

**Testimony on 2007 Foreign Assistance
on behalf of**
The United States Conference of Catholic Bishops and Catholic Relief Services
Subcommittee on Foreign Operations
to the
Export Financing, and Related Programs
House Appropriations Committee
March 21, 2005

I. Introduction

The United States Conference of Catholic Bishops (USCCB) and Catholic Relief Services (CRS), the relief and development agency of the U.S. bishops, would like to take this opportunity to offer written testimony on 2007 foreign assistance. As pastors and leaders of a religious community, we bring deep convictions and broad experience in addressing issues of human life and dignity in a world of too much injustice and not enough peace. Through our global presence, we live and work among some of the most vulnerable people in the world. Our people share the joys and hopes of those who suffer so much – very often in silence. In this testimony, we give voice to these people in a spirit of gratitude for what has already been achieved and with the hope that our nation's tremendous capacity to reach out and help those in need will inform the work of the subcommittee.

Severe poverty assaults the human dignity of millions of people in many regions and nations. Our religious faith and our nation's values tell us that the moral measure of our efforts is how we respond to the "least among us" (Mt. 25) and whether we seek justice for all. Investments in human development are not only matters of moral responsibility, but contribute to a safer and more just and peaceful world. Shaped by these values, our priorities for 2007 foreign assistance include:

- **\$5 billion** to fund *development and humanitarian accounts*, on which many developing countries depend for survival and poverty reduction;
- **\$150 million** in assistance to address the deepening poverty and unemployment among the *Palestinian people*;
- **\$3 billion** for the *Millennium Challenge Account*, the President's initiative that promises to unite poverty reduction with better and stronger governance in poor countries;
- **\$1.2 billion** for *Migration and Refugee Assistance* (MRA) and **\$55 million** for *Emergency Refugee and Migration Assistance* (ERMA);
- at least **\$3.7 billion** for morally appropriate programs to combat *HIV/AIDS*, tuberculosis, and malaria;
- Protecting those provisions of law, including the conscience clause, that help provide for a more effective, *morally sound global health program*;
- the **\$950 million** that is necessary to fund the Administration's commitment to cancel 100% of the debt owed by *heavily indebted poor countries* to major international financial institutions; and

- Increasing the number of *countries eligible for debt cancellation* and the number of international institutions whose debt is canceled, particularly the Inter-American Development Bank.

II. Foreign Aid: A Moral Imperative

Solidarity with those in need expresses a common hope for a stable and peaceful world. Despite the effectiveness of many U.S. foreign aid programs, much more needs to be done to respond to this challenge. Before us is an opportunity to use our nation's wealth and resources to uplift human life and dignity around the globe and to work toward the *common good*.

In his first Lenten Reflection, Pope Benedict XVI echoed the words spoken by his predecessor Pope Paul VI 25 years ago: the scandal of underdevelopment is a scandal against humanity.¹ Achieving *authentic human development* requires ensuring that the basic human needs of all are met; that social, cultural, economic and political rights are protected; and that all peoples participate in shaping their own future.² This moral demand is in line with our desire to build a safe and secure world. As Pope John Paul II said: "Development ultimately becomes a question of peace, because it helps to achieve what is good for others and for the human community as a whole."³ Development and peace are intertwined or, as Pope Paul VI said, "development is the new name for peace."⁴

Development is not just a requirement of human dignity. It therefore is a duty imposed upon all of us, as peoples and nations, to collaborate in development, and the responsibility of those who are stronger and richer to seek out, assist and empower those who are less so.⁵

This teaching shapes and defines the work of two agencies of the United States bishops: Migration and Refugee Services (MRS) and Catholic Relief Services (CRS). MRS works to voice the needs of those who flee persecution in their homeland and seek international protection and helps resettle one-quarter of the refugees who enter the United States each year. CRS works in over 99 countries throughout the world, more than 30 of which are in Africa, and provides programs in HIV/AIDS and health, education and civil society building, microfinance, food security and agriculture, and emergency relief and peace building. With 60 years of development experience, CRS knows first hand the tremendous need, but also the great potential for improvements in the lives and dignity of millions, and the very real hope and possibility for prosperity and peace.⁶

