Thank you all very much for being here this afternoon.

Let me begin by telling you how pleased and proud I am to stand before you as the confirmed fourteenth Administrator of the United States Agency for International Development.

The last time you were gathered in a town hall meeting like this was more than two months ago when Secretary Rice came over to talk about a new direction for U.S. foreign assistance. That was occasioned by President Bush's announcement of his intent to name me as the nation's first Director of United States Foreign Assistance, and to nominate me to serve concurrently as your new Administrator.

I'm sorry that the protocol of the confirmation process did not permit me to be here with Secretary Rice on that day. But I hope you will take it as a signal of my plan to communicate with you regularly that my very first act after being confirmed by the Senate is to meet with you this way - those of you gathered here in Washington as well as those USAID, State Department, and Foreign Service National personnel who are watching around the world.

As many of you know, Deputy Administrator Fred Schieck is attending the Paris Ministerial meeting of the OECD Development Assistance Coordinating Group on my behalf. Although he is not here in person, I want to recognize his stewardship of USAID these past couple of months as the Acting Administrator, and I want to thank Fred for his dedication and service during this period.

I also want to recognize the strong leadership of my good friend, former Administrator Andrew Natsios, and to thank him for his support and encouragement.

There are many of you that I also want to thank for the support and assistance you have provided throughout my confirmation process. I've had nearly 40 briefing sessions over the past 10 weeks, which, beyond preparing me for confirmation, have given me an opportunity to meet with many of you face to face.

Those briefings have served to affirm strongly what I already knew from my tenure as Global AIDS Coordinator - that the people of USAID are capable and creative, experts in their field, passionate about what they do, and committed to making a difference. With USAID's help, America has contributed much to development successes around the world - successes achieved in partnership with local governments, local communities, at the field level.

Let's consider the following:
In 1950, fifty-five percent of the world population was living on $1 a day or less. Only 20 percent are so impoverished today.

Life expectancy is longer, mostly because infant mortality fell from 158 per 1,000 in 1970 to 63 per 1,000 in 1999, and it is still on the decline. USAID's aggressive use of oral rehydration salts has saved literally millions of lives helping to lower infant deaths from diarrheal disease.

Barely 35 years ago, 12-15 million people worldwide were infected with smallpox and 2 million of them died each year. Today, because of the work of USAID and perhaps because of several of you who may be in this room, working in partnership with other international organizations smallpox has been largely eradicated.

People are eating more and better. The share of people below nutritional adequacy has fallen from 57 to 7 percent since 1961. USAID's support of the Green Revolution in India, for example, has helped achieve this success.

More boys and girls are in school. In 1950, there were about 100 million. Today, there are about 1 billion. This means that literacy and numeracy are no longer reserved for the elite. USAID education initiatives are helping to empower young girls in Afghanistan to enter schools for the first time so they have a chance to lead productive, meaningful lives where their hopes can be achieved.

Most important of all, in the 1960s there were around 90 countries where development efforts were focused. Now, about 25 of those have graduated. Another 15 or so countries that are at or near middle-income country level are close to graduation. Many of those who have graduated had robust development programs supported by USAID or one of its predecessor agencies.

So despite the enormous challenges faced today by so many in the developing world, we should not forget that much has already been accomplished, thanks in large part to the dedicated work of the men and women of USAID.

During the two and a half years that I've had the privilege of serving as the U.S. Global AIDS Coordinator, I have seen first-hand the contributions USAID professionals are making to the fight against HIV/AIDS - in places as varied as Lesotho and China, Haiti and Kenya.

A critical element of the success of the Emergency Plan has been the sincere desire of everyone involved to make a difference - and to adapt to change in whatever ways were necessary to get the job done. Above all else, the people of the multiple agencies who came together to launch and lead the Emergency Plan were committed to fighting AIDS. Period.

