental liberties and the rule of law. Bhutan's exemplary elections in 2018 were an inspiration to the region. We commend the evolution of democracy in Bhutan under the leadership of His Majesty the King.

**Questions for the Record Submitted to
Acting Assistant Secretary Alice Wells by
Representative Chrissy Houlahan (#1)
House Foreign Affairs Committee
June 13, 2019**

Question 1:

On Tuesday, the Administration finally released its Women, Peace, and Security Strategy. How will the release of the Strategy impact U.S. involvement in the Afghanistan peace negotiations going forward?

Answer 1:

The Women, Peace, and Security Strategy focuses on three objectives: women's participation in efforts that promote stable and lasting peace; women and girls' safety, protection, and equal access to assistance resources; institutionalization and capacity-building of the U.S. Government and partner governments in these efforts. The State Department currently carries out activities articulated in the Strategy and appreciates the document's contribution in enhancing the effectiveness of our efforts. Since his appointment, Special Representative for Afghanistan Reconciliation Ambassador Zalmay Khalilzad has supported, and continues to support, the meaningful participation of Afghan women in the ongoing peace process through direct, persistent, and strong advocacy for the inclusion of women in intra-Afghan dialogue and negotiations. The United States will also continue to encourage the Afghan government to adopt policies, plans, and capacity to boost the meaningful participation of women in ongoing and future processes related to peace and security.

We recognize the linkage between women's empowerment and peace and security. Our ongoing development and exchange programs have helped create an environment in which educated, empowered, and diverse women leaders are positioned to make substantial contributions in local and national peace efforts in Afghanistan.

**Questions for the Record Submitted to
Ambassador Alice Wells by
Representative Chrissy Houlahan (#2)
House Foreign Affairs Committee
June 14, 2019**

Question 2:

You spoke in your opening testimony about the humanitarian abuses committed against the Rohingya, and the Bangladesh government's struggle to host the influx of refugees fleeing into their country. At this time, Bangladesh is not allowing refugees to work or study in the country, despite the very real possibility that these refugees will call Bangladesh home for the foreseeable future. However, data has shown that refugees and migrants make considerable economic contributions to their host countries. For example, here in the U.S., while migrants are only 15 percent of the population, they represent 25 percent of entrepreneurs. What are you doing to help lawmakers in Bangladesh recognize the benefits of affording refugees, especially children, the same rights as citizens? Do you foresee Bangladesh adopting the UN Comprehensive Refugee Response Framework domestically?

Answer 2:

We continue to work closely with the Government of Bangladesh on the need to support education and livelihood opportunities for Rohingya refugees while maintaining pressure on Burma regarding accountability for abuses. Bangladesh recently approved Guidelines for an Informal Education Program for levels 1 and 2, or roughly pre-kindergarten to second grade, for children ages 4-14. These guidelines mirror a framework developed by the United Nations Children's Fund (UNICEF) and other education partners. Regarding work opportunities, while Bangladesh has not officially allowed livelihood programming in the camps, they have allowed humanitarian organizations to implement "cash for work" programming. These programs provide a flexible resource for affected households to meet needs while also building community resilience and supporting infrastructure development and natural resource management for refugees and host communities. We continue to engage the Government of Bangladesh on the

UN Comprehensive Refugee Response Framework in light of the demonstrated benefits to long-term refugee wellbeing.

**Questions for the Record Submitted to
Acting Assistant Administrator for Asia Gloria Steele by
Representative Chrissy Houlahan (#3)
Subcommittee on Asia, the Pacific, and Nonproliferation
House Committee on Foreign Affairs
June 13, 2019**

Question:

According to the October 2018 report from the UN Intergovernmental Panel on Climate Change, people living on small islands are among the most the most affected by climate change—through extreme weather, sea level rise, and loss of biodiversity. These changes are causing unprecedented risks to vulnerable people and populations, like those living in the Maldives. Ms. Steele, do you agree that climate change is a threat to the people of the Maldives and other island nations? What is USAID doing to help the Maldives adapt to climate change and prepare for possible climate-caused migration?

Answer:

Climate change is a threat to the people of the Maldives and other island nations. The United States will continue to help our partner countries to adapt to the impacts of climate change, and to respond to natural disasters. With the highest point of the island nation less than 8 feet above sea level, it is one of the most vulnerable countries in the world to the impacts of climate change—from sea level rise to coral bleaching to more frequent and intense weather events. High population density, dependence on climate-sensitive industries like fisheries and tourism, and over-exploitation of very limited freshwater resources further exacerbate its vulnerability.

USAID, through the REGENERATE project, strengthens the management of coral reef ecosystems to mitigate the adverse effects of climate change in the Maldives. The four objectives of REGENERATE are to: (1) improve access to science and technology for decision making and

establish policy frameworks for increasing coastal resilience; (2) increase stakeholder capacity to measure, monitor and adapt to climate stresses through education, training and outreach; (3) strengthen governance in support of decentralized management for more resilient reef ecosystems; and (4) establish sustainable financing mechanisms to support climate-resilient marine management.