

**TESTIMONY OF LLOYD PIERSON
ASSISTANT ADMINISTRATOR DESIGNATE FOR AFRICA
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
Confirmation hearing**

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Mr. Chairman and members of the Committee, I am honored to appear before you today as the President's nominee to be the Assistant Administrator for Africa at the U.S. Agency for International Development and the Government Representative to the African Development Foundation. Having had the opportunity to live in Africa for over seven years, I was able to visit not only capital cities, but literally hundreds of villages. I developed a deep respect and love for the Africans with whom I have met and worked. I have experienced that most Africans want the same things as individuals in other parts of the world: food to eat, security, an education, better health, and a government that works.

I believe U.S. Africa policy is a bipartisan one and, if confirmed, I will work closely with the Congress and especially your committee and the Subcommittee on Africa in the House of Representatives. I have worked with many of the individuals in key Africa policy positions within the Administration and believe that we will continue to work well together in an effort to further our common goals. If confirmed, I will place a high priority on HIV/AIDS, democracy and governance, economic growth and trade, conservation, education, and addressing conflict areas on an urgent basis. In addition, I plan to focus on several management issues that I believe are crucial to meeting the goals of those priorities.

If confirmed, I pledge that I will do everything in my power to assure that our assistance to Africa is as effective as possible in addressing the region's most pressing economic, social, and environmental problems.

CONTEXT AND CHALLENGES

In this era of globalization, what happens in Africa is of increasing strategic importance to the United States, and our active engagement with this vast and diverse continent advances significant U.S. interests. The overarching goals of U.S. policy in Africa seek to enhance African capacity to contribute actively to the worldwide war on terror, improve security and create favorable conditions for U.S.

and African trade and business opportunities, while developing the foundation for sustained economic growth, regional stability, improved governance, and enhanced quality of life. This Administration is working hard to ensure that the U.S. development program is implemented within the context of the highest foreign policy and national security goals and in partnership with the leadership and people of Africa.

While Africa unfortunately seems to make the headlines for the negative things happening there, there is positive news that often is not as widely recognized. The future does indeed look brighter for many of its peoples. The region has achieved measurable progress in improving several important indicators of economic, political, and social development since the beginning of the millennium. This is evident in the fact that half of all Millennium Challenge Account (MCA) eligible countries are in sub-Saharan Africa.

A change in the policy environment affecting the region is the African Union's New Partnership for Africa's Development (NEPAD), launched in 2001, that provides a positive policy framework and good governance as guiding principles for development in Africa. A key litmus test for NEPAD will be the completion of peer reviews of political, economic, and corporate governance in those 23 countries that have now agreed to undertake the process.

Of the many positive trends in Africa during the first years of the decade, perhaps the most significant has been the cessation of major conflicts in Angola, Sierra Leone, and Liberia and the progress toward conflict resolution in the Democratic Republic of the Congo (DRC). As these countries become more politically stable, the prospects for increased economic growth and a better standard of living for their citizens are much enhanced, and their recovery will benefit the entire continent.

The spread of democratic values is also a positive sign for improving the living standards of millions of Africans. The rapid growth of new communications media and expansion of a free press have empowered civil society to hold governments more accountable for their actions and made ordinary citizens increasingly aware of their basic human rights. According to Freedom House, over the last decade, the number of free democracies in Africa has almost tripled from 4 to 11. More than half of the countries in the region are in the transition process toward full and free democracy. These gains have and will serve as an example to other struggling countries in the region.

There is encouraging news in the fight against HIV/AIDS. The President's Emergency Plan for AIDS Relief, combined with an unprecedented international commitment to increasing resources, now offers real hope that serious inroads can be made against the spread of HIV/AIDS.

Several key indicators of economic growth also create room for optimism. Economic activity in sub-Saharan Africa has been resilient over the past three years and growth is now projected to pick up strongly in 2005.

