

Testimony of Mara Rudman
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U.S. Agency for International Development
House Oversight and Government Reform Subcommittee on
National Security, Homeland Defense, and Foreign Operations

“Assessment of the Transition from a Military to a Civilian-Led Mission in Iraq”

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Chairman Chaffetz, Ranking Member Tierney, and members of the Subcommittee, thank you for the opportunity to discuss the United States Agency for International Development (USAID)’s work in the context of the transition from a military-led to a civilian-led mission in Iraq.

Our goal is a stable, self-reliant, unified Iraq. This is critical to U.S. interests in the Middle East. It is a goal made possible through enormous sacrifice by Americans and Iraqis alike.

USAID is adjusting its footprint in Iraq in line with its development strategy and programmatic needs. We are focused on Iraq’s sustainable development under the terms of the U.S.- Iraq Strategic Framework Agreement. Over the past ten years, USAID’s role in Iraq progressed through three distinct stages:

- Immediately after the invasion, USAID’s emphasis was on restoring essential infrastructure and services and supporting transitional democratic processes.

- Then, as part of the military and civilian counterinsurgency campaign, we concentrated on stabilizing Iraqi communities, and strengthening government institutions.
- Now, with the completion of the transition to civilian leadership of the U.S. effort in Iraq, USAID's focus is on helping Iraqis improve how they manage their own resources for development.

Our ability to adapt and work closely with the Iraqi government and people has provided critical continuity to our work. Our current efforts reflect lessons learned over these years, particularly in the need for greater oversight and prioritization of sustainability.

Today, USAID provides technical assistance to the Iraqis to improve their abilities to finance and implement their own development projects. We are also working with the Iraqis to strengthen civil society and increase civic participation; implement reforms that will encourage private sector-led economic growth; support the development of good governance and democratic institutions; support ethnic and religious minorities; and provide durable solutions for the reintegration of internally displaced persons.

All of our efforts are designed with sustainability in mind, so that – as an end-goal – Iraqis will manage every one of these projects without U.S. assistance. In addition to the considerable human capital of the Iraqi people themselves, Iraq has great oil wealth. Revenues from the oil industry, which has yet to reach its full potential, supply nearly all of the Iraqi government's budget. Sadly, the country's institutions and ability to deliver services have been degraded by decades of war, misrule, and other factors. Rebuilding the structure, resiliency, and effectiveness

of the state, the private sector, and civil society is where Iraq still needs help. Thus, our current programs are focused primarily on improving the capacity of Iraqi government institutions and consist largely of technical assistance that requires the Iraqis to match USAID contributions on a dollar-for-dollar basis. These efforts stand in stark contrast to the much larger relief, infrastructure, or stabilization projects in which we were engaged earlier.

We work with the Government of Iraq (GOI) to first establish common objectives for new activities. We then come to an agreement with the GOI on its required matching contributions and plans for transitioning ultimate responsibility for the projects to the government. Throughout implementation, USAID monitors and measures the GOI's progress on required cost-sharing contributions. These steps help ensure long-term Iraqi investment and commitment to the sustainability of USAID activities that specifically benefit their governing institutions.

This focus on sustainability is not simply good development practice; it also reflects Congressional guidance. In early 2009, the State Department and USAID, in consultation with Congress, adopted a set of policy guidelines on Iraqi government matching for U.S. assistance funds, which require financial or in-kind Iraqi government counterpart contributions for most U.S.-funded foreign assistance programs and projects that directly benefit or involve the Iraqi central government. Congress subsequently required compliance with those guidelines. Accordingly, USAID has applied this requirement to the budget planning process for Iraq.

For instance, last month I met with the Iraqi Minister of Education, with whom we are currently working on our Education Surveys project on a cost-share basis. We will be working on a new project with his ministry to improve primary education

in Iraq. Iraq's literacy rate is among the lowest in the region and ranks next to Yemen, the poorest country in the Middle East. This USAID project incorporates both the Ministry's and our own development strategies. Through it, the Ministry will match our contributions in cash or in-kind on a dollar-for-dollar basis.

Ensuring that the resources provided by American taxpayers are used effectively, and that our contributions to Iraq's progress yield sustainable results, requires both careful and consistent monitoring on our part and the engagement of the Iraqi government and our other partners. Thus, in addition to standard USAID protections against waste, fraud, and abuse, including checks on terrorist financing, we have designed an extensive and effective oversight system that is tailored for the unique operating environment in Iraq.

For example, although the security situation in Iraq has improved, the security environment nevertheless limits the ability of U.S. direct-hire employees to visit project sites, beneficiaries, and counterparts. To address these challenges, USAID employs Iraqi field monitors who speak Arabic and have greater access to projects and familiarity with local communities and issues. Our projects are inspected and evaluated by these monitors on a regular basis, with findings reported to the USAID mission for review and adaptation as necessary. Using Iraqis for this work – each of whom has been carefully screened, and many of whom previously worked with the U.S. military – has the added benefit of building local oversight capacity, another example of how sustainability is now incorporated into our work.

USAID also contracts with a third-party monitoring and evaluation implementer that conducts independent evaluations of all of our projects.

There are multiple, independent oversight bodies that also review our programs, including the Special Inspector General for Iraq Reconstruction (SIGIR) and the USAID Inspector General, as well as the Government Accountability Office. Collectively these entities have conducted more than 300 financial and performance audits since 2003 – about 33 a year. These reviews complement and reinforce our own efforts to ensure that U.S. tax dollars are used effectively and efficiently. USAID welcomes the oversight and discipline imposed by these assessments, including those initiated at our request.

Finally, our focus on sustainability extends to the very staffing of our effort in Iraq. In FY2012 and beyond, we will reduce the number of foreign service officers at our mission, and will hire and train more locally employed Iraqis to perform the functions that have previously been handled by third country nationals. Furthermore, nearly 90 percent of our more than 1,100 implementing partners' personnel are now locally employed Iraqis. As with the field monitors, employing local Iraqis in the delivery of assistance in Iraq will help build local capacity, so that Iraq will eventually be able to manage these efforts on its own.

In summary, USAID's programs in Iraq are designed to help Iraqis use their own resources to foster their self-reliance, maintain stability and increase their well-being. Our continued commitment to Iraq demonstrates the importance we place on the mutual interests and benefits of this long-term partnership.

I appreciate the opportunity to appear before you today and am happy to answer your questions.



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BIOGRAPHY

Mara E. Rudman

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Prior to USAID, Mara Rudman was a deputy envoy and chief of staff for the Office of the Special Envoy for Middle East Peace. She served as Deputy Assistant to the President and Executive Secretary to the National Security Council under President Obama from January through May 2009. From 2005-2009, she was the President of Quorum Strategies, LLC, an international strategic consulting firm, and a Senior Fellow at the Center for American Progress, where she focused on national security issues and advised Middle East Progress.

She served as a deputy national security advisor and National Security Council chief of staff to President Clinton from 1999-2001, and earlier in her career, as chief counsel to the House Foreign Affairs Committee under Chairman Lee Hamilton (D-IN). She also has worked as a vice president and general counsel for The Cohen Group, a Washington-based consultancy founded by former Secretary of Defense William Cohen; and she worked previously for Rep. Gerry E. Studds (D-MA).

Born in San Antonio, Texas and raised in Hyannis, Massachusetts, Ms. Rudman is a cum laude graduate of Harvard Law School and a summa cum laude graduate of Dartmouth College.