

Testimony by
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 before the
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On behalf of the United States Conference of Catholic Bishops (USCCB) and Catholic Relief Services (CRS), I thank the Subcommittee on State, Foreign Operations, and Related Programs for this opportunity to testify on appropriations under your jurisdiction for FY 2013. Mindful of our partners and beneficiaries around the globe, I ask you to protect and strengthen assistance for international poverty-focused humanitarian relief and development. At a minimum, please preserve the less than \$18 billion for the following accounts at no less than the levels below:

Account & Agency	Minimum Funding (\$ in thousands)
HIV/AIDs PEPFAR (DOS/GAC)	5,542,860
Global Health subaccounts (AID)	
<i>Maternal and Child Health</i>	605,550
<i>Nutrition</i>	95,000
<i>Vulnerable Children</i>	17,500
<i>HIV/AIDS</i>	350,000
<i>Malaria and Other Infectious Diseases</i>	1,033,000
International Disaster Assistance (AID/OFDA)	975,000
Development Assistance (AID)	2,525,500
Transition Initiatives (AID/OTI)	57,600
Migration and Refugee Assistance (DOS/PRM)	1,875,000
Emergency Migration and Refugee Assistance (DOS/PRM)	50,000
Millennium Challenge Account (MCC)	898,200
Contributions to Int'l Peacekeeping Activities (DOS/IO)	2,098,500
Peacekeeping Operations (DOS/IO)	249,100
International Development Association (Treasury)	1,358,500
Debt Restructuring (Treasury)	250,000
TOTAL	17,981,141

CRS and USCCB acknowledge the difficult fiscal challenges that Congress faces, including fulfilling our obligations to future generations. We welcome thoughtful efforts to reduce future unsustainable deficits. This requires balanced contributions across the entire federal budget: defense, agricultural subsidies, revenues, and fair and just entitlement reform. Even in this context, the poorest and most vulnerable people have a special claim on our nation's limited resources. We therefore urge Congress to be fiscally responsible in morally responsible ways.

The experience, relationships and teaching of the Catholic Church can help inform issues of foreign assistance. The Church's deep experience combating poverty includes CRS's direct implementation of U.S. foreign assistance in 100 countries. CRS programs address HIV and AIDS, health, education, civil society, food security, agriculture, WASH, emergency relief and peacebuilding. The Catholic Church in the United States also has abiding relationships with the Church in developing countries, where our worldwide communion serves the needs of the poorest members of the human family. Finally, our Church has a rich body of teaching that offers principles that can help guide decisions on foreign assistance, including human dignity, the common good, the option for the poor and the promotion of peace.

For the duration of the testimony, I will focus on the protection of funding for PEPFAR, humanitarian accounts and Development Assistance; and offer proposals for USAID Forward.

- 1. Preserve global health funding, in particular bilateral PEPFAR funding.** CRS and USCCB request that you avoid any proposed cuts to the global health sub-accounts in the above table. In addition to these funding requests, we strongly endorse preservation of the Helms Amendment, prohibiting U.S. funding for abortion, and the Kemp-Kasten provision, prohibiting support of organizations involved in programs of coercive abortion or involuntary sterilization. We support restoration of the Mexico City Policy against funding groups that perform or promote abortion, and the denial of funding to the U.N. Population Fund which supports a program of coerced abortion and involuntary sterilization in China. Addressing these concerns will also broaden support for international aid.

Our successful experience with PEPFAR illustrates how reductions in funding can undermine gains in combating of the disease. PEPFAR has directly supported life-saving antiretroviral treatment (ART) for more than 3.9 million men, women and children; provided 13 million people with care and support; and supported HIV counseling and testing for more than 40 million people. Since 2004, CRS has been a prime grantee for the PEPFAR-funded AIDSRelief consortium, which has provided care and treatment to nearly 700,000 people including 276,000 patients who received ARTs.

Three important lessons emerge from successful PEPFAR implementation. First, our experience suggests that thriving ART programs incorporate a broad array of services that support good patient outcomes. The gold standard of HIV treatment is viral suppression. The ability of patients to remain virally suppressed for years will have a significant impact on each clinic's ability to scale up services for new patients needing treatment. Long-term viral suppression requires inputs beyond access to medication, including routine lab tests, strong community outreach, clinical mentoring, robust management systems and expert technical assistance, among other things. A reduction in support for PEPFAR could jeopardize the ability of local partners' to mobilize the material, technical and human resources needed to ensure patient retention and long-term viral suppression.