They saw an enormous opportunity in the President's commitment to this effort. And although it required working in new and different ways with the rest of the U.S. Government, they embraced that change and the opportunity it presented, in order to make it work on behalf of the people worldwide infected and affected by HIV/AIDS.

They famously "left their uniforms at the door," and didn't expend a lot of energy worrying about the parochial interests of their own agencies. I think what we have all learned from that experience is that when the U.S. Government works as a team, our effort is worth much more than the sum of its parts.

But no agency has been more important to the success of our fight against HIV/AIDS than the people of USAID. I have worked with leaders here in Washington like Connie Carrino and Roxana Rogers and of course Kent Hill; and people in the field like Buck Buckingham.

USAID veteran Michele Moloney-Kitts leads a critical division in my former office, and legions of other USAID employees contribute their expertise in various ways. These people have been among the heroes of the Emergency Plan, without whom our current success simply would not have been possible.

As I told the members of the Senate Foreign Relations Committee during my confirmation hearing, USAID has a long and proud history, tracing its origins to the reconstruction of Europe after the devastation of World War II through the Marshall Plan, which, interestingly enough, was signed into law by President Truman exactly fifty-eight years ago today.
And it is to this Agency that we must continue to look to find the reservoir of experience and expertise that is crucial to meeting the unprecedented development challenges of this century - a time which sees the world at once ripe with democratic promise and menaced by global terrorism.

In bringing hope to peoples around the world, USAID reflects the values of all Americans. We cannot turn our backs on the millions of children who succumb to starvation and disease each day, when the ability to address it is in our hands. We cannot turn our backs on citizens who toil under oppressive poverty, seeking their families' daily survival, but with little opportunity to secure the future.

In that hearing, I vowed that if confirmed, I would do all I could to support the men and women of USAID in strengthening both these core commitments and the human capabilities that enable their achievement. And indeed, I want to reaffirm that commitment to you here today.

Our predecessors did an extraordinary job of responding to the challenges of THEIR time. Our task is to write a next chapter for this agency that will be equally noble. I believe doing so will require adaptation to the needs of OUR time.

The demands of dealing with complex emergencies in multiple areas of the developing world have always been among the challenges facing USAID. But many of the problems we face today are different. Many did not exist even a generation ago.

I think of AIDS and the threat of Avian Flu. I think of the explosion of local conflicts that followed the fall of the Berlin Wall. I also think, of course, of the rise of new enemies who exploit poverty, oppression, injustice and state indifference in order to destroy hope, and thereby provide haven for criminals and the planning of criminal acts.

As we begin our journey together, whether your first day at USAID is today or you started 30 years ago, let us each ask ourselves, "Why am I here?"

Each of us who works at USAID, on some level, must surely believe that peaceful societies, where healthy and well educated people are free to provide for themselves and their families, are the aspiration of human beings regardless of ethnicity, religion, or geographic location.

And we also must surely believe the people of the United States can, and should, play a role in helping people around the world strive for and achieve those aspirations - both because it is the right thing to do, and because it is in our interest as a nation to do.

This core belief in human potential IS the cause that draws us together. But what is the appropriate role of the U.S. Government in advancing that cause?

Empowering human potential requires more than short-term charity. America's approach to international development requires a paradigm that is also focused on sustainability-and with that, a paradigm focused ultimately on local ownership.

While well-intended, some of what the donor community has done historically, under the rubric of international development, has, too often, left few lasting traces beyond the immediate impact of short-term programs. The sad fact is that one cannot visit the developing world without seeing - often in a literal sense - the debris of past development assistance that did not also bring about lasting change - that did not put much emphasis on the "development" part of development assistance.

To be sure, charity has its place, especially when it is charity in response to urgent emergencies. Yet it's important to distinguish between that kind of charitable humanitarian assistance, and support for a nation's development and transformation.

