

**Testimony before the Senate Committee on Foreign Relations
Administrator Designate Dr. Rajiv Shah
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Chairman Kerry, Ranking Member Lugar, and Members of the Committee.

I am honored to be nominated by President Obama to serve as Administrator of the United States Agency for International Development, and I appreciate his confidence in me to lead the Agency.

Secretary of State Clinton has expressed the conviction that, along with diplomacy and defense, development serves as a pillar of American foreign policy. I am grateful for her support for my nomination and, if confirmed, look forward to the opportunity to help her give full effect to that conviction.

I also want to recognize Alonzo Fulgham who has been serving as Acting Administrator. Alonzo's leadership and two decades of experience with the Agency have allowed USAID to advance its mission this year.

And I want especially to thank Secretary Vilsack. I have had the privilege of serving this Administration as Undersecretary for Research, Education, and Economics at the Department of Agriculture. I am, and will remain, deeply committed to the work our team is leading at the Department. When the opportunity to join USAID presented itself, Secretary Vilsack encouraged me to follow my passion.

The mission of USAID is my passion. As a young child, my parents – both immigrants from India – took me to visit their homeland. I clearly remember my uncle insisting on showing my sister and me the full reality of that multi-faceted country – not just the historic landmarks and vibrant urban communities, but also the vast slums that were home to millions and continue to be. This early experience opened my eyes to a type of human suffering I had not previously witnessed and have not since forgotten.

The challenges we face today are formidable—from Afghanistan and Pakistan to the global food security crisis – in which over a billion people on this planet live in hunger -- from a growing “youth bulge” to life-threatening but preventable and curable diseases.

And so it is with humility that I seek confirmation to lead the agency established by President Kennedy in 1961. The world then, as it is now, was in the midst of significant geopolitical change, with new obligations, opportunities and challenges that required fresh thinking and action. Foreign assistance was, in President Kennedy's words, an "unprecedented response to world challenges." And USAID was the organization established to lead that response. Its mission – to advance economic and social progress around the world – is a mission I hope to carry forward if confirmed.

My professional training and work experience have prepared me for the challenge of leading and strengthening USAID. As Undersecretary, my portfolio at the Department of Agriculture includes oversight of four federal agencies, more than 10,000 staff including 2,200 PhD scientists, and extension and education programs that reach nearly every corner of our country and 6 million American children. In a short time, we created the National Institute of Food and Agriculture and refocused our work around a core set of presidential priorities in bioenergy, climate, human nutrition, food safety and international food security. Our team of dedicated civil servants and scientists had the courage to do things differently in an effort to better serve American families.

Prior to joining the Administration, I served in a variety of leadership roles in global development and health at the Bill and Melinda Gates Foundation. I developed strategies and managed significant investments aimed at changing the lives of some of the least fortunate families around the world. I had the opportunity to bring together a talented group of individuals and organizations to achieve progress in meeting seemingly intractable challenges.

The very scale of these development challenges can sometimes seem insurmountable. But I learned at the Gates Foundation what many on this committee and at USAID already know – *success is possible*. But this requires smart, targeted investments to generate real, sustainable results – so long as we build real capacity and meaningful partnerships, couple long-term strategic planning with cost-effective execution and, most importantly, demand from our partners and from ourselves accountability for results.

In helping to make and oversee billions of dollars in development investments, I have had the opportunity to see what kind of breakthroughs are possible. For example, I helped build the Global Alliance for Vaccine

and Immunizations to address the troubling reality that too many children die needlessly because they do not receive basic immunizations. The Alliance brought together partners from the public sector, developing countries, private industry and NGOs and created innovative and cost effective new tools to accelerate vaccine introductions, establish long-term, predictable finance, invest in sustainable health systems development, and document results. In its first decade, the Alliance has supported nearly 250 million additional immunizations for children in low income countries, saved millions of lives and created a platform for the development and introduction of new vaccines – tomorrow’s solutions for diseases including pneumonia, diarrhea and malaria. Today, global immunization rates in low-income countries are up to a record 79 percent, and USAID has been an important partner in this effort.