Second, a well-designed, well-timed transition to local ownership is the key to a sustainable response. CRS shares the Administration's commitment to local ownership through

partnership and capacity building. In the ten countries where we manage the AIDSRelief program, our partners – which include Ministries of Health, faith-based networks and civil society organizations – have achieved impressive results in maintaining quality of care, reducing mortality and retaining patients in treatment. They have begun to take over financial and management responsibility for PEPFAR-funded programs with confidence and enthusiasm.

As of February 2012, we have successfully transitioned AIDSRelief programs in all ten countries, supporting local ownership and long-term sustainability. However, continued success requires that we provide a supportive environment and expert technical assistance while our local partners build and reinforce local resources. Strategies and systems must be in place to ensure a pace of transition appropriate for each country context. An abrupt end to expert technical assistance may jeopardize programs and patients. This continued technical assistance may require an extended timeline; it will also require funding.

Third, the impact of declining budgets on quality of care can be seen in countries that have already experienced cuts. Last year, while overall PEPFAR funding was flatlined, AIDSRelief programs in Uganda and Zambia each saw their budgets reduced by more than 50%. While all facilities had adequate funds to maintain core services, our country-based teams were forced to make difficult choices that led to impacts on patient numbers and program quality. These impacts included: 1) delayed patient enrollment, which can mean that new patients will be sicker and less likely to respond well to treatment; 2) reduced community outreach services, which impacts the ability to identify new patients as well as to retain patients already on treatment; and 3) significantly less frequent provision of technical assistance, leading to lower health facility capacity and reduced program quality.

- 2. We urge you to preserve humanitarian accounts, and reject cuts to Migration and Refugee Assistance (MRA) and International Disaster Assistance (IDA).** The MRA account provides funding for Overseas Refugee Assistance and the Refugee Admissions Program. The number of refugees and internally displaced persons has risen in recent years and millions continue to lack access to the most basic life-saving services—including health care, safe shelter, clean water and education. Conditions for Somalia refugees in the Horn of Africa have significantly deteriorated in the last year, and displaced persons in countries such as Afghanistan, Pakistan, Yemen and the Democratic Republic of Congo continue to live in precarious circumstances. Several million Iraqis remain displaced, and the Colombia displacement crisis continues to be one of the largest in the world. Moreover, efforts to prevent and respond to violence against displaced women and girls are inadequate and underfunded.

The U.S. refugee resettlement program assists refugees, asylum seekers, Cuban and Haitian entrants and Iraqi and Afghan Special Immigrant Visa (SIV) recipients who face persecution based on their association with U.S. military operations. The Administration set the refugee admissions goal for fiscal year 2012 at 76,000, and has not yet set the 2013 goal. MRA funding for the Refugee Admissions Program will provide resources to admit 76,000 refugees, as well as 5,000 Iraqis and 1,500 Afghans and their families who enter through the SIV program in FY2013.

The IDA account likewise funds life-saving emergency interventions for those displaced by natural disaster or violent conflict. **A failure to adequately fund humanitarian accounts such as IDA could have dire consequences for some of the world's neediest populations and undermine the United States' moral commitment to respond to humanitarian crises.**

In the Horn of Africa last year, the international community in general - and U.S. organizations funded by this account in particular - helped save many lives and restore millions of livelihoods. The aid-dependent population in the Horn has been reduced from 13.3 to 9.5 million people. Yet a new food crisis has emerged in the Sahel region of West Africa, compounded by a conflict exacerbated by political change in Libya. In the Sahel, 10-12 million people are at-risk.

Trends toward increased intensity and frequency of natural disasters, an increasingly urban population and higher global food prices exacerbate demands on the IDA account. However the core IDA emergency response funding, especially as delivered through the Office of Foreign Disaster Assistance (OFDA), has decreased in recent years, with significant portions allocated to ongoing humanitarian crises. Funding is sometimes exhausted for these ongoing responses well before the fiscal year ends, with little margin for inevitable new emergencies.