Our well-being as Americans is intrinsically linked to the well-being of those who live far from our shores, we can testify how foreign aid is capable of lifting up the weak and the downtrodden, and empowering people to realize their own dignity and destiny. Not only does foreign aid respond to critical emergencies and deep-seated problems of poverty, disease and malnutrition, it provides a long-term commitment to accompany people on a path to economic, political and social freedom. At the same time, this investment in human development is an investment in security and peace, a connection that the Church has recognized for some time. In 1993, we issued a pastoral statement in which we said: "Building peace, combating poverty and despair and protecting freedom and human rights are not only moral imperatives, but also wise national priorities. They can shape a world that will be a safer, more secure and more just home for us all."⁷

III. Aid Effectiveness and Plans for Reform

Recent years have provided many examples that show the effectiveness of foreign aid in some of the most destitute parts of our world. In many cases, foreign aid has played an indispensable, if at times unnoticed, role in promoting freedom, security, development, and human life and dignity. Core development assistance has played a critical role in helping people in some of the poorest countries attain marked improvements in their lives with increases in primary school enrollment rates, greater access to clean water, and a lower incidence of infectious diseases.

For example, in Malawi, Catholic Relief Services (CRS) is using irrigation technology to alleviate the effects of drought. One of the poorest countries in the world, Malawi recently experienced its second food crisis in four years, brought on by a lack of rain in a region where less than 2 percent of the land is irrigated. Even farmlands located directly next to rivers and streams can be barren, largely because there is no technology for getting the water over the riverbed into the fields. In the village of Chitsa, in the Nsanje district, CRS and its local Catholic Church partner started a project that offers manually operated treadle pumps to lift the water from a nearby river into the fields. The water has created a lush, green oasis in the midst of dusty fields. The government and other aid groups are now distributing similar pumps, recognizing the potential of such technology. There are many more examples.

USCCB has welcomed several important developments in aid funding since 2001 that contain strategies to target foreign assistance better and engage with local populations to determine priorities. The President's Emergency Plan for AIDS Relief (PEPFAR) and the Millennium Challenge Account (MCA) have signaled a clear commitment to go the extra mile in addressing both immediate problems of a catastrophic nature and longer-term development needs. We welcome the support that Congress has given these programs and continue to monitor their progress.

In the last few months, the Administration has begun to lay out a new vision for U.S. foreign assistance that may involve significant operational changes for foreign operations. While at an early stage, these initiatives demonstrate both a new vision for U.S. foreign assistance and institutional changes in its policy, planning and delivery. We welcome efforts that make U.S. assistance more responsive to the needs of the poorest. Globalization offers new opportunities and responsibilities to bring the world together in the fight against hunger, disease and extreme poverty. In this process of reform, it is vital that more resources reach those who have the greatest need and the least hope.

We are concerned that by placing so much emphasis on threats to security that “emerge more within states than between them” and “shifting existing resources to meet our new priorities,” as Secretary of State Condoleezza Rice has said, it is possible that needy people could fail to receive adequate U.S. assistance.⁸ There are many states whose people experience severe hardship, but whose situation may be of little strategic interest to the security of the United States. We ask that you ensure that any changes to U.S. foreign assistance programs maintain a focus on the most needy.

Foreign aid is not a panacea. It needs to be combined with genuine debt relief and fair and open trade policies in an integrated approach so that our solidarity with the poor will lead to authentic

human development. It makes little sense, for example, to provide foreign aid to support a country's economic freedom while simultaneously maintaining trade barriers that exclude that country's goods. Similarly, foreign aid has little effect when a poor country spends much of its income on repaying debts to rich nations. Rather than giving with one hand and taking with the other, it makes more sense to develop a comprehensive development strategy that encompasses three mutually reinforcing strategies: generous and effective foreign aid, fair trade, and debt relief for poor countries. To promote just such a vision, USCCB and CRS have launched the "Catholic Campaign Against Global Poverty: Trade, Aid, Debt."

FY 2007 will offer many opportunities for the United States to demonstrate its leadership in assisting the world's poor. To do this, real financial investments must be made. In July of 2005, the Group of 8 (G-8) leaders focused on executing a comprehensive development strategy that includes international trade, debt relief, and foreign assistance. The United States has taken a leadership role in its commitments towards the people of Africa in the areas of health and humanitarian and development assistance. Some of the poorest, most vulnerable people in Africa reside in countries affected by civil conflict. The U.S. commitment must include the necessary resources for peace-building and reconstruction in these countries.

IV. Specific Foreign Assistance Needs

Below we offer a more detailed explanation of the key elements of our foreign operations funding requests.