But USAID’s successes and learnings go well beyond immunization. Working in partnership with host countries and their people, USAID has helped spur lasting progress throughout the world. For example, USAID helped lead the Green Revolution, which saved hundreds of millions of lives, by providing early funding, policy and technical support to countries seeking to reform their agriculture sectors. In the 1970s, the Agency helped develop and accelerate the effective use of Oral Rehydration Therapy – an intervention that has saved millions of lives. In the 1980s and 1990s, USAID investments in civil society, democracy and governance helped El Salvador turn away from a legacy of conflict and embark on a more effective and inclusive course of development. And more recently in West Africa, the Agency has worked to support Ghana’s remarkable progress in poverty reduction, economic growth and democratic governance. Thanks to strong Ghanaian leadership and support from USAID, Ghana is now on a path to become a net food supplier to the region.

If confirmed, it will be my great honor to build on that rich tradition, and to lead the nearly 8,000 people – including Foreign Service officers, Civil servants, local country nationals, and others in the extended USAID family – who work to help bring stability, freedom and prosperity in partnership with more than eighty countries worldwide.

Since my nomination, I have spoken with many smart and experienced people about the challenges USAID faces. I have appreciated the counsel of the members of this Committee as well as your staffs, and I hope it is the beginning of a relationship marked by open communication and

consultation. The clear message I have taken away from all of these meetings is this: USAID must become a more agile, focused, flexible agency that is accountable to the Congress and the American people.

We live in a time of tremendous opportunity and challenge. Our global capacity to innovate, build systems and solve problems is unparalleled and progress is evident in many countries.

However, roughly 2 billion people -- nearly one third of humanity -- have been essentially left behind. Many of them are reeling from a tragic confluence of events -- from the rising cost of food, to volatile fuel prices, severe climate events and the aftermath of the global financial crisis. The last 18 months have demonstrated the cruel truth of our global interdependence: It is the world's poorest who often suffer the most from problems not of their making; they are the most vulnerable to the greatest threats of our time -- from climate change to extreme poverty to extremist ideology.

And by now we are aware of the risks to America when poverty, corruption and conflict elsewhere go unaddressed. Diseases like TB, left unchecked, can make it to our shores. A child denied a basic education and the chance for a secure future will not be able to live up to his or her potential and contribute to the global economy. Corrupt regimes waste precious resources and weaken institutions while enabling illicit trafficking of people, arms and drugs. We know that young adults denied the security and dignity of a job and the skills to do that job are vulnerable to other influences in their search for security and dignity.

President Obama has called for America to re-engage around the globe to address these challenges and recast American influence and ideals around the world. Secretary Gates has joined Secretary Clinton in highlighting that development must stand with diplomacy and defense to constitute the three pillars of our national foreign policy. There is broad consensus that development -- both the investment of resources to solve problems and the policy and technical cooperation that allows for the drawing down of that investment -- is more critical today than ever.

It is an honor to appear before this Committee as the nominee for USAID Administrator at a time when there is such broad, bipartisan recognition of both the importance of development to our foreign policy *and* the critical

need to improve the way we work to help achieve it. I would suggest that not since the founding of USAID in 1961 and the passage of the Foreign Assistance Act have we had such an opportunity to fundamentally re-imagine our nation's development strategy and strengthen the organization that leads it.

If confirmed, I look forward to providing leadership on behalf of USAID in the Quadrennial Diplomacy and Development Review and the Presidential Study Directive on Global Development Policy. If confirmed, I pledge to work with this committee and consult with the broader development community and those it seeks to impact, to help craft and implement a development strategy that delivers on the President's and the Secretary's vision of USAID as the world's premiere development agency.

Restoring USAID's effectiveness will be my top priority if confirmed. A strong development agency is critical to animating and executing the President's bold development agenda. And empowering the dedicated men and women who have devoted their lives and careers to this agency and its mission must be part of strengthening the Agency

Change on this scale is not easy...or quick, but it is possible. Whether launching the National Institute for Food and Agriculture at USDA or helping to build the Alliance for a Green Revolution for Africa while at the Gates Foundation, I have seen people and ideas come together to shape a new future. This will require carefully defining success, listening to smart ideas wherever they may be, and maintaining a strong focus on the most critical tasks at hand.