In addition to core funding, USCCB and CRS support funding for local and regional purchase (LRP) as financed through IDA. A growing body of evidence points to LRP as a critical and timely tool in emergency response. LRP programs not only meet emergency needs, but also support local farmers. LRP provides flexibility to respond in a cost-effective way, ensuring foods are culturally appropriate. Where markets are functioning and food is already readily available, the LRP affords another method: cash and vouchers given directly to families to buy food from local merchants. CRS has operated nine LRP programs in eight countries and found that they facilitate quick response with relative ease.

- 3. Mr. Chairman and Ranking Member, we wish to express our appreciation for your consistent support for the Development Assistance account,** which can help to prevent costly humanitarian assistance. The food crisis in the Horn of Africa illustrates this point well. U.S. Government funding through the Development Assistance account supported CRS' Integrated Watershed Resource Management approach in 19 sub-watersheds in Ethiopia from 1997-2005. Since then, private CRS monies have expanded these programs, and local partners and communities now manage and maintain them.

CRS Ethiopia delivers integrated services to help communities maximize the benefits of available water. Communities now have a stronger foundation for improving their food production and overall health and economic standing. During the severe drought in the Horn of Africa last year, CRS joined other relief agencies in providing assistance to refugees and other affected populations in Ethiopia, Somalia and Kenya. In areas where we together had invested in Integrated Watershed Resources Management, communities were better able to mitigate the effects of the recent drought. The watershed approach strengthened household resiliency, helping to prevent a worse disaster in many regions of Ethiopia. This example underscores the

importance of a strategic partnership between the U.S. Government and private, voluntary organizations who work to strengthen the capacity of local actors towards self-sufficiency.

- 4. We thank you for your commitment to USAID Forward, in particular to “country-ownership” strategies and Implementation and Procurement Reform.** CRS supports efforts by USAID to make international assistance more efficient and effective. We undertake such initiatives ourselves. The foundational aid reform documents of the Administration espouse a strong commitment to aid effectiveness principles and especially “country ownership,” e.g., working with partners in developing countries to plan for the use of aid. More decentralization of aid planning, more transparency and use of less duplicative aid disbursement systems is important.

We urge the U.S. Government to think of country ownership as more than governmental ownership by significantly involving civil society actors. Civil society partners in many places afford experience, knowledge and oversight, helping to enhance government transparency and participation. In many countries, long-standing partnerships between international and local civil society actors have substantially built local capacity. Faith-based organizations often exhibit particular depth in local partnerships. For example, the Catholic Church has an extensive institutional presence in many developing countries and some of the most remote communities. Moreover, many private organizations bring hundreds of millions of additional private funds to complement official aid. It is critical to respect constitutional guarantees of religious freedom to preserve the important role of faith-based organizations through conscience clauses that prohibit discrimination in funding as well as through other provisions that ensure their unique contribution in serving the poor.

To date our experience suggests that consultation by USG and USAID with local and international civil society organizations merits greater attention, including in the Global Health and Feed the Future initiatives, and in Country Development Cooperation Strategies. Our concern is that the impact of aid will suffer because projects designed and implemented without adequate input of all key stakeholders are less likely to be sustainable or reach the poorest. **Similar hopes and caveats apply to the USG trend of providing funding to local actors directly and its new-found emphasis on strengthening their capacity.**

Finally, we support the aims of USAID Forward’s Implementation and Procurement Reform. The Quadrennial Development and Diplomacy Review acknowledged the need to better train AID staff on the differences among grants, contracts, and cooperative agreements. CRS and our local partners value the cooperative decision-making and mutual ownership afforded by grants and cooperative agreements; it is a best practice for sustainability and capacity-building. Unlike contracts, assistance mechanisms afford the aforementioned additional resources often provided by private agencies. **CRS and USCCB respectfully submit that a report on the extent of funding by mechanism and recipient for FY 2011 would help to establish a baseline to understand current trends in USG funding and to measure progress towards this reform.**

Thank you for your partnership with CRS and USCCB, and for this opportunity to reiterate our values and report back to you on our experiences. We look forward to continued collaboration.