However, in spite of these positive trends, sub-Saharan Africa continues to face enormous development challenges. Although world-wide levels of poverty have declined, sub-Saharan Africa remains the world's poorest region. The food security situation remains precarious in many parts of the continent – only a massive intervention by the international community averted a humanitarian disaster in Ethiopia last year and significant levels of food assistance were required in much of southern Africa. Education levels, particularly in the rural areas and for girls, remain well below world standards. While some key indicators of health have improved, the HIV/AIDS pandemic in many countries has compromised efforts to combat other diseases and has dramatically reduced life expectancy. Gender inequities also remain a serious development constraint. The growing urbanization of Africa poses new and different challenges to a continent that has been traditionally rural. The urban population is also becoming increasingly poor and can become easy targets for extremist propaganda, as can poor and isolated rural populations. Finally, conflict and the difficult transition to stability in post-conflict states still exact a huge toll on politically fragile democracies.

Meeting these challenges will require redoubled efforts on the part of African governments, civil society, and the international community across a broad spectrum. I can assure you that, if confirmed as Assistant Administrator for Africa, I will work with the Administration and with Congress to shape USAID assistance programs to address these challenges in the most effective way.

THE USAID RESPONSE

USAID is working closely with Africans and with our international partners to advance our common interests in addressing the key development issues in Africa. The United States is now the single largest bilateral donor in Africa. The centerpieces of the USAID program in sub-Saharan Africa are four Presidential Initiatives launched in 2002: the Initiative to End Hunger in Africa (IEHA), the Trade for African Development and Enterprise (TRADE) Initiative, the Congo

Basin Forest Partnership (CBFP), and the Africa Education Initiative (AEI). Other key elements of the program include the Africa Anti-Corruption Initiative, the Conflict Fund, and the Leland Initiative to increase access to information and communications technology. Now approaching their third year of implementation, these Presidential Initiatives are showing demonstrable progress. They also highlight my priorities, which I will now detail.

HIV/AIDS

If confirmed, curbing the spread of HIV/AIDS will be one of my highest development priorities. The pandemic continues to ravage sub-Saharan Africa, sucking the vitality out of almost a third of the continent. Of the estimated 38 million people infected by HIV worldwide, 25 million reside in sub-Saharan Africa. The number of AIDS orphans in sub-Saharan Africa is expected to rise to more than 18 million by 2010. Average life expectancy will continue to decline over the next decade, falling below 35 in several high prevalence countries. These will have significant impacts on prospects for economic growth and further strain household incomes. However, there are hopeful signs that prevention measures, treatment, and care are beginning to slow the spread of AIDS in certain countries. The experience of Uganda, where infection rates have decreased by 50% from 1997-2001, and promising results among certain groups in Zambia and elsewhere demonstrate that strong leadership and a comprehensive approach to prevention, care and treatment can be effective in stabilizing and/or reducing prevalence rates. Nonetheless, it will take continued years of effort and enormous resources to bring the pandemic under control.

As you know, President Bush's Emergency Plan for AIDS Relief is directed by the newly created Office of the U.S. Global AIDS Coordinator. The President's Emergency Plan is a five-year, \$15 billion initiative targeting 15 focus countries, 12 of which are located in sub-Saharan Africa. USAID is playing, and will continue to play, a key coordinating role with other U.S. Government agencies in the implementation of The President's Emergency Plan. USAID Missions will maintain their focus on preventive primary health care and expanded service coverage, including those for orphans and vulnerable children. The approach also calls for new strategies to encourage wider HIV/AIDS testing and expands care and support for adults and children living with AIDS, including access to anti-retroviral therapy. Programs begun in 2003 under the International Mother to Child HIV Prevention Initiative will also be expanded. It is important to note that all USAID Africa Missions in the focus countries have fully integrated HIV/AIDS mitigation programs throughout their development portfolios. If confirmed as Assistant Administrator for Africa, I plan to work closely with USAID's Bureau

for Global Health and Ambassador Tobias to bring as many human and financial resources as possible to mitigate HIV/AIDS on the African continent.

