

A REGIONAL OVERVIEW OF SOUTH ASIA

HEARING
BEFORE THE
SUBCOMMITTEE ON
THE MIDDLE EAST AND SOUTH ASIA
OF THE
COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES
ONE HUNDRED ELEVENTH CONGRESS
FIRST SESSION

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A REGIONAL OVERVIEW OF SOUTH ASIA

THURSDAY, JUNE 25, 2009

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON THE MIDDLE EAST
AND SOUTH ASIA,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 9:53 a.m., in room 2172, Rayburn House Office Building, Hon. Gary L. Ackerman (chairman of the subcommittee) presiding.

Mr. ACKERMAN. The committee will come to order.

In land area, South Asia, composed of the Nations of Pakistan, Afghanistan, India, Sri Lanka, Nepal, Bhutan, Bangladesh, and the Maldives, is half the size of the United States. Literally, two South Asias could fit within the borders of the United States.

But South Asia is the home to more than 1.6 billion people, and the United States, just over 300 million. In India alone there are over 2,000 ethnic groups and 22 official languages. These facts are not a basis for policymaking, but they should be a cause for concern. South Asia is a region of almost unimaginable complexity, and we come to it as strangers, as outsiders.

Unfortunately, for many Americans this region is still seen primarily through the lens of the attacks on our country on September 11th, 2001. This association is doubly tragic. The madmen responsible for 9/11 are, of course, not from South Asia, and their true ambitions are directed toward the Arab Middle East, not the subcontinent.

But worse still, South Asia's own problems have become horribly engrossed in the struggle we face to destroy the threat of radical extremism. Before 9/11, India and Pakistan had fought several wars and gone to the brink of war many times over. Afghanistan was a badly ravaged country even before the Taliban took over and before al-Qaeda set up shop and began plotting the attacks on our country. Pakistan was not a stable democracy before we called upon that government to assist us in the fight against al-Qaeda and the Taliban.

And it should be recalled, that before 9/11, the United States could not honestly claim that our commitment to either Afghanistan or Pakistan was sustained, deep, or serious. It wasn't. We used them, and they used us. And we assumed their dysfunctional governments and failing economies were problems of little consequence to us.

We made a lot of assumptions: That the fundamental political instability of the region could be contained by states and constitu-

tions, and that they would make the conflicts between religions, tribes, and ethnicities go away; that flags and governments would suffice in place of genuine political reconciliation; that the conflicts between states and within states would not bleed over borders, or at least not beyond the region; in short, that the complexity of South Asia could be sealed up and shrink-wrapped into tidy national packages and then left in cold storage.

Suffice it to say, these assumptions didn't pan out. So today we are engaged in extensive military operations and massive efforts at governance and capacity building. At a time when our own economic and fiscal position is strained, the circumstances in Afghanistan and Pakistan still absolutely necessitate these extraordinary efforts.

Like many, I remain concerned that all the money and initiative and effort—and let us never forget, the blood of our heroic troops—will be for naught if we don't start making some very fundamental changes in how we do business.

We have poured billions of dollars in both economic and military assistance into both Afghanistan and Pakistan, and in many cases, it is not hard to conclude that the money was badly spent, if not completely wasted.

We have fought for years in Afghanistan, and it can't be truthfully claimed that the country is safe and getting safer.

Moreover, the current counterinsurgency campaign in Pakistan, though badly overdue, has given rise to massive displacement of approximately 2 million people. The anger and desperation of this population should give us pause if the continued growing public outrage about civilian casualties caused by our drone strikes was not enough.

I have no doubt that we and our allies will not be able to destroy al-Qaeda and block the revanchist dreams of the Afghan Taliban and other militants in Pakistan without violence. The fanatic ambitions of these groups leave us and our allies no real alternative.

What is becoming clear is that, while our own understanding of regional security, ethnic and tribal dynamics is growing, so too is the popular backlash against the methods we have been using. So something needs to change.

Albert Einstein's warning holds true today: We can't solve our problems by using the same kind of thinking we used when we created them.

In approving billions of dollars of assistance and supporting the heroic efforts of our troops and our diplomatic and development officers on the ground, Congress has done a great deal. But I wonder if perhaps we wouldn't do more if we helped infuse a bit more circumspection about our ability to buy or impose changes in the interests and perceptions of other states, a bit more cautiousness about our capacity to build the capacity of others, and maybe a bit more modesty about the ability of the U.S. military to deliver political reconciliation and economic development.

Finally, I would be remiss if I didn't say a few words about the other states in the region. Truthfully, there is too much to say. With India, we are moving forward on what I believe can be and will be a true strategic partnership, one built on both shared values and genuine cooperation across a broad range of shared interests.

Though people tend to focus on cooperation on nuclear energy, I believe the potential of the relationship is much, much greater.

The recent Indian elections hold out real hope of a strong government in New Delhi that is ready and willing to address the many political and economic challenges facing a country that, despite its shining achievements in the new economy, remains overwhelmingly rural, agrarian, and impoverished. I think there is a tremendous opportunity for us to engage successfully with this government across the full spectrum of our interests.

Special relationships aren't announced; they are built one agreement and one success at a time. It is time for New Delhi and Washington to get to work.

Sri Lanka is emerging from an awful civil war, whose recent conclusion only opens new questions about how the Sinhalese and Tamils can reconcile themselves to sharing one government and one nation. The end of the war, and we all pray that the war is truly over, has left thousands upon thousands injured, displaced, and embittered.

I think the United States should offer its assistance to relieving the suffering of the displaced as much as we can, while fully respecting the sovereignty of Sri Lanka, and we should encourage true national reconciliation.

Bangladesh and Nepal are both transitioning to new and more democratic governments, which is good news, most of all to their own citizens. But I remain concerned that the fundamental political problems in both societies remain, by and large, unresolved. Ethnic tensions, endemic corruption, and political violence affect both countries and, I would argue, are going to continue until a broader consensus within these societies is achieved.

Bhutan and the Maldives are both places where a little bit of United States assistance can go a very long way. In Bhutan, the progress toward democracy is heartening, and could probably benefit from some United States assistance in strengthening the capacity of the national assembly.

The Maldives is in growing jeopardy from increasingly violent weather, rising sea levels, and a disturbing increase in local Islamic militancy. Again here, a small amount of United States help could help the Maldives Government cope with its own problems before they become problems for others or ourselves.

If we should have learned one thing from that awful day in 2001, it should be this: Either we visit bad neighborhoods on our terms, or eventually they are going to visit us on theirs.

I turn now to the distinguished member from California, Mr. Rohrabacher.

Mr. ROHRABACHER. Thank you very much, Mr. Chairman.

And I am afraid that I will have to take the place of Mr. Burton today. I don't have a prepared statement—

Mr. ACKERMAN. That is frightening.

Mr. ROHRABACHER [continuing]. Whereas I have been drafted to take Mr. Burton's spot, but I am a member of this subcommittee, and am very pleased to be able to expand my knowledge base today and also engage in the give and take for which I am inclined to do.

Let me note I am not let's say someone who is totally unfamiliar with the region. And I have spent considerable time in my life in

Afghanistan. And I have over the last 30 years, since the time I worked at the White House with Ronald Reagan, spent a lot of time focusing on Afghanistan. During the Cold War. We had a relationship with Pakistan and a relationship with India. We were allies with Pakistan; they had allied with us. India allied with the Soviet Union during the Cold War. That Cold War positioning still has some impact today, but we need to understand that the Cold War is long over. And the people of Pakistan have to understand that either they are the friends of the United States, or we are not going to be friends with them.

This isn't the Cold War, where we need to be friends with Pakistan for a global strategy. And if indeed by not being friends with the United States Pakistan, the people of Pakistan bring chaos and bring bloodshed to their area, their region, they are the ones who will suffer. So I think one of the things that we should be focusing on, I would hope that the United States does more, now that the Cold War is over, to end the animosity between India and Pakistan than we did during the Cold War, because at that time, Mr. Chairman, we were just playing the game, the Cold War global game, and frankly, that has to be over with, and we should be focusing our activities, instead of building the military in Pakistan, which is still what some people—I am looking forward to hearing what Ambassador Blake has to say on this—some people still want to act as if the solution to the problem is a strong military in Pakistan; let me suggest that I think that is absolutely wrong.

We should be doing everything that we can to encourage India and Pakistan not to waste their limited resources on weapons. And we can make that real by doing everything we can to try to mediate any differences between those two countries, because much of their weapons acquisition is done in the name of confronting each other. What a waste of resources for poor countries. We put up with that with the Pakistani Government for far too long. And I think that we need to focus on the policy of arming Pakistan and actually go in the opposite direction.

We are not in the Cold War. We are in a war with radical Islam. Radical Islam declared war on the United States. We did not declare war on Islam. And the fact is we can live at peace, as our new President has bent over backwards to suggest, we can live at peace with the Islamic world. But there are segments of the Islamic world, radical segments that will not be satisfied until they have conducted a war on us. And that war is—nowhere is it hotter right now than in Afghanistan, again, the country that I traveled to years ago with a Mujahedin military unit and fought Russian troops outside the City of Jalalabad.

And let me just note that while the Russian troops that I fought were brave, and we—they didn't want to be there either at that time, and that was part of our Cold War strategy. The Cold War is over, again. Not only did we change our policies toward India and Pakistan, we should do our best to bring Russia back into play. And I am looking forward to Mr. Ambassador Blake's reaction to that concept.

So, with that, Mr. Chairman, I am looking forward to discussing and listening to the issues that are important today for this signifi-

cant region, and I want to thank you for letting me take Mr. Burton's place for this moment.

Mr. ACKERMAN. Thank you very much.

I turn now to our distinguished colleague from South Carolina, Mr. Wilson.

Mr. WILSON. Thank you, Mr. Chairman.

And it is an honor to be here with you, Ambassador.