Development and Humanitarian Assistance: We urge Congress to increase funding for core development and humanitarian programs from the \$4.2 billion proposed by the administration to \$5 billion, with particular attention to the needs of Africa and Latin America. The administration's FY07 request would also cut Child Survival and Health programs that we support as well as other core accounts by a total of close to \$100 million. Rather than reducing funds for such programs, they should be substantially increased.

Core development and humanitarian accounts form the bedrock of U.S. foreign assistance, providing for health, education, agriculture, and emergency relief programs in some of the world's poorest countries. While the global need for investment in poverty reduction remains great, the administration's FY 2007 budget proposal would reduce funding for Development Assistance and other core development accounts by almost \$225 million, including a \$100 million cut for basic education. Poor countries, which are unlikely to qualify for MCA funds, but which can nevertheless use development aid effectively, rely on this assistance to help address the food, health, education and other development needs of their people.

Africa is the furthest behind in meeting the Millennium Development Goals by 2015 and needs greater U.S. assistance to get back on track. U.S. aid to the countries of Latin America, our neighbors and strategic allies, has been in decline. Recent economic growth in the region belies the fact that benefits are not reaching the poor. The effects of exclusion are dramatic: a 2004 UNDP report indicates that 54.7 percent of Latin Americans would support an authoritarian regime over democratic government if authoritarian rule would resolve their economic problems.⁹ To meet our stated commitments and moral obligations, our nation must increase aid to both Africa and Latin America.

Global Health: USCCB and CRS ask that you support the Administration's request for \$4.3 billion in funding for FY 2007 (\$3.7 billion in the Foreign Operations bill and \$600 million in Labor, Health and Human Services bill) for morally responsible programs for combating HIV/AIDS and other infectious diseases. This increase takes into account the need to develop a well-coordinated, sustainable, and effective HIV/AIDS strategy. At the same time, it reflects the scale of the pandemic, the urgency of the action required, and the need to strengthen national health infrastructure, while providing increased support to effective programs managed by faith-based and other private voluntary organizations. We urge that this increase represent an additional allocation, rather than a reduction in the funding committed to PEPFAR.

Communicable diseases such as HIV/AIDS, malaria and tuberculosis continue to ravage populations of the world's poorest countries, particularly in sub-Saharan Africa. New threats to large populations in India, China and the former Soviet Republics pose additional threats to global security and economic stability. Catholic institutions provide a full 25% of care for people living with HIV/AIDS around the world. Faith-based groups provide 40% to 50% of all care. In Kenya, CRS programs cover 50% of all patients receiving Anti-Retroviral Treatment, while receiving only 10% of PEPFAR ART funding in the country.

Millennium Challenge Account (MCA): Though the amount requested is substantially less than the President's original commitment of \$5 billion for the MCA, we support the President's request for \$3 billion for the MCA in FY 2007 including up to 10 percent of this amount for "threshold" countries. The MCA got off to a slow start, but we note that the pace of activities has picked up in recent months.

The law establishing the MCA authorized funding for lower middle-income countries beginning in FY06. These countries have achieved substantially higher income levels and have greater access to other sources of financing than the low income group on average. At the same time, there are 13 low income countries that are eligible for the MCA but have yet to receive funding. In the allocation of MCA funds, we urge that efforts be focused on the needs in the poorest countries, especially in Africa, and that within each compact program, projects be designed to impact the poorest of the poor. We also urge that funding for the MCA will be in addition to, not a substitute for, funding for critical humanitarian and development programs.

The USCCB and CRS have strongly and consistently supported the Millennium Challenge Corporation (MCC) from its inception. We are deeply concerned about the overall lack of compact funds for health and education. We recognize that "country ownership" is important, but with the MCC's stated objective of poverty reduction, and the low level of development that often characterizes the education and health sectors in the countries eligible for the MCC, it is unclear to us why MCC countries are not including components for these sectors in their compact proposals. Primary education and decent health care are fundamental to the ability of the poor to take advantage of the kind of investments that the MCC is financing.

We urge you to encourage the MCC to include education and health care in compacts when the recipient nation's citizenry has determined, through a strong consultative process, that weakness in these areas are obstacles to poverty reduction. Development is about creating opportunities for all people, particularly the disadvantaged, to achieve their full human potential.