Health and Population

I believe a healthier population is critical to Africa's efforts to reduce poverty and improve living standards. Unfortunately, during the past decade, health status gains have been undermined in many countries of the region by increasing poverty, civil unrest, and the rapid spread of HIV/AIDS and other infectious diseases. USAID is implementing broad-based health interventions in every bilateral country program in the sub-Saharan Africa region. USAID health programs focus on increasing the availability, effectiveness, and access to quality health care. Programs address the leading causes of child mortality and morbidity, such as malaria, tuberculosis, malnutrition, respiratory diseases, diarrhea, and vaccine-preventable illnesses. USAID programs increase immunization coverage, strengthen surveillance, and build human capacity to provide quality care.

Democracy and Governance

If confirmed, democracy and governance will be a top priority. I agree with the general consensus that poor governance is a root cause of underdevelopment. As the least developed region of the world, governance issues are therefore central to Africa's future. It is ultimately the responsibility of Africans themselves to address this issue. However, Africa needs the human and financial resources of its friends to accelerate progress in this key area. While I support the efforts that are already underway in our USAID field Missions in Africa to address governance issues, such as corruption, public and private accountability, respect for human rights, the rule of law, free and fair elections, respect for property, and an increased voice for civil society, I feel strongly that we must work collaboratively with our African partners and development colleagues to do even more.

Democratic governance and improved governmental accountability have continued to expand throughout the region. A major milestone was met in Nigeria, when for the first time in its history a civilian government successfully and relatively peacefully transferred power to a succeeding civilian government. In addition, over the past five years, Ghana, Senegal, Kenya, Mali, Mauritius, South Africa, and Botswana have held free and fair elections. Using ESF and development funding, USAID has supported the elections process in many countries throughout Africa during the past several years. Unfortunately, in Zimbabwe, poor governance, a disrespect for the rule of law and basic human rights, and a growing lack of accountability have plunged the country into an ever-deepening economic

and social crisis that has had serious ramifications throughout the southern Africa region.

Some noteworthy success stories come from Kenya and Ghana. In Kenya, USAID assistance increased civil society's capacity to lobby for reforms and to monitor government, leading directly to the peaceful, free, and fair elections of December 2002. In Ghana, USAID assistance enhanced the interaction between civil society and local government and broadened public input to decision-making. Issues related to electricity, water, telephone services, judicial corruption, and health have been discussed in Parliament and have seen widespread interest from Ghanaian citizenry.

Many USAID Missions have integrated the principles of transparency, participation, and accountability throughout their development portfolios. The centerpiece of USAID efforts to improve governance and accountability is the five year Africa Anti-Corruption Initiative, launched in 2003. This Initiative is promoting public access to information, civic awareness and advocacy, transparent and accountable government procedures, effective government oversight institutions, and public-private dialogue.

Economic Growth and Trade

The globalization of the world economy offers Africa genuine opportunities to attract resources for development. Through the recently renewed African Growth and Opportunity Act of 2001 (AGOA), the United States has shown worldwide leadership in efforts to transform African economies through increased trade and investment. AGOA is demonstrating ever more encouraging results.

I believe sub-Saharan Africa has enormous potential to become a much more significant player in the international economy. Currently the region accounts for just 2% of world trade. Although a number of countries in the region have begun to take measures to increase their competitiveness, trade is still hampered by systemic constraints such as high transaction costs, capacity limitations, poor infrastructure, and market distortions.

USAID's primary response to the challenge of increasing trade and investment in the sub-Saharan Africa region and supporting AGOA is the Trade for African Development and Enterprise (TRADE) Initiative, launched in 2002. This initiative is promoting U.S.-African business linkages, enhancing the competitiveness of African products and services, expanding the role that trade can play in African poverty reduction strategies, improving the delivery of public services supporting

trade, building African capacity for trade policy formulation and implementation, and strengthening the enabling environment for African businesses. In partnership with other U.S. Government Agencies, USAID is providing technical assistance, policy advice, economic analysis, and training to African countries through three “Hubs for Global Competitiveness,” in East, West and Southern Africa. If confirmed as Assistant Administrator for Africa, I will make the continued support of AGOA one of my foremost priorities.