And I like to point out that I grew up with a great appreciation of the people of South Asia. My father served in the Flying Tigers during World War II. He arrived by ship in Karachi, India, at the time, then traveled across India and served in Kunming and Xian, China. But as I was growing up, he told me how entrepreneurial and capable the people of South Asia are. And it has come to fruition.

And so when Indian Americans started buying hotels and motels in the communities that I represent, I became their attorney. I said I know who you are. And so it was a great relationship. I was able to incorporate the Hindu Temple and Cultural Center of South Carolina. I have seen the Indian American population of the United States become assimilated to the point 2.2 million people, and this would include people of South Asia and of Pakistan also, with the highest per capita income of any immigrant group in the United States, with the highest percentage of millionaires of any immigrant group in the United States. So what a wonderful, positive relationship that we can have with the people of South Asia.

And I also have an interest in Central Asia. The opportunities there, hopefully for the people of that region, with friendship with the United States, and that would even include, and I agree with my colleague always, Congressman Rohrabacher and I agree on about 92 percent of the things, but I would tell you I see a bright future for western Siberia. And so Russia itself can be looked at in different regions, as you look at America.

And so I am very hopeful, and I wish you well in your service, and however I can work with my colleagues.

And Congressman Ackerman and I have traveled together. What an extraordinary guy. He is tireless. So I look forward to working with this team.

Thank you very much.

Mr. ACKERMAN. Thank you very much.

We turn now to our colleague from California, Mr. Costa.

Mr. COSTA. Thank you very much, Mr. Chairman.

I think that both you and the ranking member gave a good overview in terms of the subject matter at hand and what we would like to hear this morning from Ambassador Blake.

Having been 6 weeks ago with both the subcommittee chairman and the full committee chairman to both India and Pakistan, I came away with a number of impressions that I would like the Ambassador to cover in his statement.

Clearly, with the elections that have been completed in India, do we find or does the administration believe, I guess, that India is in a stronger position today to carry a more regional effort and responsibility as it deals both with Pakistan and its other neighboring countries?

In turn of course, we had our visit in Pakistan, and President Zardari was here following that. And I would like to get some sense as to whether or not we sense that the Pakistan Government is capable of dealing with the counterinsurgency efforts that are taking place now in the Swat Valley and elsewhere and winning the hearts and minds of the Pakistani people.

At the heart of all of this lies, as both my colleagues noted, an important effort I think, and we need to play a positive role in—the term “reset” I guess is popular these days—trying to reset or refocus what has been the traditional hostile relationship between India and Pakistan. Because I think if that is changed, I think a whole lot of good can come from that.

Obviously, both of those countries are central to our efforts with regards to Afghanistan and to Iran. And so I would like, Ambassador, you in your narrative to describe to us how you see a progression taking place in South Asia with regards to a thoughtful, transparent, and clearly a balanced approach that uses all the diplomatic tools in our diplomatic toolbox as it relates to both carrots and sticks in terms of trying to reset, in essence, what has been a challenge for administrations in the past, both Republican and Democratic, as we try to make the sort of changes that I think deal with this jihadist terrorist point of view that obviously is almost, in this part of the world, is almost ground zero for that.

So to cut to the chase, I look forward to hearing the Ambassador’s testimony.

And thank you again, Mr. Chairman, for holding this important hearing.

Mr. ACKERMAN. Thank you. It is now my pleasure to introduce the new Assistant Secretary of State for South and Central Asian Affairs, Ambassador Robert O. Blake. We are delighted to have him here for the first of what I hope will be regular appearances before the subcommittee.

Ambassador Blake is a career Foreign Service officer, having joined the Foreign Service in 1985. He has served at the American Embassies in Tunisia, Algeria, Nigeria, and Egypt, as well as important assignments here in Washington. Ambassador Blake served as deputy chief of mission in New Delhi from 2003 to 2006, and as Ambassador to Sri Lanka and Maldives from 2006 to mid-2009, when the Senate confirmed Ambassador Blake in his new role as Assistant Secretary.

So Mr. Secretary, without objection, your full statement will be entered into the record. I would ask you to summarize your testimony and remarks in somewhere between 5 and 7 minutes if you could, and then we will move directly to questions.

Welcome to the subcommittee.

STATEMENT OF THE HONORABLE ROBERT O. BLAKE, JR., ASSISTANT SECRETARY, BUREAU OF SOUTH AND CENTRAL ASIAN AFFAIRS, U.S. DEPARTMENT OF STATE

Ambassador BLAKE. Chairman Ackerman, Congressman Rohrabacher, Congressman Wilson, Congressman Costa, thank you very much for inviting me here today.

And let me say that I appreciate the committee’s sustained interests in the South Asia region, and welcome the opportunity to pro-

vide an overview of recent developments and our initiatives in South Asia.

Mr. Chairman, the President has made it a top foreign policy priority to disrupt, dismantle, and eventually defeat al-Qaeda and affiliated extremist groups and eliminate their safe havens in Afghanistan and Pakistan. Under the direction of the Special Representative for Afghanistan and Pakistan, Ambassador Richard Holbrooke, the broad based interagency strategy to achieve this goal is now being implemented.

Pakistan has demonstrated a renewed commitment to countering the militant threat. Since May of this year, the government has made progress in pushing back the extremist encroachment in Swat, Lower Dir and Buner. The United States and the international community have worked together to respond quickly to the internal refugee crisis that you mentioned resulting from these operations.

We have committed over \$300 million in immediate relief efforts and mobilized an international response. Secretary Clinton and Ambassador Holbrooke have personally rallied the international community for its assistance, most recently in Europe and the Gulf, to ensure that U.N. agencies on the ground are able to respond effectively to the needs of the displaced.

As the Afghan elections approach, we are encouraging the Afghan people to determine the issues that are important to them, demand that the candidates explain their programs, and vote for their future. We are working with the Afghan Government and international community to help ensure an electoral process that is credible, secure, and inclusive. And we have provided \$120 million to support the elections.

Mr. Chairman, South and Central Asia is one of the least economically integrated regions in the world. As we implement the President's strategy on Afghanistan and Pakistan, we are working more closely to knit these two countries with their surrounding neighbors and with their region, and to open up foreign markets to their products. Integration is vital to creating interdependence, which will foster peaceful relations, closer cooperation, and sustained, vibrant economies in Afghanistan, Pakistan, and the broader region.

The establishment of Reconstruction Opportunity Zones, as called for in legislation currently being considered by Congress, will be an important step in stimulating economic growth in both countries and drawing people away from extremism. And let me say that we appreciate the House's support for the ROZ legislation. In partnership with other U.S. departments and agencies, my staff has engaged donors, host governments, and the private sector, and established working groups on regional economic integration and cooperation. We are working on power transmission, gas pipelines, road development, railroads, trade facilitation, border crossings, information and communication technology, and water.

Mr. Chairman, President Obama and Secretary Clinton have both expressed a deep commitment to building stronger ties with India, a commitment based on mutual respect and mutual interests. As Secretary Clinton recently put it in a speech here before

the U.S.-India Business Council, we see India as one of the few key partners worldwide who will help us shape the 21st century.

As you said, sir, this spring, the ruling Congress Party won a substantial victory in India. They formed a coalition that is supportive of a stronger United States-India relationship. And we look forward to working forward with Prime Minister Singh's government to make that vision a reality.

We also continue to support dialogue between the Indian and Pakistani leaders. The timing and scope and content of any such dialogue are strictly matters for the Indians and Pakistanis to decide. Let me just briefly touch on some of the other countries, Mr. Chairman.

In Nepal, we continue to press for progress on implementing the peace agreement signed in 2006, including the drafting of a new constitution. We believe it is important for the Maoists to remain involved in the peace process and in the political process, and avoid a return to armed conflict.

In Sri Lanka, we continue to press the Sri Lankan Government to grant humanitarian relief organizations full access to the internally displaced persons who are now residing in the camps and to engage in political reconciliation with Sri Lanka's Tamil minority. Overall access has improved, but more progress is needed. The actions that the Sri Lankan Government takes now in the aftermath of the war with respect to both humanitarian relief and political reconciliation will be important to securing a lasting end to terrorism and a lasting peace.

Last December, Bangladesh held the fairest and most transparent elections in its history. This promising backdrop makes it important for the United States to engage Bangladesh as it confronts daunting challenges, including chronic political partisanship, widespread poverty, civil and military tensions, porous borders, and corruption. We are working with Bangladesh to strengthen institutions that will deter violent extremism, and have encouraged the new Prime Minister, Sheikh Hasina, to engage with the opposition and include them in the decision-making process.

Bhutan's transition from an absolute to constitutional monarchy has gone smoothly.

And the Maldives continues to consolidate its democracy after holding historic democratic elections last year that ended former President Gayyoom's 30 years in power.

In conclusion, Mr. Chairman, thank you again for giving me this opportunity to discuss one of the most dynamic and important regions to U.S. foreign policy and security interests. And let me say that I look forward to working closely with you and all the other members of this committee to advance our Nation's interests in this important region. Now I would be happy to take any questions that you and the other members have.

[The prepared statement of Mr. Blake follows:]

REMARKS FOR THE RECORD

AMBASSADOR ROBERT O. BLAKE

ASSISTANT SECRETARY OF STATE FOR SOUTH AND CENTRAL ASIA

BEFORE THE HOUSE FOREIGN AFFAIRS SUBCOMMITTEE ON THE
MIDDLE EAST AND SOUTH ASIA

JUNE 25, 2009

Chairman Ackerman, Ranking Member Burton, Distinguished Members of the
Committee:

Thank you for inviting me here today. I appreciate the Committee's sustained interest in the South Asia region and welcome the opportunity to provide an overview of recent developments and our initiatives.

The past several months have seen rapid change in South Asia. Elections in India and approaching elections in Afghanistan; Pakistan's offensive in its northwest and the humanitarian crisis affecting more than two million displaced people; and the cessation of Sri Lanka's long running civil war; are examples of the challenges and opportunities that require the United States to maintain its focus on long term objectives, while being nimble enough to respond to a rapidly changing environment. I'd like to highlight the emerging developments as well as areas where we are pursuing our long terms goals in the region.