Palestinian Aid: USCCB and CRS strongly support the Administration's request for \$150 million in Palestinian aid and also urge Congress to give the Administration needed flexibility in delivering this aid to the Palestinian people.¹⁰ It is not in the best interests of either Israelis or Palestinians for the human situation in Palestinian areas to deteriorate badly. Non-governmental organizations (NGOs) play an important role in delivering Palestinian aid. Catholic Relief Services and other NGOs are deeply concerned that their assistance programs will be curtailed or rendered unworkable by Congressional action or seen as an instrument of a particular policy rather than as assistance.

The issue of aid to Palestinians has special urgency at this time. We are deeply concerned with legislative proposals that may cripple the ability of the U.S. to engage both parties to the conflict and exacerbate an already desperate humanitarian situation.

USCCB has stated that the election of Hamas complicates and threatens the peace process. Palestinian leaders must clearly recognize Israel and renounce terrorism. All parties to the conflict must renounce using violence to achieve political goals. Both parties must commit themselves to a viable two state solution. Neither side should take actions that contradict their obligations under the "road map."

U.S. engagement with both parties is critical, especially at this volatile time. Despite the new challenges, the United States must find appropriate ways to engage both Israelis and Palestinians. USCCB and CRS were encouraged by Secretary of State Rice's recent reaffirmation of the commitment of the United States to a viable two-state solution, and her declaration that the Administration is looking at ways to increase U.S. assistance for the Palestinian people.¹¹

It will take some time for new Palestinian government to be formed and to clarify their policies. It is neither wise nor just to withhold aid to the Palestinian people at this time. This could be perceived as punishment for engaging in the democratic process that the United States has long urged. Poverty and unemployment are deepening and a significant loss of assistance can only add to their desperate plight and possibly to further unrest. We urge the United States to find appropriate and effective means to deliver aid to the Palestinian people.

Reconstruction and Peace-building: We once again urge adequate funding for reconstruction and peace-building needs, especially in Haiti and Sudan. We urge that human rights conditioning on all aid to Colombia be strengthened and that development and humanitarian aid be increased. We also ask that priority attention be given to basic humanitarian and security needs, disarmament, and reintegration of soldiers into civil society in Liberia, and to the long-term peace-building needs in Burundi and the DRC.

Recent events in Haiti, Iraq, Afghanistan, Colombia, Sudan, Liberia, Burundi, the Democratic Republic of the Congo (DRC), Israel-Palestine, and in countries in other parts of the world, demonstrate the need for effective, appropriate and flexible strategies for conflict resolution and peace building. In these situations, foreign aid not only helps lift people out of poverty, but also plays an important strategic role as a catalyst for the promotion of peace and security.

Iraq: The situation in Iraq remains uncertain and dangerous, but the U.S. cannot abandon the responsibility it now has for the welfare of the Iraqi people. USCCB repeatedly raised grave

moral concerns regarding military action against Iraq and the unpredictable negative consequences of an invasion and occupation. Our country has now assumed a new set of moral obligations as a result of the intervention. The U.S. must help Iraqis secure and rebuild their nation.

In January of this year USCCB issued a statement entitled, “Toward a Responsible Transition in Iraq.”¹² While the current violence represents a major continuing obstacle, USCCB has offered a series of benchmarks for a responsible transition. These include: achieving adequate levels of security; establishing the rule of law; promoting economic reconstruction to help create reasonable levels of employment and economic opportunity; and supporting the development of political structures to advance stability, political participation, and respect for religious freedom and basic human rights. Without genuine reconstruction, a just peace will not take hold in Iraq.

Analysts have estimated that the reconstruction of Iraq will demand between \$18 billion and \$28 billion in additional resources.¹³ USCCB and CRS welcome the inclusion of funding for genuine rebuilding the economic and social infrastructure of Iraq in this year’s foreign operations budget. The reconstruction of Iraq will require a multi-year commitment.

Migration and Refugee Assistance (MRA): We ask that the subcommittee appropriate \$1.2 billion for the State Department’s Migration and Refugee Assistance (MRA) account. Of this amount, we ask the subcommittee to allocate \$333 million to fund the admission of at least 90,000 refugees in Fiscal Year 2007. This number reflects the great need for greater refugee resettlement protection throughout the world and is consistent with the target established by the Administration in the President’s 2001 Report to Congress on the U.S. refugee program. We also ask that the subcommittee allocate \$780 million for overseas refugee assistance to address both new and long-standing refugee situations, to help fund repatriation efforts, and to address severe funding shortfalls that have developed as a result of a reduction in funding in previous fiscal years.