One of the biggest challenges facing Africa is to sustain economic growth-promoting conditions over time, because a growing economy offers the only long-run hope for reducing poverty. The key to growth in Africa, as in the rest of the world, is the private sector and the development of a free and open marketplace. While many countries in Africa have begun to take steps to integrate themselves into the global marketplace, they need to stay the course and tackle some of the more difficult challenges facing them, such as the continued privatization of functions better managed by the private sector and the removal of barriers to international and regional trade. One of the most unsettling and potentially explosive consequences of the lag between population and economic growth is the growing level of unemployment, particularly among the youth in many countries in sub-Saharan Africa. This is both an urban and a rural problem. If confirmed as Assistant Administrator for Africa, I plan to make economic development and job creation one of my top priorities.

Environment

Having been in many of the countries in sub-Saharan Africa, I know it has a unique environment and an abundance of natural resources. If prudently managed and protected, these resources can contribute to sustainable economic growth as well as to worldwide efforts to improve the global environment and maintain biodiversity. However, once lost, they can never be restored. The region contains 45% of global biodiversity yet has the highest rate of deforestation in the world. Rapid urbanization is also creating new environmental challenges. While several countries have begun to take serious measures to stem the depletion of their resource base through conservation and management, a concerted effort must be undertaken immediately to reverse the overall degradation of the environment and the exploitive extraction of many of its natural resources.

Experience has demonstrated that community-based natural resource management programs, such as those supported by USAID in Madagascar, Guinea, and Namibia, have successfully preserved valuable environmental assets while extending their economic benefits to a broader range of households. For example,

in Madagascar, 29,000 hectares of natural forest were transferred to 25 community management associations, and USAID helped establish farmer associations in 882 villages where about 26,000 farmers have agreed to stop destructive slash and burn farming around critical biodiversity habitats.

The centerpiece of USAID's efforts in the environmental sector in Africa is the Congo Basin Forest Partnership (CBFP), a three-year \$53 million effort, announced at the World Summit on Sustainable Development in 2002, to provide a six-country network of national parks and protected areas, well managed forestry concessions and assistance to communities in the world's second largest tropical forest. Some of the results achieved to date through the Partnership include the publication of a Forest Roads Engineering Manual, the development of financial analysis software for reduced impact logging and, significantly, an agreement by the Republic of the Congo to substantially increase the number and size of protected forest areas.

Agriculture

I support the emphasis USAID places on agriculture. It is the mainstay of most sub-Saharan economies, supporting over 70% of the population and contributing an average of over 30% to GDP. Increasing agricultural productivity is therefore critical to the region's efforts to achieve food security and to reduce poverty levels. Despite the adoption by many countries of policies to stimulate rural agricultural-led growth, agricultural yields in Africa remain the lowest in the world and per capita food production has actually declined to 1980 levels. The flagship of USAID efforts in the agriculture sector is the Initiative to End Hunger in Africa (IEHA), a five-year program launched in 2002, which is designed to harness science and technology and unleash the power of market forces to increase smallholder productivity. In addition to IEHA, bilateral programs at all USAID Missions in the continent are implementing programs to boost agricultural productivity and rural incomes.

Education

This administration has placed a high priority on its commitment to education. If confirmed, I will continue this commitment because I believe an educated population is fundamental to sustaining democracy, improving health, increasing per capita income, and conserving environmental resources. Although literacy rates have increased, Africa continues to lag behind the rest of the world in investment in its people. Educational quality is also poor, with large class sizes, significant numbers of poorly qualified teachers, a severe shortage of textbooks and teaching aids, and inadequate facilities. HIV/AIDS continues to decimate the

ranks of teachers. Systemic education reform is critical if Africa's children are to compete successfully in today's world. USAID bilateral programs focus on educational policy and systems development, decentralized decision-making and greater involvement of parents and civil society. An emphasis on basic education, particularly for girls has proven to yield high returns.