Implementing the President's Strategy on Afghanistan and Pakistan

As you know, the President has made it a top foreign policy goal to disrupt, dismantle, and eventually defeat al-Qaeda and affiliated extremist groups and

eliminate their safe havens in Afghanistan and Pakistan. Under the direction of the Special Representative for Afghanistan and Pakistan, Ambassador Richard Holbrooke, the broad-based, interagency strategy to achieve this goal is now being implemented. We have engaged the Afghans and Pakistanis as partners in achieving this goal through high-level consultations, including trilateral meetings. We have invigorated dialogue and cooperation with the international community, including with both our ISAF partners and regional countries, around key issues, such as support for the upcoming Afghan elections, urgently needed humanitarian assistance for Pakistan, and coordination and prioritization of assistance for development and reconstruction in line with the principles of our new policy. Efforts are also underway to communicate our message to the Afghan and Pakistani people through new methods such as expanded radio projects, cell phone messaging and other means. The Department is also on track to hire and deploy an increased number of civilian experts for our mission in Afghanistan.

Pakistan has demonstrated a renewed commitment to countering the militant threat. Since May of this year, the Government has made progress in pushing back the extremist encroachment in Swat, Lower Dir, and Buner. The United States and the international community have worked together to respond quickly to the internal refugee crisis in Pakistan resulting from these operations. We have committed over \$300 million in immediate relief efforts and mobilized an international response. Our assistance has brought food, medical care, water, and sanitation to the internally displaced people living in camps and host communities. Secretary Clinton and Ambassador Holbrooke have personally rallied the international community for assistance, most recently in Europe and the Gulf, to help ensure that the UN agencies on the ground are able to respond effectively to the needs of those displaced. We will continue to work with international donors,

UN agencies, non-governmental organizations, and the Government of Pakistan to provide humanitarian relief to those displaced and to enable their return to their homes as quickly and safely as possible.

U.S. support for long-term political stability in Afghanistan and Pakistan remains strong. We encourage political leaders in both countries in their commitment to the democratic process. We understand that the Government of Pakistan needs the full support of the Pakistani people and key political figures in the opposition to continue the military offensive against the Taliban and affiliated extremist groups in Swat and other parts of northwestern Pakistan. To retain that support, it is critical that the government ensure the protection of civilians, meet the needs of the growing population of displaced persons, and implement a long-term plan for effective civilian governance and economic development in affected areas and throughout the country. Ambassador Patterson and her staff at the U.S. Embassy and Consulates in Pakistan continue to relay this message, and are in regular communication with the full spectrum of Pakistani political parties, including Nawaz Sharif's "Pakistan Muslim League-Nawaz" party.

As the Afghan elections approach, we are encouraging the Afghan people to determine the issues important to them, demand that candidates explain their programs, and vote for their future. We are working with the Afghan government and international community to help ensure an electoral process that is credible, secure and inclusive. These elections are an important milestone on the road towards a government that reflects and accountably responds to Afghan popular will. We have provided \$120 million to support the elections. USAID is also funding separate elections-related projects through a number of local monitoring groups in-country, as well as U.S. NGOs such as the International Republican

Institute, the National Democratic Institute and the International Foundation for Electoral Systems.

Focus on Long-Term Regional Integration

South and Central Asia is one of the least economically integrated regions in the world. As we implement the President's strategy on Afghanistan and Pakistan, we are working to more closely knit these two countries with their surrounding neighbors and region as a whole, and to open up foreign markets to their products. Integration is vital to creating interdependence which will foster peaceful relations, closer cooperation, and to sustaining vibrant economies in Afghanistan, Pakistan and the broader region, and should be accelerated. The establishment of Reconstruction Opportunity Zones, as called for in legislation currently being considered by the Congress, will be an important step in stimulating economic growth in both countries and drawing people away from extremism.

In partnership with other U.S. departments and agencies, my staff has engaged donors, host governments and the private sector, and established working groups to define and implement projects on regional economic integration and cooperation. Key sectors include: power transmission; gas pipelines; road development; railroads; trade facilitation and border crossing coordination; information and communication technology and water usage.

To create and strengthen information, education and people-to-people linkages, the Bureau is also working with universities in the region to develop networks between South and Central Asian faculty, students and researchers in areas such as English language and journalism training. Particular focus should be given to expanding vocational education to serve the needs of disaffected youth

across the region, who are often a ready recruiting ground for extremist groups, as well as professional development programs to supplement formal education, which in many countries is not aligned with market needs.

Expanding the U.S. Strategic Partnership with India

President Obama and Secretary Clinton have both expressed a deep commitment to building stronger ties with India, a commitment based on mutual respect and mutual interests. As Secretary Clinton recently put it, “We see India as one of a few key partners worldwide who will help us shape the 21st century.”

Under Secretary Burns’ recent visit to India paved the way for the Secretary to visit later this summer and underscores our commitment to an expanded partnership with India. The U.S.-India relationship has been on a positive trajectory for over a decade. Secretary Clinton recently noted that both she and President Obama “hope that the next stage in our country’s relationship will see a dramatic expansion in our common agenda, and a greater role for India in solving global challenges.” The implementation of the Civil Nuclear Cooperation Initiative established this new level of trust between our countries and set the stage for the next level of U.S. India cooperation in which we can become global partners while also focusing on India’s still huge development needs.

This spring, the ruling Congress Party won a substantial victory in India's recent elections. They have formed a coalition supportive of a stronger U.S. – India relationship and we look forward to working with Prime Minister Singh's government to make that vision a reality.

We will also continue to support dialogue between Indian and Pakistani leaders. The timing, scope, and content of any such dialogue are strictly matters for Pakistani and Indian leaders to decide. Most recently, Prime Minister Singh and President Zardari met at the Shanghai Cooperation Organization summit on June 16. This marks the first meeting of the two leaders since the Mumbai terrorist attacks. Such high-level engagement in the aftermath of the attacks is encouraging. India and Pakistan face common challenges, and we will support continuing dialogue to find joint solutions to counter terrorism and to promote regional stability.

Preserving post-conflict gains in Nepal and Sri Lanka

In Nepal we continue to press for progress on implementing the peace agreement signed in 2006, including a new constitution. We believe it is important for the Maoists to remain involved in the political process and avoid a return to armed conflict. We will continue to use our diplomatic resources to press upon all parties the importance of full participation in the democratic process.

In Sri Lanka we continue to press the Sri Lankan government to grant humanitarian relief organizations full and unfettered access to the internally displaced persons residing in camps in the north, and to engage in political reconciliation with Sri Lanka's Tamil minority. Overall access has improved since

the immediate aftermath of the fighting, but more progress is needed. The actions the Sri Lankan government takes now, in the aftermath of the war, with respect to both humanitarian relief and political inclusion for minorities, will be important to securing an end to terrorism and a lasting peace.

Nurturing Democracy in Bangladesh, Bhutan, and Maldives

Last December, on the heels of a two-year state of emergency under a caretaker government, Bangladesh held the fairest and most transparent election in its history. In many ways, this moderate Muslim nation of 150 million people deserves our support: the people and government are firmly committed to building an inclusive democracy; the economy has grown by more than 5 percent every year since the early 1990s; and extremism finds little popular support. This promising backdrop makes it important for the United States to engage Bangladesh as it confronts daunting challenges, including chronic political partisanship, widespread poverty, civil-military tensions, porous borders, and corruption. We are working with Bangladesh to strengthen institutions that deter violent extremism, and have encouraged Prime Minister Sheikh Hasina to engage with the opposition and include them in the decision-making process. There are many pockets of excellence and positive momentum in Bangladesh that we hope to assist, including women's literacy and employment programs.

Bhutan's transition from an absolute to a constitutional monarchy has gone smoothly. As the country, under the guidance of current King Jigme Khesary Wangchuck and Prime Minister Jigme Thinley, continues to expand interactions with the outside world, new opportunities for U.S. – Bhutan cooperation will emerge.

The Maldives continues to consolidate its democracy after holding historic democratic elections last year that ended former President Gayoom's thirty years in power. Maldivian Vice President Waheed visited Washington last week and met with Secretary Clinton and U.S. government officials to discuss areas of mutual concern and cooperation. Secretary Clinton offered U.S. support for the Maldives' goal to be carbon neutral by 2020.

Thank you again Mr. Chairman for giving me this opportunity to discuss one of the most dynamic and important regions to U.S. foreign policy and security interests. At this time I would be pleased to answer any question that the Committee might have.

Mr. ACKERMAN. Thank you very much, Mr. Secretary.

Let me start us off with a question about Afghanistan, if I may. Secretary Clinton has said that the billions of dollars that we have spent to aid Afghanistan during the past 7 years have been largely wasted. She cited problems with aid program designs, staffing levels, implementation, accountability. That echoes the complaints that I have heard from NGOs and others over the years about inefficiencies created through the use of multiple subcontractors, lack of consultation with Afghan officials and incorporation of local priorities in assistance projects, and security rules that severely limit interactions with Afghans in project oversight.

I understand that some contracts have been put on hold at this point and that efforts are underway to develop a new agriculture program for Afghanistan. What other steps are being taken to guard against such inefficiencies and ensure that more of our taxpayer money is not being wasted? I am particularly concerned about the system or the scheme, or to be more blunt, the racket, of subcontractors, where somebody with connections gets the contract, takes a big chunk of the money right off the top for doing nothing but passing the contract off to somebody else, who very often does the same thing, and half the money is gone before it even reaches anything at a level near a project.

Ambassador BLAKE. Thank you very much, Mr. Chairman, for that important question.

And it will not surprise you that I agree with Secretary Clinton's assessment of past assistance efforts.

In terms of what we are doing now, I would say that we have, under Ambassador Holbrooke's direction, and the Secretary's approval and the President's approval, we are completely restructuring our assistance program. As you say, we are trying to reduce our reliance on large contractors. We are trying to—we are deploying many more civilians there, including a large increase in people from the U.S. Department of Agriculture and USAID so that they themselves can directly implement these programs. And we are working very closely with the inspector general that Congress has appointed, who we believe has a very important role to play. We also have a much more closely integrated civil and military strategy at the U.S. Embassy in Kabul to make sure that this is all knitted up with our military efforts.