As the President has said, development must engender lasting economic, social, and political progress, through a transformation of institutions, economic structures, and human capacity, so that nations can evolve to sustaining further progress on their own.
The primary responsibility for achieving this transformation rests with the leadership and citizens of the developing nations themselves. But the assistance and policies of the United States can and must play a vital and catalytic role. To really make a difference, our resources must be focused on transformational initiatives that are owned over time by the developing nations themselves.

My friend, Dr. Peter Mugyenyi, is the leader of the Joint Clinical Research Center in his home country of Uganda. He's one of the most inspiring, creative and effective leaders in the fight against HIV/AIDS on the African continent.

Nearly a year ago, at a meeting in Africa, Dr. Mugyenyi made a comment that really struck me. To paraphrase, he said that it is neither practical nor moral for the people of Africa to expect that the rest of the world will take care of their problems forever.

He explained that it is not practical because it means their own destiny will be at the mercy of changing political priorities in nations far beyond their control. And it is not moral, he said, because the people of his continent have many of the tools they need to meet their own needs, and those they do not have they can and must develop. When he made that assertion, there was an instant murmur of agreement among the African leadership in the audience.

Dr. Mugyenyi has made incredible progress through his own organization in making drug treatment available in Uganda. In one largely rural district, his organization has now succeeded in providing access to antiretroviral therapy to 100% of those who need it, with a locally-designed strategy they can sustain in the future.

To be clear, for now Dr. Mugyenyi is working in close partnership with the President's Emergency Plan for AIDS Relief, utilizing the extensive financial support we are providing. Indeed, at this point, our support is indispensable. But he is already developing capabilities and resources so that a time will come when he will no longer depend on us.

And that is the model we must all embrace. Graduation is indeed the ultimate objective. As we recommit ourselves to the cause, each one of us must always remember that it's not about us, it's about them.

It's about empowering them, supporting their ideas, and providing the right tools-and appropriate incentives-to support their leadership and responsibility to sustain further progress on their own. This, I believe, is what United States foreign assistance must be all about.

From the highest levels, this Administration has made an enormous commitment to development and transformation. President Bush has made - and is keeping - that commitment. In fact, the total official development assistance (ODA) provided by the United States for 2005 came to $27.5 billion - a near tripling of ODA since 2001.

But these vastly increased resources have also come with new responsibilities-to focus on performance, results, accountability-and ultimately, to define success as the ability of a nation to graduate from aid and become a full partner in international peace and prosperity.

Two weeks ago, the White House released the 2006 United States National Security Strategy. I don't know how many of you have read the strategy, but one need not look too far beyond the headlines to know USAID will play a crucial role in its success.

Some have observed - with concern - that USAID is not often mentioned by name in the strategy. There is good reason. It is no longer about one agency or another, if it ever was. It's about the entire United States Government - with the support of the American people - becoming aligned and committed to advancing that National Security strategy, including its core foreign assistance component.

There was once a time when outside of USAID and a few people on the Hill, not many others in the government cared very much about foreign assistance. The good news is, foreign assistance is now a mainstream commitment of the United States Government, elevated to a national priority as a core part of our national security strategy, and receiving large increases in resources.
The bad news is, for some I fear, that foreign assistance is now a mainstream commitment of the United States Government, and therefore there is competition for ideas, approaches, resources and positions of leadership in the control and implementation of foreign assistance resources and programs.

USAID is no longer the only agency working in international development assistance. The simple fact is that with that change, our historic entitlement to sit at the head of the table every time development is discussed also is no longer automatic. The important question is what are we going to do about it?

I have often said that one thing in life that is absolutely inevitable is continuous change. But change can be a lot like fire. Manage it, turn it to your advantage and you will bask in the warmth of its glow. Ignore it, or manage it poorly, and you will get burned.

If someone is sitting in a canoe pointed upstream in the Potomac River with the objective of simply staying in the same spot, it is necessary to paddle. Otherwise, the current will move the canoe backward, down the river. If that person wants to move forward, to make progress, they will have to paddle even harder.