And change will be necessary. In announcing the Food Security Initiative, President Obama proposed an approach to development that begins with the view that the purpose of our aid must be to create the conditions where it is no longer needed. To guide this approach, the President articulated five principles of effective development partnership. These principles will require significant changes in the way the Agency does business.

- Instead of designing policy in Washington and dictating it abroad, we work in partnership with nations to ensure our efforts support country-led plans and priorities and build the local capacity for transformational change

- Instead of tackling a large number of worthy but unrelated projects, we narrow our strategic focus to key areas that we can address comprehensively and for maximum impact.
- Instead of taking on complex issues by ourselves, we coordinate with a cross-section of stakeholders—governments, foundations, civil society, and the private sector— and better coordinate with other donors to ensure our collective efforts are mutually reinforcing.
- Instead of engaging only in a bilateral manner, we understand and leverage the resources and reach of multilateral organizations.
- Finally, it means sustained commitment to achieving long term results. This type of “focus-for-decades” approach has led to many of the breakthroughs we have seen in vaccinations, agricultural productivity, democratic governance, inclusive economic growth, and other aspects of human development.

Development is a discipline – and in many ways these principles reflect the best practices of that discipline.

And like any discipline, development requires dedicated and committed career professionals in order to succeed. I have great respect for the talented professionals at USAID. If confirmed, I will do everything I can to champion the Agency, ensuring it is empowered, respected and well resourced. But in order to fully leverage and support their capacity to lead a 21st century development enterprise, we also need to create business processes that allow them to succeed.

This starts with human resources, and I want to thank the Committee for its support in this endeavor, especially through the Development Leadership Initiative. USAID still needs to fill a critical shortage of experienced middle and senior-level managers as well as recruit additional highly-competent technical professionals – both here in Washington, and, crucially out in the field. That capacity also includes reclaiming the Agency’s historical leadership in science and technology, enhancing its knowledge management systems, and improving its ability to engage with foundations, the private sector and civil society partners.

In addition, USAID professionals need to have the capacity to design long-term strategies that demonstrate how foreign assistance can achieve

transformational results. Policy planning that assesses opportunities and determines priorities is a critical tool for a development agency. Equally important, but often missing, is program evaluation, including monitoring implementation, assessing impact, and applying lessons learned.

We also need to evaluate the efficiency of the Agency's delivery model. Every agency must find the right balance between internal capacity and external partnerships. But currently too many of our precious development dollars never leave Washington as a shrinking USAID has had to increasingly rely on contractors to manage programs. While some of these contracting relationships have proven to be effective and should be continued, we need to ensure that all of our programs are not only delivering measureable results, but are also being implemented in a way that builds long-term, local capacity.

These capacities must be built quickly to ensure we successfully deliver development results for the American people. In particular, we need to carry out effective development that addresses national security priorities in Afghanistan, Pakistan, and Iraq where the Agency's scale up must be executed quickly and effectively, and other priority countries such as Sudan.

In addition to these immediate priorities, President Obama and Secretary Clinton have launched major initiatives in global health and agricultural development. In both of these cases, USAID must take a leadership role working across programs and agencies, including PEPFAR and MCC, to ensure that we maintain a coherent strategy and focus on a results framework that demonstrates the power of our investment.

If confirmed, I look forward to leading these efforts.

USAID's motto, "From the American people," represents our effort to project the hopefulness and aspiration of the American Dream to the farthest corners of the globe.

The Agency's logo is a handshake, and by reaching out in a spirit of partnership and cooperation USAID has helped to bring a Green Revolution to Asia that saved hundreds of millions of lives, enabled oral rehydration solution to reach millions of children that might otherwise have succumbed to disease, and worked to promote stability and democracy in countries on the brink.

I remember seeing the power of that American ideal at work in a remote village in rural South India. I served as a volunteer in a poor tribal community during medical school, and I was struck by the one room schoolhouse where children, who didn't speak our language or enjoy our freedoms from hunger or disease, could look up on the wall and admire photographs of their heroes – Mahatma Gandhi, Jawaharlal Nehru, and John F. Kennedy.

If confirmed, it will be my distinct honor to work with USAID's talented and proud staff to build on America's rich legacy of helping others help themselves.

I ask permission to submit for the record my extended testimony which expands on these points.

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