Mr. Chairman, you mentioned agriculture. That is going to be one of the important new directions in our policy in Afghanistan. We are going to put a much greater emphasis on agriculture—frankly, a much reduced emphasis on eradication of poppy—to put people back to work in Afghanistan and to, frankly, increase our aid effectiveness. So what is going to be different about our new program will be first of all, we are going to be working directly with the ministry, in this case the Ministry of Agriculture. We are going to have a counterinsurgency focus.

In terms of the agricultural products, a lot of the things that we are trying to do will be things like more—helping grow more pomegranates, to help grow, for example, nuts. Some of those take a long time to actually grow and start to produce fruit, so we will have some quick fix programs like voucher programs, cash for work

programs to get people back to work, to get them to support the efforts of the Afghan Government.

We will also be increasing an irrigation initiative, again to enable more crops to be grown in Afghanistan.

Thank you.

Mr. ACKERMAN. Thank you.

Do we have any idea of the percentage of U.S. aid that has been absorbed by contractors that actually didn't perform on contracts?

Ambassador BLAKE. Sir, I don't know that figure off the top of my head, but I will be glad to take that back and get it for you.

Mr. ACKERMAN. Would you be able to get back to us or tell us also how we intend to eliminate that waste?

Ambassador BLAKE. Certainly. Certainly.

Mr. ACKERMAN. Is there a plan in place now, or are we working on that?

Ambassador BLAKE. Sir, as you know, Ambassador Holbrooke has already testified that he is going to be personally reviewing every single program that we have, along with Ambassador Eikenberry, to make sure that we remove all waste and fraud. And as I said earlier, we will be working very closely with the inspector general on this as well.

Mr. ACKERMAN. I have 8 seconds left, but I will forego that, assuming that I can't ask the question in that time, and ask my colleagues to keep within the 5 minutes as well. And if we have time, which I assume we will, we will go around again.

Mr. Rohrabacher.

Mr. ROHRABACHER. Thank you very much, Mr. Chairman.

I am going to focus on Afghanistan, although I think that the idea that we need to start focusing on trying to promote peace between India and Pakistan as a major goal is significant and something we need to get into, but the crisis of the moment is Afghanistan.

And there are things that are happening right now that are very disturbing. And some of your testimony, quite frankly, is very disturbing. Let me ask you this. Under your current plan that I have spoken to at length with Mr. Holbrooke and many of the people who are the players in this here in Washington, let me ask you if you could confirm for me the structure that we are trying to build, or have built and continue to rely upon, is the structure going to have regional and provisional and district leaders appointed by Kabul or elected by the local people?

Ambassador BLAKE. Well, let me answer that by saying that we are—as I said earlier, we are starting to make intensive efforts to prepare for the Afghan elections that will take place later this year in August. And those will include not only Presidential elections but elections for 34 different provincial councils. So that will be—that will put in place elected representatives in all of these provincial councils.

Mr. ROHRABACHER. So the provincial councils will be elected by the people of the province?

Ambassador BLAKE. Correct.

Mr. ROHRABACHER. And then who will be—they will then elect their own leader, meaning elect the equivalent of the governor?

Ambassador BLAKE. Yes. Yes.

Mr. ROHRABACHER. Okay. So a provisional council will then be elected and then would sort of like—

Ambassador BLAKE. Oversee—

Mr. ROHRABACHER. Sort of like a state legislature then elects their leader.

Ambassador BLAKE. Right. Correct.

Mr. ROHRABACHER. Very happy to hear that. Thank you.

Ambassador BLAKE. Thank you, sir.

Mr. ACKERMAN. I am from New York. Can you explain how that works?

Mr. ROHRABACHER. It doesn't work.

Let me ask you this about something that you also mentioned in terms of the deemphasizing poppy eradication. Right now many of us believe that many of the funds that are being used to finance the war with radical Islam, especially in Afghanistan, come from that poppy production. So I take it from what you have said today and what I have gleaned from other remarks of other people involved in this project that we are no longer aiming at eradicating poppies.

How can we—if that is where the resources are for the money paying for the insurgency—now, I understand if we eradicated the poppies, we would have to give an alternative and provide an alternative, which you suggest here, but why is someone, if we are going to improve their irrigation and have other agricultural products, why are they not just going to grow more poppies?

Ambassador BLAKE. Thank you, sir, for that important question.

I think it is our assessment that the eradication program was not successful, because in eradicating these crops, we were not providing alternatives, as you just said.

So, in that process, we were actually driving people into the arms of the Taliban. So it was a counterproductive policy.

So that is why we are putting a much greater focus on providing alternatives. And that will be the agricultural programs that I just described. But I don't want to say that we are completely stopping eradication. We are just deemphasizing it.

Mr. ROHRABACHER. Right.

Ambassador BLAKE. And we are obviously going to continue to play a major role to arrest drug warlords, to stop the networks.

Mr. ROHRABACHER. If we are not going to go to poppy eradication, we are deemphasizing that, to say we are going to go and arrest the other people involved in the system is absurd.

And you are either going to deemphasize it or you are not. And it sounds like to me that we are going to walk away from the battle against heroin production out of Afghanistan. And Mr. Ambassador, with all due respect, I think that basically this deals a lot more with our inability to work with certain political leaders in Afghanistan and Pakistan who are up to their eyeballs in the drug trade. And this is the same sort of problem that has been going on ever since we worked with the ISI to help defeat the Russians when they were in Afghanistan. And I think that, frankly, that policy is doomed to failure.

Unless we confront that challenge, we will continue—their side will be better financed than our side. And our side hopefully is

good government and democratic government and a government at peace with the United States.

Thank you very much, Mr. Chairman.

Mr. ACKERMAN. Thank you.

Mr. Costa.

Mr. COSTA. Thank you very much, Mr. Chairman.

I want to follow up on Mr. Rohrabacher's last comment.

Having been in Afghanistan several times in the last 2 years, and Pakistan, as I noted, the reset as I described it and as you started to articulate it in terms of what you are doing with agriculture in Afghanistan and others, it all sounds good, but how do you expect to cut through, both in Afghanistan and in Pakistan and other areas, in what my, from all the visits I have had there, sense is that corruption in that part of the world, if not endemic, seems to be a way of life.

And you can separate, as my colleague just noted, the jihadists and all of those who obviously have an agenda to just those who are a throwback from what we dealt with here in the 1930s with the underworld and you know, kind of a Mafioso style kind of a way of life. I mean, these folks live in villages and in tribal areas, and the culture and the concept with power attached to money attached to their ability to control regions are, it seems to me, so much of what is going on there.

And to create a real central government in Afghanistan, as an example—I mean, even in Pakistan, we know that the territories really have been left to their own since the founding of Pakistan. So what is going to change? How are you going to redo this, given the nature of what seems to be a way of life?

Ambassador BLAKE. Mr. Costa, thank you very much for that very important question.

And I think I agree that corruption is one of the most significant challenges that Afghanistan faces. And it is a major focus of the United States Government.

And let me just say that as we try to change the dynamic in Afghanistan, obviously, we are looking to improve economic opportunity for the people of Afghanistan, looking to improve governance, to establish the legitimacy of the central government, and expand their writ into other parts of Afghanistan. And a major part of that will be for them to address the problem of corruption.

And I think there has been some steps that have been taken already. There is a very dynamic Minister of Interior, Minister Atmar, who has taken a number of steps already and has himself personally committed to addressing corruption across the system. They have set up a criminal justice task force in Afghanistan.

The attorney general has an anti-corruption unit. And I think, most encouragingly, they have sought advice from our own inspector general about how they can do more to address corruption. So I think this is very much on the radar screen. But they have only just begun, quite frankly, so there is a long way.

Mr. COSTA. Are our German allies doing a better job with the police, training the police, or are we taking that responsibility over now?

Ambassador BLAKE. I think we appreciate what they are doing. And yeah, we are working closely with them.

Mr. COSTA. So it is getting better you think, the performance of the police in Afghanistan?

Ambassador BLAKE. Well, again, that is going to be a significant challenge, and one of the—

Mr. COSTA. It has been. We have been working on it for 3-plus years.

Ambassador BLAKE. That is right.

Mr. COSTA. And I mean, I am not sure what the criteria are we use to measure on how that performance has improved. I mean, you are telling me it is getting better. Well, you know, I mean—

Ambassador BLAKE. I don't want to exaggerate that, sir. I think, as I say, we have got a long way to go on the police side to help.

Mr. COSTA. I mean, I think that is the heart of it. If you are going to try to deal with corruption, I mean that has got to be a key component, I would believe.

Ambassador BLAKE. Absolutely.

Mr. COSTA. Moving over back to Pakistan, I talked about using the levers in the diplomatic tool chest of carrots and sticks. Since the recent positive performance of the Pakistani Government in the Dir and Swat Valleys, as you have noted, what is going to continue, notwithstanding the internal political differences that exist between the Sharif family and brothers and the current President in trying to ensure that they continue to go down this road of what seems to be a more positive performance?

Ambassador BLAKE. Well, as you said, Mr. Costa, I think we are very encouraged by the steps that President Zardari and his team have taken recently in Swat, in Buner, and elsewhere. They have taken the fight to the Taliban, and that is a very encouraging sign. And it is encouraging on two levels: First because they are taking the fight to the Taliban; but also because it has helped to improve their own standing with their people. And there is much greater support now for the Zardari government, which again is a very positive sign.

So as long as they continue to do that, as long as they continue to take concerted action, the United States will continue to support them. And as you know, we are putting in place now efforts to help them to expand their counterinsurgency capabilities through things like the Pakistan PCCF, Capabilities Counterinsurgency Fund.

Mr. COSTA. So the legislation that we passed out of this committee you think is one of those carrots?

