

**Statement of Andrea Koppel
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U.S. House Appropriations Subcommittee on State Department, Foreign Operations and Related Programs

My name is Andrea Koppel and I am Mercy Corps' Vice President for Global Engagement and Policy. Mercy Corps is an Oregon-based humanitarian and development non-profit organization working in over 40 countries. Our mission is to alleviate suffering, poverty and oppression by helping people build secure, productive and just communities. We are proud partners with USAID and the Department of State, and I would like to start my remarks by thanking this subcommittee for their leadership and support of the lifesaving accounts, including the International Disaster Assistance (IDA) and Migration and Refugee Assistance (MRA), and development accounts that build a safer world, including Economic Support Funds (ESF) and Development Assistance (DA).

The funding this subcommittee provides makes an immense difference in the lives of tens of millions of people around the world. I would like to share examples of effective programming from a trip I took to Iraq in December to visit some of Mercy Corps' programs that are responding to the humanitarian crisis there as well as a trip I took in March to Ethiopia where I saw the benefits of Feed the Future (DA and ESF) programming and the importance of USAID's focus on resilience.

A "New World Order" and the Importance of Humanitarian Assistance

Chairwoman Granger and Ranking Member Lowey, I wish I could tell you that the world was becoming a safer place for the most vulnerable. Sadly though, the numbers of refugees and displaced around the world continues to climb. There are now over 51 million people displaced from their homes around the world, the highest number since the end of World War II. The primary driver of this dramatic increase in displacement has been the unprecedented crisis in Syria, where 3.7 million Syrians are now refugees and 7.6 are displaced internally. Simultaneous crises in Iraq, South Sudan, Central African Republic, amongst others, have stretched our agency and the humanitarian community to the brink. Frankly, we, and the broader humanitarian community are struggling to meet this unprecedented global humanitarian need. We were disappointed with the Administration's FY 2016 request for humanitarian funding that cut IDA and MRA, and hope this subcommittee will once again respond appropriately and generously by increasing funding for these important accounts. Specifically, we are requesting \$2.5 billion for IDA and \$3.3 billion for MRA which we believe is the appropriate US contribution to meet these needs.

I would like to assure you though that these funds are being put to good use, including in efforts to help reintegrate refugees and IDPs back into communities. For example, in Afghanistan, with MRA funding from the State Department, we have started working in Kandahar to help 7,500 Afghan returnees reintegrate by expanding their economic

opportunities. We are opening training centers, including one just for women, to provide needed livelihoods training to returnee refugees. By prioritizing market assessments in our programs, we link training programs to actual job needs in the community so that we don't just raise expectations for returnees, but actually facilitate them getting a job and an income to help raise their families out of poverty.

As an important side note, while we work with the State Department in Afghanistan, we have stopped working with USAID as we believe their Partner Vetting System (PVS) requirements in Afghanistan endanger our staff members' security. We greatly appreciate this subcommittee's efforts to improve PVS and hope in the FY 2016 bill you'll continue to encourage USAID to develop more appropriate mechanisms, including allowing for a 'direct vetting' option in Afghanistan.

While we are extremely grateful for your continued support for humanitarian assistance, I would like to not come back in two years and ask for the same-or higher- amounts for humanitarian assistance. While larger political crises will continue to displace millions of civilians, there are direct investments in development and in building 'resilience' that this subcommittee can make to help mitigate the need for humanitarian assistance and contribute to making the world safer and more stable.

Development Assistance, Economic Support Funds and Resilience

Specifically, we believe investments in resilience and in the DA and ESF accounts can help transition communities from urgent humanitarian needs towards more sustainable development and urge you to fund these accounts at the President's request.

Mercy Corps works in many countries that face cyclical crises, such as recurrent droughts in the Horn of Africa or the Sahel. While I was in Ethiopia in early March, I saw firsthand 'resilience in practice' through a USAID funded Feed the Future and Global Climate Change (GCC) program that Mercy Corps implements called "Pastoralists' Areas Resilience Improvement through Market Expansion" or (PRIME).

PRIME is designed to support resilience among pastoralist communities in Ethiopia, and thus enhance prospects for long-term development in Ethiopia's changing drylands. We achieve scale through market-driven approaches to livestock production and livelihood diversification that simultaneously supports dryland communities' adaptation to a changing climate.