USAID's investment in improved education in Africa is centered on the President's Africa Education Initiative (AEI). The initiative provides 250,000 scholarships for girls and other vulnerable children, 4.5 million much-needed textbooks, and training for 420,000 teachers over a five-year period. This program, which also integrates HIV/AIDS awareness and parent and community participation into all of the components, is now entering its third year. To date, AEI, has upgraded the skills of almost 80,000 teachers through in-service training programs and provided initial teacher training for 9,600 new teachers, and published and delivered 770,000 textbooks to Guinea and Senegal with targets for this year of an additional 600,000 to include Benin, Ethiopia, Namibia, South Africa and Senegal. Finally, we also plan to furnish scholarships to nearly 25,000 girls.

COUNTRY CHALLENGES

I recognize that certain countries pose special challenges as well as opportunities. One of our most important foreign policy goals in Africa is the peace, stability, and economic growth of the Greater Horn. Continued U.S. leadership in the peace process in Sudan is key to the success of our efforts in the Horn. Sudan is the Agency's single highest priority in Africa. USAID is leading in responding to the immediate humanitarian disaster in western Sudan and expanding basic services and infrastructure in southern Sudan to underpin the North-South peace process.

In Darfur, USAID is providing more resources than all other donors combined and is framing the humanitarian debate through analysis and distribution of mortality projections and satellite photographs of destroyed villages. This is an important element of the early warning that the U.S. Government has given to the world, complementing last week's State Department's genocide determination. These actions will hopefully influence the Government of Sudan's behavior, forge international consensus, and avert the full-scale disaster that looms.

In the South, there is an historic opportunity for a just peace to end the decades-long civil war that has killed two million people and displaced millions more. The six protocols signed by the Government of Sudan and SPLM since July 2002 cover

almost all contested issues. It is now a question of the Government's political will to conclude the peace agreement. Events in Darfur have slowed down the North-South peace process. Sudan needs a comprehensive peace in all regions – in the south, west, and east – which face common problems of political and economic marginalization and lack of full rights of citizenship for all Sudanese.

USAID has a unique role in underpinning Sudan's peace process because of their level of resources and their credibility with southern Sudanese. The challenge in the South is to show communities that peace is real by bringing tangible improvements in their lives in governance and basic services.

A second key to the stability of the region is reversing the chronic food insecurity of the most populous country in the Horn, Ethiopia. USAID has just approved a new four-year Famine Prevention Strategy for Ethiopia for 2004-2007, which focuses on managing the transition from an emergency response-dominated program to one that proactively builds human capacity to prevent famine while promoting economic growth, especially in the agricultural sector. The innovative program will fully integrate development assistance funding with Food for Peace resources and emergency and transitional funding through our Democracy, Conflict, and Humanitarian Assistance Bureau.

A third country presenting extraordinary challenges is Liberia as it emerges from 14 years of conflict and upheaval. To support the August 2003 Peace Accord, USAID has begun implementing an expanded program, utilizing \$107.9 million of the \$200 million allocated for Liberia in the Emergency Supplemental Appropriations Act for Defense and the Reconstruction of Iraq and Afghanistan. The USAID program supports community revitalization and the reintegration of former combatants through public works projects, increasing formal and nonformal learning and counseling opportunities for youth and women ex-combatants and returnees, strengthening the capacity of vocational training institutions, building the capacity of civil society, improving community-based health care, and increasing agricultural productivity for small-scale farmers.

Zimbabwe is now in its sixth consecutive year of economic contraction precipitated by a political crisis that has embroiled the country since 1997. Until recently, Zimbabwe was a force for stability and prosperity in the region. Zimbabwe's strong financial, health, and educational institutions, independent and respected judiciary, and robust free press made it a model for success in Africa. Its strong agricultural sector produced a surplus of grain that helped to ensure the region's food security.