Ambassador BLAKE. It will be important. That is right. And of course, in terms of Pakistan, you know that a major new focus of ours will be to dramatically increase economic assistance again to help address a lot of the economic problems, and also a lot of the governance problems that have plagued Pakistan. So we very much appreciate—

Mr. COSTA. Historic.

Thank you.

Mr. ACKERMAN. Thank you.

Mr. Wilson.

Mr. WILSON. Thank you, Mr. Chairman.

And Ambassador, I am very grateful to serve as cochairman of the Afghan Caucus with Congresswoman Sheila Jackson Lee.

Ambassador BLAKE. Right.

Mr. WILSON. And I have visited Afghanistan eight times. I have high respect for President Karzai. I have met with Minister Atmar. And I understand that he is a person of integrity. I find inspiring my meeting with General Wardak, the Minister of Defense, an extraordinary person.

On my visits, beginning in 2002, when I first visited, this was a country that had had a 30-year civil war, identified as possibly the third poorest country on earth. There was rubble right up to the side of the unpaved roads.

It is not perfect, but on my subsequent visits, I have seen remarkable changes. And I want to give credit to the military.

My former National Guard unit, the 218th Brigade, was stationed there for 1 year training Afghan police and army units. And in talking with General Bob Livingston, he said they identified their Afghan brothers. There was such a good relationship. From my first visit, I was very impressed with the Provincial Reconstruction Teams. They were out in the provinces. The one I visited was a joint U.S.-South Korean reconstruction team working with local government officials. I have seen the development of farm-to-market roads, paved roads in a country that didn't have any paved roads.

So it is not perfect, but I want to thank the American military for what they have done. The highlight for me was to visit with Navy personnel who have volunteered to serve as sand sailors in Jalalabad, in Asadabad, where they are building bridges.

But I see this as a NATO function. And so what efforts are being made to encourage our NATO allies to fully engage to create a civil society?

Ambassador BLAKE. Thank you very much for that question, Congressman.

With respect to the PRTs, let me say, I think that is one of the most successful elements of our policy, as you yourself pointed out. Every provincial governor wants to have a PRT in his area because they have made a dramatic difference. And we very much appreciate the partnership that the State Department and Department of Defense and many, many other agencies who participate in these PRTs have enjoyed together.

In terms of burden sharing, which is I think the heart of your question, right now, 14 out of 26 PRTs are run by allies, by other countries. So I think they have already assumed a great deal of the burden. And we appreciate very much their role.

As you said, you visited the South Korean one, but there are many, many other examples. So we think our allies have stepped up and have played an important role.

Mr. WILSON. And I was happy to meet on my last trip with troops from Romania, Bulgaria. I mean, it is really exciting to see—

Ambassador BLAKE. Right.

Mr. WILSON [continuing]. Our new allies.

I am concerned, though, about poppy production, to me a direct relationship with narcoterrorism. And it is my understanding that there are crops, even something as simple as wheat or grapes, table grapes, that can replace poppies. And so in lieu of ignoring the situation, what are we doing to promote alternative crops?

Ambassador BLAKE. Well, as we talked earlier, this is going to be a major new focus of our policy is to promote agriculture as an alternative to poppy. And this is a significant new focus. And I think we are well on our way already. We have already got more than 50 U.S. Department of Agriculture employees who are on the ground. And we are expanding irrigation. We are working directly with the relevant ministries, and we are excited about the potential for this program.

Mr. WILSON. And I want to commend Chairman Ackerman. He was one of the leaders of his party in regard to the civilian nuclear agreement. He was very brave standing at the door encouraging his colleagues to vote correctly. And so what is the status of the civilian nuclear agreement with India?

Ambassador BLAKE. Well, as you said, sir, we are making a great deal of progress. We are most of the way there now. India, as you know, just signed their additional protocol. And now they have got to file with the IAEA the list of their safeguarded facilities.

And then, after that, Secretary Clinton will be going out there later in July, which will be a major visit for us. And we hope at that time that the Indians will be in a position to announce when nuclear parks, we hope to have two sites that would be announced where American companies can go in and provide new reactors, which would be a major source of new business opportunities for American companies.

And then we are also hoping to see action on nuclear liability legislation that would reduce liability for American companies and allow them to invest in India.

Mr. WILSON. Thank you for your efforts. This is so good for the people of India and the United States.

Thank you, Mr. Chairman.

Mr. ACKERMAN. Thank you.

Mr. Crowley.

Mr. CROWLEY. Thank you, Mr. Chairman.

Ambassador Blake, good to see you again. Welcome back.

Ambassador BLAKE. Nice to see you, sir.

Mr. CROWLEY. I am just going to divert for a moment, and not to diminish at all what my colleagues have been talking about in relation to Pakistan and Afghanistan, but I want to just bring you back, you made some mention of Bangladesh. I have always felt that they have been given less attention than I think they deserve. They have gotten short shrift over the years, even in terms of discussion here at the committee level; although my good friend and colleague and chairman, Gary Ackerman, has always himself maintained a strong interest in all issues related to that country.

You know, being not stuck between but next to rising India and faltering Pakistan, they have been given short shrift. They have had their troubles, and we know that they have had historic elections, as you mentioned in your comments. They are never as bad, though, as some of their neighbors. And because of that, I think they often fall out of sight, or at least it seems to be pushed aside more often than we would like to see.

Can you tell me what—the new administration, what is it going to do to engage the newly elected government? And how can we in Congress, in your thoughts, better assist this fledgling democracy?

And also, have you or anyone in the administration been involved with the potential war crimes tribunal the Bangladesh Government is trying to establish to prosecute suspected war criminals from the 1971 war of secession?

And lastly, many of my constituents of Bangladesh descent have been promoting a Regional River Commission under the auspices of the United Nations. I want to know of the United States engagement on that issue with Bangladesh and India over the water rights of the Ganga and the Ganges Rivers. If you could comment on those three questions.

Ambassador BLAKE. Thank you, Mr. Crowley. It is good to see you again.

I went out with Under Secretary Burns to India to prepare for the Secretary's visit later in July; but right after that, I decided to make one of my early priorities a visit to Bangladesh, so I spent 2 days there, and, you know, I came away with agreeing with what you just said. I think we have some opportunities to work with Bangladesh. It is a country that everybody knows all the challenges they face—the political partisanship that has divided them, the poverty that has long plagued that country, the natural disasters that seem to come with regular intervals—but at the same time, I think it is a country that has achieved quite a lot. I mean, they have reduced poverty. They have achieved 5 or 6 percent growth for the last 15 years or more, and they have a lot of pockets of excellence.

One of the things that I learned while I was there is that they have made tremendous progress in terms of improving women's literacy, for example, which is quite rare, in many cases, for Muslim countries. So they are really enhancing the role of women, and we think there are some opportunities to work with them on that.

They have taken some interesting and important steps on madrasah reform in Bangladesh to sort of get at the root of some of the extremism there to make sure that the madrasahs are producing graduates who can get jobs in the Bangladeshi economy and who are not then tempted to join extremist groups. So we think there are a lot of opportunities to work more with them, and we will try to do what we can to.

Mr. CROWLEY. Would that include possibly, Ambassador, some high-level visits to Bangladesh—

Ambassador BLAKE. Sure.

Mr. CROWLEY [continuing]. And return, when they are here, some exposure to some of our higher level, both diplomatic as well as possibly the President, et cetera?

Ambassador BLAKE. Sure.

When I met with the Foreign Minister, I invited her to come, and I think she is going to be coming this fall, so that will be a very important visit, and I think she would welcome the opportunity to see you.

With respect to the war crimes tribunal, we discussed that, and I said to them that that is obviously up to them, but they have got to make sure that this is not perceived by the people of Bangladesh as an effort to undermine the progress that has been made on democracy, specifically with respect to the Jamaat-e-Islami, that this is not perceived as a political effort to get rid of a troublesome op-

ponent, and that this is really, clearly, a designed effort. So I think they understood that message, but it is a very fine balance that they are going to have to draw on that.

With respect to the regional river commission, I confess I have not been in office long enough to be able to tell you what we are doing on that particular initiative, but I will certainly take that back and find out the answer for you.

Mr. CROWLEY. Thank you. Thank you.

Mr. ACKERMAN. Thank you.

Mr. Royce.

Mr. ROYCE. Thank you, Mr. Chairman.

Welcome, Assistant Secretary Blake. It is good to see you.

You noted the establishment of reconstruction opportunity zones in Afghanistan and Pakistan. Unfortunately, because of the way in which this legislation has been written in Congress with the restrictions and with the burdensome requirements, I think that that legislation is not going to do anything to increase trade with Pakistan, and trade with Pakistan right now should be an important goal.

As this bill moves to conference with the Senate, and as the process continues, this provision must be liberalized if it is going to affect Pakistan. I think you would concur with that judgment.

Ambassador BLAKE. Sure.

Mr. ROYCE. I think, on India, you mentioned the strategic partnership with India, and I know that Secretary Clinton is soon going to travel there. I would suggest that, at this point in time, the security relationship be a big part of that focus, of that opportunity for counterterrorism cooperation. I think, in many ways, we are just beginning to realize the potential of the relationship with India in terms of promoting stability and security in the region, but this is an area that is of immediate interest, I think.

In terms of Bangladesh—and let me just raise a word of caution here, because you testified that extremism finds little popular support there. I think this bears close scrutiny because of the madrasahs that are opening up. I have spoken to a number of people on the ground, including those in Bangladesh who are monitoring this situation, and they tell me that the Islamist schools there are increasingly radicalizing young Bangladeshis, and that they are proliferating at a particularly fast pace, and, in addition, that those that have been established are, shall we say, some of the most extreme in South Asia. So there should be some focus on that and also on some of the funding that has come in. Reportedly, in the media, it is from the Gulf States in order to fund the types of madrasahs we are talking about right now. That would be, I think, on order.