In my visit to the remote Somali region of Ethiopia, I saw how PRIME is helping connect pastoralists with global markets, increasing their incomes, and connecting them with their local governments. I met men and women who are benefiting from sharia-compliant microloans that are allowing them to expand and diversify their small businesses. Importantly, we're focusing on market-driven approaches and private sector partnerships that are having large scale impact. For example, a dairy and a slaughterhouse that we've helped support will improve incomes for over 50,000 households through the sale of milk and animals. Importantly, these businesses and the increased incomes they bring to small holder producers will continue long after PRIME has ended as they are run by Ethiopian entrepreneurs.

Instead of just providing assistance that meets immediate material needs, a resilience approach also focuses on context specific factors that affect a community's ability to cope with crisis. For example, through research we conducted in the Sahel last year, we found that we must take a gender lens when looking at resilience. Our report, ["Rethinking Resilience: Prioritizing Gender Integration to Enhance Household and Community Resilience to Food Insecurity in the Sahel"](#) found that men, women, boys and girls identify, experience, and cope with shocks like drought and stresses differently. For example, when asked about the threats they face, women in the Sahel were more likely to be concerned with diseases that affect poultry since chickens provide a source of income they can control and are a critical form of insurance for the household when a shock hits. Conversely, men were concerned about diseases that affected cattle or cattle rustling as these shocks affect their income and livelihood opportunities. If we're to address the complex needs of communities and design smart, effective programs, we need to understand how different individuals and households interact with and are affected by systems. Otherwise, we risk supporting interventions that benefit some, while excluding those who are vulnerable and need our help the most, especially women and youth. For that reason, we hope you'll consider our requested report language that highlights the need for continued focus on measuring resilience and making sure we're continuing to use the best possible interventions to help communities and address underlying causes of fragility and poverty.

In addition to considering this report language, as the subcommittee makes funding and policy decisions this year, I would also encourage you to urge USAID to continue to prioritize resilience programming – and support robust funding of DA, IDA and ESF funds so that USAID has the resources to continue these exciting approaches.

ESF for the Middle East

Another reason we are requesting funding ESF at the President's requested level is that we would greatly appreciate your support for building stability in the Middle East. Specifically, we hope you can support the Administration's requested ESF levels for countries in the Middle East, including Iraq, Lebanon and Yemen. This aid will address ongoing sectarian violence in Iraq that has been exacerbated by the influx of hundreds of thousands of refugees from Syria as well as recent displacement caused by horrifying violence by the Islamic State of Iraq and the Levant (ISIL). The current crisis reveals that the root causes of political rivalry and sectarian strife still need to be addressed.

U.S. support for programs that advance social cohesion and strengthen political stability is critical. We therefore ask you to support the Administration's request of no less than \$72.5 million in Economic Support Funds (ESF) in Iraq to help local governments and service ministries respond to citizens' needs and rebuild trust and legitimacy in communities and areas liberated from ISIL control in Iraq. Continuing a carve out included in the FY 2015 bill of no less than \$25 million of ESF for conflict response programming will ensure that appropriate support is given to help mitigate further violence. Please also consider including report language that directs the State Department to work in all areas of the country -- not just ISIL liberated areas -- as many of the factors driving conflict in Iraq pre-date ISIL's presence and if they are not address, conflict could continue and spread.

ESF can also serve as an incredibly important stabilizing factor in Lebanon, where one in four people in this tiny country are refugees. Many of the refugees settled in some of the poorer areas of Lebanon, and strains between host communities and refugees are growing. Lebanon desperately needs support to accommodate refugee needs alongside the needs of vulnerable Lebanese. We therefore urge the committee to support no less than the President's request of \$110 million for ESF funding to Lebanon to help support local communities in meeting needs and to continue support for all regional host countries commensurate to the scale of need in each country.

Community Development Funds

Lastly, as I know this subcommittee continues to be concerned with aid effectiveness, I hope you can support the Administration's request for \$80 million for the Community Development Funds (CDF). This program, funded out of the Development Assistance account, provides cash resources for food security programs. CDF, coupled with Food For Peace non-emergency programs, has allowed us to do creative programming and expand the number of beneficiaries we serve and nearly eliminate monetization. As you make tough choices for funding a variety of important programs, the CDF program significantly increases the 'return on investment' of our food security interventions as we save approximately 25 cents on every dollar when we are not forced to monetize within our food security programs.

Conclusion

Thank you for again for your leadership, your time today and your consideration of these requests. I would be happy to answer any questions.