Emergency Refugee and Migration Assistance (ERMA): We ask that the subcommittee appropriate \$55 million for the Department of State’s ERMA account. The ERMA is a no-year account that funds efforts to address emerging refugee crises throughout the world. The State Department’s Refugee Bureau anticipates utilizing all of its ERMA balance for FY06, leaving it with no funding for FY 2007. Without a sufficient ERMA replenishment, the State Department will not be able to respond to refugee crises in the Near East, South Asia, Africa, Caribbean, or other areas.

International Development Association and Debt Relief: USCCB and CRS also support at a minimum, the President’s request for \$100 million to provide debt relief through the Heavily Indebted Poor Country (HIPC) Initiative in FY 2007. We urge you to fully fund the commitment of the United States to the 14th replenishment of the International Development Account at \$950 million. IDA is a key source of funding for poor country development. At a time when other major donor countries are making substantial increases in their contributions to IDA, the United States needs to provide sufficient resources to maintain a leadership role in the future of this institution.

Full funding of IDA is essential to enable the United States to fulfill its commitment to the financing of the multilateral debt cancellation agreement. The agreement is expected to provide major new debt cancellation this year for at least 17 low income countries and eventually for possibly 20 to 25 additional very poor countries. We also support the President's request for \$182 million for poor country debt reduction under the on-going Heavily Indebted Poor Countries Initiative and for Tropical Forest Conservation Act programs. The Catholic Community has been very engaged in the question of debt relief since the call of Pope John Paul II in 1994 to reduce substantially, if not cancel outright, the debt that threatens the future of many nations.

Mexico City Policy: Finally, we reiterate our strong and continuing support for retaining the Mexico City policy, which prevents our foreign aid program from being misused to subsidize organizations that perform or promote abortions in developing nations. The Kemp-Kasten provision preventing the support of organizations involved in coercive population control programs should also be retained. Under this provision, funding is denied to any organization determined by the President to be supporting or participating in the management of a program of coercive abortion or involuntary sterilization. To ensure that the President is free to make this determination the subcommittee should not earmark funds to the United Nations Population Fund (UNFPA), whose support for the coercive program in the People's Republic of China has rendered it ineligible for U.S. funds in recent years.

V. Conclusion

In his first Encyclical, entitled "God Is Love," Pope Benedict XVI offers an eloquent reflection on the role of charity as the authentic expression of love of God and neighbor.¹⁴ Charity does not seek its own gain. Rather it requires sacrifice and self-giving in a genuine desire for solidarity with the other, especially the poor and abandoned. Our nation's common efforts, which are concretely expressed through U.S. development assistance to the poorest people on earth, should reflect this vision as we seek to make our assistance more responsive and effective. In this way, the moral obligation to love one's neighbor in a rapidly shrinking world, an obligation that is embedded deeply within Catholic faith and fabric of our nation, will be honored and advanced.

¹ Message of Pope Benedict XVI for Lent 2006.

² Pope Paul VI, *Development of Peoples*, (1967), 20-21; Pope John Paul II, *On Social Concern* (1987), 33.

³ Pope John Paul II, *Development and Peace*, January 1, 1987.

⁴ Pope Paul VI, *ibid.*, 76, 87.

⁵ *Compendium of the Social Doctrine of the Church*. no. 446.

⁶ *Ibid.*, 38-39; *Development of Peoples*, 48.

⁷ USCCB, *The Harvest of Justice is Sown in Peace*, November 17, 1993.

⁸ Secretary of State Condoleezza Rice, Remarks at Georgetown School of Foreign Service, January 18, 2006.

⁹ "Democracy in Latin America: Towards a Citizens' Democracy." United Nations Development Program, 21 April 2004.

¹⁰ Bishop Thomas Wenski, Chairman, USCCB Committee on International Policy, Letter to Chairman Henry Hyde on Palestinian Aid, March 1, 2006

¹¹ Secretary Condoleezza Rice, Briefing en Route Rio de Janeiro, Brazil, March 12, 2006.

¹² Bishop Thomas G. Wenski, Chairman, USCCB Committee on International Policy, *Toward a Responsible Transition in Iraq*, January 12, 2006

¹³ Center for Strategic and Budgetary Assessments, *Iraq Reconstruction: Without Additional Funding, Progress Likely to Fall Short, Undermining War Effort*, February 27, 2006.

¹⁴ Pope Benedict XVI, *Deus Caritas Est*: Encyclical Letter on Christian Love, December 25, 2005.