Lastly, Chairman Ackerman brought up the point about his concern over the contracting process in Afghanistan, and you explained that you were completely restructuring the contracting process, looking at how we spend our end dollars. I hope that Afghan Americans play a large role in that process because I am also very interested in how the Afghan Government contracts. It is, frankly, a mess, and China and other countries play a very detrimental role. Putting it charitably, I would say they play that role by bringing contracting standards that are far from acceptable. I

would like your thoughts on that. From my trips to the regions, I have firsthand examples from those in our Government who have witnessed that and who have relayed that to me about what we can do on that front.

Ambassador BLAKE. Thank you very much, sir, for those questions. Let me try to take them in order.

First of all, I agree entirely with your comment on the importance of security cooperation with India. As you probably know, we just had our first meeting of our Joint Counterterrorism Working Group, which is chaired by our Coordinator for Counterterrorism. An Indian delegation came here, so I think that is an early signal of the importance that we attach to working very closely with our Indian friends on this.

More broadly, you know that the Federal Bureau of Investigation and other agencies have been working closely with their Indian counterparts on various aspects of these security challenges, so we agree with what you have been saying.

With respect to the Bangladeshi madrasahs, I must say I did not hear the same fears that you articulated about the large proliferation of madrasahs. Very few people said that to me, but certainly I will take that under advisement, and we will check on that.

Mr. ROYCE. Ambassador Blake, I might send you some information on that, too, okay?

Ambassador BLAKE. Sure.

As I said, I think, at the same time, the Bangladeshi Government is very much focused on this, and they see the importance of working with these madrasahs and of trying to reform their curricula so that they are turning out graduates who can get jobs and who are not going to then join the ranks of the extremists. So I think this has certainly gotten their attention, and our Embassy is working very closely with Sheikh Hasina and her team on this very important issue.

On the question of Afghan Americans, I mean, I could not agree more. I think it is very important to include Afghan Americans in this process. One of the encouraging signs recently has been the return of Afghan Americans to Afghanistan to help in all of these processes. So we are very encouraged by that, but we appreciate your comments.

Mr. ROYCE. I appreciate that. It is surprising, though, how many of these contracts go to China or go to neighboring countries where the work crews do not end up being Afghani. If we want to build that capacity internally in Afghanistan, in particular because of the way in which these contracts are let and the questionable nature of them of which you are quite familiar, this is going to have to be an area of real focus. I appreciate your testimony, Ambassador Blake.

Ambassador BLAKE. Thank you.

Mr. ACKERMAN. Mr. Connolly.

Mr. CONNOLLY. Thank you, Mr. Chairman, and thank you for holding these hearings.

Welcome, Ambassador Blake, and thank you for being here today.

Mr. Chairman, I have an opening statement. I would just ask unanimous consent to have it entered into the record.

Mr. ACKERMAN. Without objection.

Mr. CONNOLLY. Let me ask about contracts. When I was in Afghanistan earlier this year, what struck me was the enormous explosion in the use of CERP funds by military commanders in the field. Now, within reason, that program may make an awful lot of sense in terms of trying to broaden our mission and demonstrate the constructive aspects of it; however, when you start to get to figures that look like \$900 million, that is a lot more than walking-around money, and that starts to look like one of the largest bilateral aid programs in the world.

I am deeply concerned. Military commanders in the field, they know a lot. Experts in foreign assistance, in development assistance and in technical assistance they are not. When you ask what could go wrong with \$900 million in the field in Afghanistan, for example, the answers are not all wonderful.

I wonder if you would comment on what the State Department is doing or on whether the State Department even shares my concern that perhaps this has gotten to the point where we need to rein it in or need to certainly look at a new framework for the administration of such funds.

Ambassador BLAKE. Thank you very much, Mr. Connolly.

I do not know if you remember, but before I joined the State Department, I actually worked for a couple of months on the Senate Foreign Relations Committee, and Mr. Connolly was then a senior staffer, so it is good to see you again.

Mr. CONNOLLY. It is good to see you. You have a nice title. I had to go into politics.

Ambassador BLAKE. With respect to the CERP funds—and it is an important question—I think the CERP funds actually have been one of our most successful programs in Afghanistan, so that is why we have had an increase in those. As I said earlier to one of the earlier questions, every one of the provincial governors wants to have a PRT in their area because the PRTs and the CERP funds that they administer have made a great deal of difference in terms of local development in these areas.

With respect to your question about, you know, are these being used wisely, I think they are, because in almost every PRT that we have, we have interagency teams who are there, who are administering these. We have agricultural experts; we have USAID experts; and we have other people who are administering these programs. So I think you can have a high degree of confidence that the money is going to good use.

Mr. CONNOLLY. I hope you are right. Nine hundred million dollars is a lot of money. A word of caution: I want it to work, too, and I want flexibility in the field, but when you ask yourself what could go wrong, I just caution the State Department and AID and the military that you have got to watch that program carefully.

Ambassador BLAKE. I appreciate that.

Mr. CONNOLLY. Let me turn my attention to Sri Lanka. It would seem that the long-running battle between the government and the Tamil Tigers has now concluded.

What is the State Department's assessment of the likely success and desirability by the Sri Lankan Government for the reintegration of the Tamils into Sri Lanka's society in the way that avoids

some of the tensions and frictions that caused some of the trouble in the first place?

Ambassador BLAKE. On the question of Sri Lanka, as I say, Sri Lankans achieved an important victory in the north by defeating the LTTE in the north. As a result of that, the LTTE no longer controls any territory whatsoever in Sri Lanka, which is an important step forward.

Now, Sri Lanka has to take additional steps to really win the peace and to ensure a lasting peace, to ensure reconciliation, so we are really focused on two different parts of that. First is the rapid resettlement of the almost 300,000 internally displaced persons who are in the camps or who are in and around Vavuniya. Then, secondly, it is to encourage the government to undertake a real political reconciliation program. That program would have several elements: First, to undertake local elections and provincial council elections so there can be an elected government in the north for the people of the northern region. They have not had an elected government for the entire time of the LTTE rule; more broadly, to look at other ways to share power with the Tamils and with other minority communities. That would include things like implementing the 13th Amendment, which is already in the Sri Lankan Constitution, which provides for the devolution of power to these provincial councils, but to undertake new steps to ensure that they have real power because the 13th Amendment has not really been implemented to date. So there are additional steps that are needed there.

Then more broadly, there has been an effort under way for many years now under what is called the All Parties Representative Committee, and that has been looking at various possible constitutional amendments, again, to share power. That process is near its conclusion now, and we have encouraged the Sri Lankan Government to finish that process and to achieve a consensus among the parties about what are the steps that they should do and undertake to provide for additional constitutional reforms. The President, for example, has been talking about creating an upper house of Parliament that would be comprised of representatives from the various provincial councils. That, again, would be a way to further share power.

So I think all of these are things that should be undertaken, and if they are, those will help to really achieve political reconciliation.

Mr. ACKERMAN. Thank you.

Mr. CONNOLLY. Thank you, Mr. Chairman.

Mr. ACKERMAN. We will go around again, if the committee would like.

You have a unique—it is not originally unique, but it is unique within the Department. It is almost a structure where you have the President's representative as well as the Secretary. Structurally do you report or answer to both the Secretary and Ambassador Holbrooke? How is that working?

Ambassador BLAKE. Mr. Chairman, Ambassador Holbrooke is in charge of our policy on Afghanistan and Pakistan.

Mr. ACKERMAN. Not the Secretary?

Ambassador BLAKE. Well, he is in charge of the policy. He reports to the Secretary and, through the Secretary, to the President.

I am in charge of the South Asia Bureau, so that is all the other countries in South Asia and also in Central Asia as well; but, of course, Ambassador Holbrooke and I work very closely together.

Mr. ACKERMAN. You say all the other countries or all the countries?

Ambassador BLAKE. All the other countries of South Asia—in other words, not Afghanistan and Pakistan. Those are his area of responsibility.

Mr. ACKERMAN. So you have no area of responsibility over—

Ambassador BLAKE. Not in Afghanistan and Pakistan. He is in charge of that policy.

The way we coordinate is we share a deputy assistant secretary. Ambassador Holbrooke's deputy is a career Foreign Service officer by the name of Paul Jones, who is his deputy, but who is also a deputy assistant secretary in my bureau. So, that way we make sure that we are properly coordinating and communicating with each other.

Mr. ACKERMAN. So he answers directly to the Secretary and to the President as to those areas?

Ambassador BLAKE. Yes, sir.

Mr. ACKERMAN. The Secretary has no staff directly in those areas?

Ambassador BLAKE. No.

Mr. ACKERMAN. None at all?

Ambassador BLAKE. No. Of course, she has staff that follows the issues very closely, but they are not dedicated specifically to Afghanistan and Pakistan.

Mr. ACKERMAN. How do you assess that is working out?

Ambassador BLAKE. I assess it is working very well so far. I mean, I go to a lot of their meetings. We exchange. We clear on each other's papers. I talk to the Ambassador several times a day, so I think it is working well.

Mr. ACKERMAN. Should I continue asking you questions about Afghanistan and Pakistan?

Ambassador BLAKE. As you wish, sir. I am at your disposal.

Mr. ACKERMAN. In that case, I will.

In announcing the new Afghanistan-Pakistan strategy a couple of months ago, the President stated "the goal of clear metrics to measure progress and hold ourselves accountable." That is a quote.

At a hearing yesterday, Ambassador Holbrooke indicated that these metrics are complete. My question is: Were the Governments of Afghanistan and Pakistan consulted in preparing these metrics? When can we expect them to be announced?

Ambassador BLAKE. Sir, I do not have an answer to that question. That is something that Ambassador Holbrooke has been working on directly. Let me just take that question. I want to make sure I get the right answer for you in terms of when it is going to be announced and so forth.

Mr. ACKERMAN. So, if we have questions about Afghanistan and Pakistan, they should not be to representatives of the Secretary of State, they should be to those people who work with and for Ambassador Holbrooke?

Ambassador BLAKE. Yes. I mean, I am certainly familiar with the broad outlines of our policy, and as I say, I work closely with him,

but I am not involved in the day-to-day implementation of the strategy.