As you know well, Zimbabwe's political situation continues to deteriorate. Gross human rights abuses are committed on a daily basis and the continuing food security crisis is being exacerbated by the Government of Zimbabwe's unwillingness to work with donors to establish accurate post-harvest assessments.

In this politically and economically challenging environment, USAID is focusing on strengthening democratic institutions and promoting sustainable dialogue and public discourse between selected government institutions (Parliament and local authorities) on the one hand and civil society organizations on the other. In the struggle against HIV/AIDS, USAID is supporting a program of behavior change and prevention, care and support, and the promotion of effective leadership in Zimbabwe. USAID/Zimbabwe also supports the development of 12 Business Opportunity Centers to promote and strengthen informal sector businesses.

Due to the collapse of the agricultural sector, USAID also provides substantial humanitarian assistance to the people of Zimbabwe. In FY 2003, USAID provided more than \$135 million worth of humanitarian assistance and more than \$93 million worth of assistance this fiscal year.

If confirmed, I will work to ensure that USAID's humanitarian assistance continues to reach Zimbabwe's vulnerable populations. I will also continue to support the strong work our mission is doing in two critical sectors in Zimbabwe where I believe USAID has a clear predominant capability: strengthening the capacity of civil society organizations to participate in and influence the democratic process and combating the HIV/AIDS pandemic.

With 137 million people, Nigeria is Africa's most populous country and is key to the economic growth and stability of the entire West Africa region. Nigeria is still in the early phases of political stabilization. The 2003 elections represented a successful continuation of a civilian government. USAID's development program in Nigeria is the second largest in sub-Saharan Africa, after Sudan, and covers a very broad range of activities in the democracy and governance, agriculture and economic growth, education, and health sectors.

As Nigeria is to West Africa, South Africa is to Southern and even Central Africa - - i.e. its continued growth and stability is critical to the entire sub-region. Although the country has made commendable progress since the collapse of apartheid in 1994, it still faces rising gaps in services and opportunities for its historically disadvantaged population. Poverty and high unemployment continue to create severe social strains. South Africa also has one of the highest rates of

HIV/AIDS prevalence in the region (20% of all adults) and more people living with AIDS than any other country in the world. USAID's South Africa development program addresses some of the most pressing problems of the country in democracy and governance, health (including HIV/AIDS), urban environment, employment generation, and economic policy development.

Finally, I support fully the President's efforts to increase our national security by fighting terrorism across its many faces. For an agency like USAID, addressing the "soft" side of the fight is most appropriate. USAID has begun modest efforts to counter the spread of extremist ideology through the introduction of programs to encourage moderation. Successful work with schools in heavily Muslim countries to introduce a more modern curriculum is a good example of what can be done by a development agency to combat extremism, recognizing that this will be a long-term effort and results may not be apparent for some time.

In conclusion, I would also like to mention several management priorities that I will concentrate on if confirmed as Assistant Administrator for Africa. First, I have a sincere appreciation that the monies supporting our foreign assistance programs are hard-earned taxpayer dollars. I will give very strong attention to how the money is being used and what the results are. Second, I strongly support efforts to harmonize our assistance with that of other donors whenever possible to increase our overall impact. I also support efforts to further align our assistance programs with host country priorities. The world is strewn with well-intentioned development projects that failed because they did not respond to recipient needs and were soon forgotten once the donor moved on.

And lastly, to do effective development work, USAID will need to attract the best qualified people it can. I will make it a management priority to fill all of the positions in the Africa region that are needed to carry out the USAID program and to reward those who continue to do outstanding work in designing and implementing our important development programs in Africa.

Mr. Chairman and members of the Committee, thank you for giving me the opportunity to appear before you today. If confirmed, I look forward to working with you closely. I am pleased to take your questions.

