

**Testimony of Bill O’Keefe**  
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Chairwoman Granger, Ranking Member Lowey, thank you very much for welcoming testimony to inform the annual State, Foreign Operations, and Related Programs appropriations. As a partner of the United States government in responding to humanitarian and development needs in more than 90 countries, I am pleased to represent Catholic Relief Services’ (CRS) perspectives. In 2014 alone, CRS reached nearly 90 million people, leveraging United States assistance, charitable foundations, and the hard-earned dollars of tax-paying Catholics and others of good will. As in previous years, CRS joins with the United States Conference of Catholic Bishops (USCCB) in requesting that this subcommittee robustly fund international life-saving humanitarian and poverty-reducing development programs. Specifically, we request the amounts enumerated in the chart below.

<b>Agency</b>	<b>Account</b>	<b>Amount (\$ in thousands)</b>
USAID	Maternal Health and Child Survival	\$770,000
USAID	Nutrition	\$120,000
USAID	Vulnerable Children	\$30,000
USAID	HIV/AIDS	\$330,000
USAID	Malaria, TB, other infectious diseases, and pandemic diseases	\$1,078,000
DOS/OGAC	PEPFAR	\$5,670,000
USAID	Development Assistance	\$2,999,694
USAID/OFDA	International Disaster Assistance	\$2,100,000
DOS/PRM	Migration and Refugee Assistance	\$3,300,000
DOS/PRM	Emergency Refugee and Migration Assistance	\$100,000
MCC	MCC	\$1,250,000
DOS/IO	Contributions to International Peacekeeping	\$2,930,223
DOS/IO	Peacekeeping Operations	\$495,200
DOS/IO	Peace Operations Response Mechanism	\$150,000
DOS/IO	Green Climate Fund (Treasury + ESF)	\$500,000

**The number of people affected by humanitarian crises today is staggering.** The UN estimates 77.9 million people need humanitarian assistance in 2015. For this reason we urge you to support International Disaster Assistance, Migration and Refugee Assistance, and Emergency Refugee and Migration Assistance. The “mega-crisis” of Syria shows no signs of abating. Nearly half of the United Nations record \$16 billion appeal for humanitarian funding would respond to the crisis in Syria: \$2.8 billion for those displaced inside Syria and \$4.4 billion for those in

neighboring countries. Iraq, the Central African Republic, and South Sudan would account for much of the rest of the UN's humanitarian appeal.

As you know, not only in Syria and Iraq, but also in surrounding countries, humanitarian organizations, the UN and local communities are struggling to provide adequate humanitarian assistance. Jordan and Lebanon have begun to close their borders to these refugees, pushing more and more of them to risk the journey across the Mediterranean in less than seaworthy vessels, often losing their lives. Yet within Syria, humanitarian groups report great difficulty accessing needy populations. CRS urges the US government to channel more funding through faith-based organizations in order to ensure that it is delivered based on need, not religious or political affiliation.

Meanwhile, people who fled years ago have lost many of their assets, and rely even more on the international community. As of February 25, more than 3.28 million people were registered as refugees – more than a million each in Lebanon and Turkey. And we know that thousands of others, including Christians and other vulnerable groups, are afraid to register. We also know that approximately three-quarters of refugees live outside camp settings, making it even more challenging to assist them. Relying on the insights and sensitivities of our local partners, CRS has prioritized communities living outside of camps. In Turkey, CRS provides informal schooling to most of the children outside of the camps. As the protracted conflict drags into its fifth year, it is critical that the international community ensure that an entire generation not be without education. Each year a child is out of school, the less likely s/he is to return. Psycho-social services are likewise underfunded, and critical to helping children to cope with the trauma they experience. CRS has found through its innovative “No Strings Attached” program that providing psycho-social support to children generates secondary benefits to their parents, who are more willing to share their experiences when talking about their children's well-being.

Beyond Syria, the tolls of the conflicts in Central African Republic and South Sudan are impacting ever more people. In such places, humanitarian intervention would be impossible without United Nations or regional peacekeepers. Those peacekeepers are saving lives and need help to improve their efforts. CRS therefore urges you to support the Administration's entire request for peacekeeping, including the Peace Operations Response Mechanism.

**CRS urges you to fully support the Administration's increased request for Development Assistance.** For the first time in many years, the Administration has made a substantial increase in its request for this critical account. Approximately half a billion of the request for Development Assistance would scale up investments in Honduras, El Salvador, and Guatemala. If appropriately targeted, this long-overdue investment would help to provide security and opportunity to children and vulnerable youth where they are. To be successful, US investments must address those who are socially marginalized – unemployed, in broken families, or

struggling to compete in globalized agriculture. Economic interventions should be co-located and simultaneous with community policing to ensure an enabling environment.

As you know, Honduras, El Salvador, and Guatemala have murder rates rivaled only by Syria, according to the UN. The US investment must seek to interrupt the violence. Programs like Youthbuilders, for example, help children from gang-ridden communities to learn valuable life and vocational skills. CRS' USAID-funded program in El Salvador helped more than 4,000 children to find work and/or return to school, and for less than \$1,000 per person. CRS' Food for Education program in Intibucá province in Honduras has helped more than 54,000 children stay in more than 1,000 schools. At a price of \$111/child, the province has achieved an attendance rate of 90% (well above the national average). The government would like to extend this program across the country, but lacks funding.

The USAID-funded public-private partnership in Nicaragua, ACORDAR, helped more than 7,000 farmers more than double their coffee income. Funded at \$53 million over five years, it formed 107 cooperatives, invested in key infrastructure, and built technical knowledge. Some of its farmers are now selling to Wal-Mart. CRS has begun a project based on the ACORDAR model in El Salvador. With additional funding from MCC, it will fund a \$10 million national cocoa value chain initiative and expects to reach 10,000 households.