Mr. ACKERMAN. I guess we will figure it all out, but it is a bit awkward from our working perspective.

Ambassador BLAKE. Yes.

Mr. ACKERMAN. Another question about Pakistan. Their offensive against the Taliban in the Swat Valley, does this offensive and recent statement by the army chief that the head of the Taliban in Pakistan must be eliminated—those were his words—indicate a turning point in Islamabad's strategic calculation with both the government's and the military's viewing the Taliban there as a serious threat? If so, does Pakistan have the capacity to succeed in this effort? What more do they require, or should this, again, be referred to Mr. Holbrooke's shop?

Ambassador BLAKE. No. I think there has been a turning point, sir, and we are very encouraged by the progress that has been made in Swat Valley. As you said, much more needs to be done still, and I think they do have the capabilities to undertake that. An important part of that will be, as Ambassador Holbrooke said, to reorient the Pakistani military from its focus on India toward a focus on dealing with the extremist threats that it faces. Some troops already have been deployed away from the Pakistan-India border, but I think more needs to be done in that respect. We are encouraged by the progress that has been made so far, sir.

Mr. ACKERMAN. Thank you.

Mr. Royce.

Mr. ROYCE. Thank you, Mr. Chairman.

I think, Ambassador, I would like to further examine this issue of aid distribution and aid spending.

With regard to the Commander's Emergency Response Program, which was discussed earlier—and I have had an opportunity to talk to commanders in the field in Afghanistan who have deployed this in PRT teams, but also to Afghans. I think the conclusion that they have reached is that the impact is immediate, and there is a chance after the fact to audit. I do not know of any serious problems that have ever arisen, and yet, on the ground, we have got some pretty exciting consequences of that program.

General Petraeus talked to us before, and I have seen this also since it was deployed in Iraq by Petraeus. It has become sort of a central thesis to the counterinsurgency strategy, and it has worked pretty well in the minds of the officers on the ground and also in the local community. I think if you contrast that with the foreign aid process, which, you know, in the view of our Secretary of State is broken—and I think, if we recall her words, she said it is heartbreaking the amount of aid spending that has been undertaken, given the results. I think she is right, that that is heartbreaking. So I do not have confidence at the end of the day that the system in Washington with Beltway NGOs is better than our commanders on the ground when it comes specifically to their deployment of this strategy. So I was going to make that counterargument to the one raised and just get your response, Ambassador Blake.

Ambassador BLAKE. Well, thank you, sir.

As I said earlier with respect to the CERP funds, this has been one of our more successful programs already because of precisely

what you said. It is a quick-dispersing, quick-impact program that gets people immediately back to work. It is a more nimble program in terms of eliminating huge layers of bureaucracy, and it is in great demand by the people of Afghanistan, and I think that is the most important test.

As a rule, also, we are, as I said earlier, trying to reduce our dependence on large contracts and are trying to move to much smaller contracts, and in many cases are just trying to give money directly to the Afghan Government to support the Afghan Government. To do so, we are also deploying an increasing number of civilians to help work and disburse those and make sure that the money is well spent.

Mr. ROYCE. I think that is the key there. Going through the Afghan Government, bringing the auditors in tow and having them in every stage of the process is going to be a prerequisite for any major assistance.

Ambassador BLAKE. Then, of course, we are going to work very closely with SIGAR, with the inspector general, to make sure that these are properly spent.

Mr. ROYCE. Thank you, Ambassador Blake.

I will yield back, Mr. Chairman.

Mr. ACKERMAN. Well, thank you very much, Mr. Secretary. Your maiden voyage before our committee, I think, was very successful and was much appreciated by all of us. Very edifying. We look forward to having you back and working closely with you. Thank you very much.

The committee stands adjourned.

[Whereupon, at 11:11 a.m., the subcommittee was adjourned.]

A P P E N D I X



MATERIAL SUBMITTED FOR THE HEARING RECORD

SUBCOMMITTEE HEARING NOTICE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C.

Subcommittee on the Middle East and South Asia
Gary L. Ackerman (D-NY), Chairman

June 18, 2009

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN hearing of the Subcommittee on the Middle East and South Asia, to be held in **Room 2172 of the Rayburn House Office Building**:

DATE: Thursday, June 25, 2009

TIME: 9:30 a.m.

SUBJECT: A Regional Overview of South Asia

WITNESS: The Honorable Robert O. Blake, Jr.
Assistant Secretary
Bureau of South and Central Asian Affairs
U.S. Department of State

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 202-223-5021 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 Middle East and South Asia MEETING

Day Thursday Date 6/25/69 Room 2172

Starting Time 9:59am Ending Time 11:10am

Recesses (to)

Presiding Member(s) Acherman (NY)

CHECK ALL OF THE FOLLOWING THAT APPLY:

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

TITLE OF HEARING or BILLS FOR MARKUP: (Include bill number(s) and title(s) of legislation.)

Regional Overview of South Asia

SUBCOMMITTEE MEMBERS PRESENT:

Crowley (NY), Costa (CA), Connolly (VA), Wilson (SC), Rohrabacher (CA), Royce (CA)

NON-SUBCOMMITTEE MEMBERS PRESENT: (Mark with an * if they are not Members of HIRC.)

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.)

Acherman opening statement, Blake opening statement, Connolly opening statement, QFRs

ACTIONS TAKEN DURING THE MARKUP: (Attach copies of legislation and amendments.)

RECORDED VOTES TAKEN (FOR MARKUP): (Attach final vote tally sheet listing each member.)

Subject	Yeas	Nays	Present	Not Voting

TIME SCHEDULED TO RECONVENE _____

or
TIME ADJOURNED 11:10am


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June 25, 2009

YLIEM D.S. ROBERTS, REPUBLICAN STAFF DIRECTOR
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“South Asia Regional Overview”
 House Subcommittee on the Middle East and South Asia
 Rep. Gary L. Ackerman, Chairman
 June 25, 2009

In land area, South Asia, composed of the nations of Pakistan, Afghanistan, India, Sri Lanka, Nepal, Bhutan, Bangladesh and the Maldives, is half the size of the United States. Literally, two South Asias could fit within the borders of the United States. But South Asia is home to more than 1.6 billion people, and the United States, just over 300 million. In India alone, there are over 2,000 ethnic groups and 22 official languages.

These facts are not a basis for policy making, but they should be a cause for caution. South Asia is a region of almost unimaginable complexity and we come to it as strangers, as outsiders. Unfortunately, for many Americans, this region is still seen primarily through the lens of the attacks on our country on September 11, 2001.

This association is doubly tragic: the madmen responsible for 9/11 are, of course, not from South Asia, and their true ambitions are directed toward the Arab Middle East, not the Subcontinent. But worse still, South Asia’s own problems have become horribly engrossed in the struggle we face to destroy the threat of radical extremism.

Before 9/11, India and Pakistan had fought several wars, and gone to the brink of war many times over. Afghanistan was a badly ravaged country even before the Taliban took over and before al-Qaeda set up shop and began plotting the attacks on our country. Pakistan was not a stable democracy before we called upon that government to assist us in the fight against al-Qaeda and the Taliban.

And, it should be recalled, before 9/11, the United States could not honestly claim that our commitment to either Afghanistan or Pakistan was sustained, deep or serious. It wasn’t. We used them and they used us. And we assumed their dysfunctional governments and failing economies were problems of little consequence to us.

We made a lot of assumptions: that the fundamental political instability in the region could be contained by states and constitutions, and that they would make the conflicts between religions, tribes and ethnicities go away; that flags and governments would suffice in place of

genuine political reconciliation; that the conflicts between states and within states would not bleed over borders, or at least not beyond the region. In short, that the complexity of South Asia could be sealed-up and shrink-wrapped into tidy national packages and then left in cold storage.

Suffice it to say, these assumptions didn't pan out.

So today we are engaged in extensive military operations and massive efforts at governance and capacity building. At a time when our own economic and fiscal position is strained, the circumstances in Afghanistan and Pakistan still absolutely necessitate these extraordinary efforts.

Like many, I remain concerned that all the money and initiative and effort—and let us never forget, the blood of our heroic troops—will be for naught if we don't start making some very fundamental changes in how we do business.

We've poured billions of dollars in both economic and military assistance into both Afghanistan and Pakistan and in many cases it's hard not to conclude that the money was badly spent, if not completely wasted. We've fought for years in Afghanistan and it can't be truthfully claimed that the country is safe and getting safer. Moreover, the current counterinsurgency campaign in Pakistan, though badly overdue, has given rise to a massive displacement of approximately 2 million people. The anger and desperation of this population should give us pause, if the continued, growing public outrage about civilian casualties caused by our drone strikes wasn't enough.

I have no doubt that we and our allies will not be able to destroy al-Qaeda and block the revanchist dreams of the Afghan Taliban and other militants in Pakistan without violence. The fanatic ambitions of these groups leave us and our allies no real alternative.

But what is becoming clear is that while our own understanding of the regional security, ethnic and tribal dynamics is growing, so too is the popular backlash against the methods we've been using. So, something needs to change. Albert Einstein's warning holds true today: "We can't solve our problems by using the same kind of thinking we used when we created them."

In approving billions of dollars of assistance, and supporting the heroic efforts of our troops and our diplomats and development officers on the ground, Congress has done a great deal. But I wonder if perhaps we wouldn't do more if we helped infuse a bit more circumspection about our ability to buy or impose changes in the interests and perceptions of other states; a bit more cautiousness about our capacity to build the capacity of others; and, maybe, a bit more modesty about the ability of the U.S. military to deliver political reconciliation and economic development.