I think this river metaphor describes quite clearly the context in which we currently find ourselves as an agency. Standing still, clinging to the way we have always done it, will not be an effective strategy.

In our current environment, we must embrace change or risk being rendered less relevant by the forces of change.

There is no going back, but there is a way forward. We at USAID have a vital contribution to make, characterized by our unparalleled expertise and experience. And because of what we do, we will have a seat at the table.

But instead of owning the realm, as was once the case when no one else much cared, the current environment and proliferation of actors in international development demand that we earn a leadership role on the basis of our competence, our creativity, and our commitment to shared goals - not on the basis of our history.

Our leadership role will not be the result of our entitlement; it will be the result of our performance.

Questions have been raised as to whether the President and the Secretary's foreign assistance reform initiative is, in effect, simply a disguised takeover of USAID by the Department of State. As Secretary Rice herself told you when she last visited, such an objective has never been on her table, nor is it part of some hidden agenda. I want to assure you of that again.

Rather, our future is in our own hands. The question is what will we do to shape that future?

I believe strongly that success in the United States' effort to promote an international community of peace and prosperity is not possible without a vibrant USAID. If I did not believe that, I would not be standing here today.

But we must continue to earn our leadership role every day by the continual demonstration of the value we add to the achievement of what has become a core priority of our entire government. We have an enormous opportunity.

For one thing, I would remind you that under this new arrangement, the person who is concurrently Administrator of USAID has a significantly strengthened role from that of past Administrators, one that extends well beyond the agency. It is a role that includes a seat at the broader foreign policy and foreign assistance table, as the Director of Foreign Assistance with the rank of Deputy Secretary of State.

And as the Director of Foreign Assistance, it will be my responsibility to help ensure that USG agencies delivering foreign assistance are not working at cross purposes, that in fact we are taking advantage of agencies' comparative strengths to create a U.S. Government program that is effective and makes the most efficient use of taxpayer dollars.
Strengthening the U.S. government's commitment to long-term, results-oriented development will require changes, and the unique talents of State and USAID and the MCC and the Office of the U.S. Global AIDS Coordinator, and all the rest.

Coherent, comprehensive, plans must replace fragmented programming. And the United States must, and will, promote greater ownership and responsibility on the part of host nations and their citizens.

One of the most important "lessons learned" by me over the course of my tenure at the Emergency Plan was the incredible impact the USG can have when it speaks with one voice. On a country level, the fact that USG agencies spoke from the same page, implemented one strategy, and monitored results in the same way, vastly increased responsiveness from both government and nongovernmental partners, and therefore vastly increased effectiveness.

That success was never about suppressing one USG agency over another, but about better aligning all of our efforts so none could divide and conquer among us by taking advantage of our own USG fragmentation to get out from under the need to perform. USAID's voice and influence are critical to the success of American foreign policy in the era that lies before us.

And as we move forward, that is where our focus must remain - on the future, not on the past. Together, we can strengthen this organization. Again, if I didn't believe that, I would not have taken the job. But, the challenges we face are not mine alone to "fix." They are ours to solve together.

One of the things I admired most about Andrew Natsios's leadership was that he was - and is - a champion of the agency, and an advocate for what USAID does best. I too will be your champion, but my effectiveness will depend in large part on what we can achieve together.

The time when only a handful of people recognized the value of development has passed. From world leaders to rock stars to elementary school children, people are aware like never before of the challenges facing the developing world - and the way those challenges affect not just those suffering, but the entire global economy and the security and prosperity we seek.

Some may choose to put their energies into resisting the changes that have brought development into the main stream of American foreign policy, and the consequences that have resulted. That is not a path that holds any interest for me. I hope it does not for you.

Rather, let us put our energies into finding new and more effective ways to work together in a thoughtful strategic way - not just with one another and the traditional development community - but with all of those who share our vision of development that brings about lasting change. If we do, the uncommon results we attain will be USAID's enduring legacy of OUR time.

Thank you very much.