Combined with a strategy to fight corruption and build the capacity of local governments, the US can make a major contribution to the well-being of its southern neighbors and provide people the opportunity to thrive in their native countries. But it must be appropriately targeted. The Alliance for Prosperity designed by the northern triangle governments and endorsed by the United States lacks clear goals and indicators for improvements in education and employment. We strongly urge the US government to set goals, indicators and benchmarks for progress in these areas, as they are critical to addressing the communities most marginalized today. Without a significant scaling up in education and employment, as well as security, vulnerable populations will continue to flee.

Finally, to enhance the trust and effectiveness of the governments of the northern triangle at the federal, state, and local levels, civil society must be an integral partner in the design, implementation, and evaluation of investments. Unless and until a stronger social contract between citizens and governments can be established, the affected governments will not be able to deliver the security and services necessary to achieve their shared vision of peaceful and prosperous states. Faith-based and civil society organizations are among the most trusted in the region to strengthen that social contract.

The Administration's requested Development Assistance funding also provides just under one billion to support continued operations of the Feed the Future Initiative. Feed the Future

represents a much needed investment in agricultural development and nutrition, in partnership with 19 poor countries. CRS also supports providing a more permanent framework for this program in the form of an authorization, which prioritizes assistance to small holder farmers, who typically work on 5 or less hectares of environmentally degraded land. In the absence of an authorization, we encourage you to include in funding bills direction to the Administration prioritizing assistance to small holder farmers with 5 hectares or less; and to include significant attention to natural resource management that will help address issues like soil erosion, impacted water tables, and sustainable agriculture. Related, CRS also strongly supports adaptation-focused climate change interventions that help the poor and marginalized better cope with the additional challenges and burdens they face as a result of climate change. This includes the adaption programming in the Administration's Global Climate Change Initiative, also funded through the Development Assistance account, as well as the multilateral Green Climate Fund funded in part by Economic Support Funds. The Green Climate Fund promises to devote half of it's funding to adaptation programs.

Thanks in part to robust intervention by the US last fall, the international community is winning the fight against Ebola. Yet much work remains to help the communities still bearing the trauma to recover and enable children return to school. The crisis has taught the international community a valuable lesson: that strengthening health systems globally not only protects the dignity of millions, but also is a valuable investment in preventing and containing future outbreaks. CRS encourages Development Assistance and/or Economic Support Funds to help these nations to recover, and greater investment in health systems globally.

In the Occupied Palestinian Territories, many people rely on the international community for their everyday survival. Unemployment, especially among young adults, is unacceptably high in both the West Bank and Gaza, contributing to suffering and instability. While CRS is piloting a temporary housing program with private resources that will reach a few families, more than 100,000 people in Gaza remain homeless as a result of the latest conflict and we believe substantially more resources must be directed to this need as soon as possible. Poverty and desperation in the Palestinian Territories are not good for ordinary Palestinians or Israeli security. We urge you to continue funding to assist the poor and marginalized there.

Water and sanitation, education, savings and lending communities and other basic development interventions remain critical life-saving programs funded by the Development Assistance account. Economic investments that help to meet basic needs not only dignify the individuals and communities they serve, but also help to generate stability and reduce the likelihood of conflict.

**Finally, we urge you to work with USAID to reduce restrictions on US-based civil society organizations partnering with the US government around the globe. First, we ask that USAID**

**treat civil society organizations as it does other private sector investments in its definition of Global Development Alliance (GDA) “leverage.”** In 2012, USAID narrowed the criteria for leverage resources under a GDA; in particular, it excluded the private donations that a non-governmental organization (NGO) like CRS receives from Catholics every day. The current definition states that the required leverage resources come from a corporation or business, private investment firm, foundation or philanthropic organization raised specifically for the purpose of the alliance. The Annual Program Statement notes that NGOs’ private funds no longer “count” toward the alliance leverage, unlike the resources of other private sector actors such as corporations and philanthropic foundations. This is despite the fact that NGO funds are indeed sourced from the broad “private sector” including philanthropies and for-profit entities, as well as individual citizens of goodwill. Under the current GDA guidelines, NGO funds can only be considered as cost share, not as leverage.

This has several implications. Because cost share is not always required in proposals, there is no incentive for NGOs to offer their private funds when they are not counted toward the required leverage rate. Additionally, by relegating NGOs to the role of implementing partner rather than co-investor, the GDA guidelines send a message that NGOs are simply service providers to the US government rather than equal members of an alliance. Last, by not tapping the private resources of NGOs as equally valued sources of leverage, USAID misses tremendous opportunity to mobilize large US constituencies around its global development priorities; generate synergies with other programs and investments of its NGO partners; and expand the scale and impact of innovative programs.

**Secondly, as in previous years, we ask that USAID more fully adhere to procurement laws and use assistance instruments rather than acquisition instruments generally in humanitarian and development assistance.** CRS joins other civil society organizations in the concern that USAID’s practices and internal guidance on selecting between acquisition and assistance instruments are inconsistent with the Foreign Assistance Act of 1961, as amended, and the Federal Grant and Cooperative Agreement Act of 1977 (P.L. 95-224), though this can be difficult to judge based on publicly available information. That said, we believe this to be the case in Feed the Future programming, and we urge you to bring more sunlight to the breakdown of this funding within Feed the Future, and all USAID programs.

On behalf of CRS, thank you again for your dedication and commitment to the poor and marginalized around the globe. CRS knows that many of you make personal sacrifices to witness USG programming and have seen the tremendous impact a few dollars can make. While CRS works hard to work itself out of this job, we appreciate your support in doing it until that day should come.