Finally, I would be badly remiss if I didn't say a few words about the other states in the region. Truthfully, there is too much to say. With India we are moving forward on what I believe can be and will be a true strategic partnership, one built on both shared values and genuine cooperation across a broad range of shared interests. Though people tend to focus on cooperation on nuclear energy, I believe the potential of the relationship is much, much greater. The recent Indian elections hold out real hope of a strong government in New Delhi that is ready and willing to address the many political and economic challenges facing a country that, despite its shining achievements in the "new economy," remains overwhelming rural, agrarian, and impoverished. I think there is a tremendous opportunity for us to engage successfully with this government across the full spectrum of our interests. Special relationships aren't announced,

they're built one agreement and one success at a time. It's time for New Delhi and Washington to get to work.

Sri Lanka is emerging from an awful civil war, whose recent conclusion only opens new questions about how the Sinhalese and the Tamils can reconcile themselves to sharing one government and one nation. The end of the war—and we all pray that the war is truly over—has left thousands upon thousands injured, displaced, or embittered. I think the United States should offer its assistance to relieving the suffering of the displaced and, as much as we can, while fully respecting the sovereignty of Sri Lanka, should encourage true national reconciliation.

Bangladesh and Nepal both are transitioning to new and more democratic governments, which is good news, most of all to their own citizens. But I remain concerned that the fundamental political problems in both societies remain, by and large, unresolved. Ethnic tensions, endemic corruption, and political violence affect both countries and, I would argue, are going to continue until a broader consensus within these societies is achieved.

Bhutan and the Maldives are both places where a little bit of U.S. assistance can go a long way. In Bhutan the progress toward democracy is heartening and could probably benefit from some U.S. assistance in strengthening the capacity of the National Assembly. The Maldives is in growing jeopardy from increasingly violent weather, rising sea-levels, and a disturbing increase in local Islamic militancy. Again, a small amount of U.S. help can help the Maldives government cope with its own problems before they become problems for others or ourselves.

If we should have learned one thing from that awful day in 2001 it should be this: either we visit bad neighborhoods on our terms or, eventually, they're going to visit us on theirs.

###

The Honorable Gerald E. Connolly (VA-11)

MESA Subcommittee Hearing: A Regional Overview of South Asia
Thursday June 25, 2009
9:30am
Ellison

Thank you, Mr. Chairman.

This is a timely hearing, given everything that has or will soon transpire in South Asia. Recently the House passed the Pakistan Enduring Assistance and Cooperation Act (H.R. 1886), which is a major first step in resetting our Afghanistan/Pakistan strategy (the bill passed 234 – 185 on June 11). Pakistan's neighbor and the world's largest democracy, India, held Parliamentary elections in April-May 2009 and returned to power a coalition government led by the Indian national Congress party. The South Asian island state of Sri Lanka recently undertook a major offensive operation to end a decades-long, armed struggle against the Liberation Tigers of Tamil Eelam (LTTE).

Given the time constraints, there are a few issues which I'd like to examine in depth. One major upcoming development is Afghanistan's August 20 elections. It is heartening to hear that the people of Afghanistan are enthusiastic for these elections, but the true test of the democratic process will be the aftermath. It will be important for the U.S. and the rest of the world to observe whether or not the Afghan people see the election as legitimate, and whether any government transition is seamless. I also have high hopes for the women of Afghanistan, and believe that any legitimate election in Afghanistan must have the input of that nation's women. Given the U.S.'s investment in Afghanistan's democratic process, I am eager to see the end result of the elections.

The Honorable Gerald E. Connolly (VA-11)

Another major issue in South Asia is the one of Internally Displaced Persons (IDPs), a term for which Ambassador Holbrooke has expressed his dislike because of its impersonal nature. Current estimates of the total number of these persons in Pakistan alone range from 1.9 million to 3.5 million. The U.S. has provided about \$165 million in humanitarian assistance since last August, though military operations against extremist insurgents are increasing the number of displaced people each day. We cannot ignore this issue if we are to fully address the security issues facing South Asia.

We have many issues to examine with regard to South Asia. I look forward to examining these and formulating effective strategies with my colleagues to address these different issues.

**Questions for the Record Submitted to
Assistant Secretary Robert O. Blake by
Representative Joseph Crowley (#1)
House Committee on Foreign Affairs
Subcommittee on the Middle East and South Asia
June 25, 2009**

Question:

What is the United States position regarding the creation of a regional river commission to address Bangladesh water issues?

Answer:

The United States supports regional efforts to responsibly steward natural resources in South Asia. Only by working together can the nations of South Asia protect their rich natural bounty, including their rivers, which are vital to the prosperity of countries like Bangladesh. Some have suggested the Indo-Bangla Joint River Commission be revitalized to address recent concerns over the construction of the Tipaimukh Dam in northeastern India. U.S. Ambassador to Bangladesh, James F. Moriarty, told experts and media on June 25 that any concerns Bangladesh had regarding the dam should be resolved through negotiation with India. The Indo-Bangla Joint River Commission, formed in 1972, could be a mechanism to resolve the dispute over the hydroelectric dam, which some critics claim could disrupt water flows in the Surma-Meghna river system, which enters northeastern Bangladesh from the Indian states of Manipur and

Assam. The Joint River Commission last met in 2005, though expert consultations occurred as late as 2006. Following a January 2009 meeting with the Indian High Commissioner to Bangladesh, the new Bangladesh Minister for Water Resources Management, Ramesh Chandra Sen, said his government supported plans to resume talks through the Joint River Commission.

**Questions for the Record Submitted to
Assistant Secretary Robert O. Blake by
Representative Ed Royce (#1)
House Committee on Foreign Affairs
Subcommittee on the Middle East and South Asia
June 25, 2009**

Question:

Is the State Department aware of a marked upswing in the proliferation of radical madrassahs in Bangladesh?

Answer:

There is no evidence of a marked upswing in the proliferation of radical madrassahs in Bangladesh. Most madrassahs in Bangladesh are regulated by the government and are known as Alia madrassahs. A smaller number of madrassahs, known as Qawmi madrassahs, are currently unregulated. As part of a broader initiative to reform the nation's education system, the Government of Bangladesh has announced plans to work with the Qawmi madrassahs to reform Qawmi curriculum and bring this madrassah system under the authority of the government. The United States supports madrassah reform with a variety of initiatives, including English language training.

**Questions for the Record Submitted to
Assistant Secretary Robert O. Blake by
Representative Gary Ackerman (#1)
House Committee on Foreign Affairs
Subcommittee on the Middle East and South Asia
June 25, 2009**

Question:

How much U.S. assistance money is absorbed off the top – for administrative and other reasons – by U.S.-based contractors working on Afghanistan reconstruction projects before any actual goods or services are delivered in Afghanistan?

Answer:

The United States Agency for International Development adheres to all federal regulations as they relate to contracting, negotiation and accounting.

Overhead includes local salaries, rent, supplies, fuel for vehicles, paying the electric bill and other items. Many overhead costs with contractors and grantees in Afghanistan do stay in Afghanistan. The U.S. Government is paying local rents, local staff, and purchasing supplies including fuel and electricity locally.

Although there is no single overhead cap or rate specific to Afghanistan, USAID has a variety of tools at its disposal to keep non-program costs down in order to ensure that American taxpayer dollars are

well spent. First, it is important to keep in mind that while indirect costs/overhead rates are not capped, it is in a contractor's interest to keep their operating costs low in order to be competitive when bidding for contracts. There are several points during procurement negotiations when Contracting Officers scrutinize proposed indirect/overhead costs as part of a competitive cost evaluation. Once the Contracting Officer approves the indirect costs, they are fixed for the life of the contract.

To the extent that indirect costs are reasonable, allowable and allocable they are a legitimate cost of doing business payable under a U.S. Government contract or grant. These costs are shared by all government agencies that do business with the organization and are not unique to USAID.

**Questions for the Record Submitted to
Assistant Secretary Robert O. Blake by
Representative Gary Ackerman (#2)
House Committee on Foreign Affairs
Subcommittee on the Middle East and South Asia
June 25, 2009**

Question:

Have the State Department and USAID developed, or are they developing, a specific strategy for preventing waste and inefficiency in the delivery of U.S. assistance through U.S.-based contractors working on Afghanistan reconstruction projects?

Answer:

The Department of State and United States Agency for International Development make every effort to prevent waste and inefficiency in the delivery of U.S. assistance. In Afghanistan, personnel on the ground have many tools at their disposal: regular site visits; stringent reporting requirements by implementing partners; third-party monitoring and evaluation; and regular interagency and donor meetings which aim to avoid duplication and/or overlap. USAID's Office of Inspector General (OIG) conducts audits, investigations, inspections, and other reviews from its Regional Inspector General (RIG) offices overseas. With the new civilian increase underway in Afghanistan, USAID OIG is devoting more attention

and resources to ensuring transparency and effectiveness in our assistance operations in Afghanistan.

U.S. Embassy Kabul has developed a new approach to the delivery of U.S. assistance in Afghanistan to support President Obama's Afghanistan-Pakistan strategy. As part of this new approach, the Embassy will work closely with the Special Inspector General for Afghanistan Reconstruction (SIGAR), the State Department Office of Inspector General, and USAID's OIG to provide adequate oversight. Under Embassy Kabul's new approach, all new contracts and grants will have a maximum basic performance period of one year, with optional years possible subsequent to a rigorous performance review. Once projects have started, more oversight to monitor, track, and report progress by indicators, targets, and criteria will be developed. U.S. direct hire civilian oversight of projects and contracts will increase dramatically with the influx from the civilian increase, as well as enhanced, monitored partnerships with the SIGAR and RIG.

**Questions for the Record Submitted to
Assistant Secretary Robert O. Blake by
Representative Gary Ackerman (#3)
House Committee on Foreign Affairs
Subcommittee on the Middle East and South Asia
June 25, 2009**

Question:

Has the State Department consulted with the governments in Afghanistan and Pakistan in developing the metrics for evaluating U.S. Afghanistan-Pakistan strategy, and when will those metrics be made available to Congress and the public?

Answer:

We are working closely with both the Afghan and Pakistani governments on all aspects of the President's strategy. The National Security Council is leading the Administration's effort to develop specific metrics. The Administration will consult with Congress on metrics and provide them formally in advance of the legislated timeframe.