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Chairman Meeks, Ranking Member McCaul, distinguished members of the Committee, thank you for convening this hearing to discuss the U.S. Agency for International Development's (USAID) food security programs. Humanitarian and food assistance is a cornerstone of U.S. foreign aid. Thanks to your leadership and the generosity of the American people, we are able to reach the world's most vulnerable with life-saving assistance.

Today, I would like to take this opportunity to discuss the historic global hunger crisis we are facing and the steps USAID is taking to deliver critically-needed and lifesaving assistance. I would also like to take this opportunity to highlight potential reforms to key pieces of authorizing legislation that will improve the efficiency and effectiveness of assistance to meet rising needs.

Rising Global Food Security Needs

Honorable Committee members, your commitment to eliminating global hunger has never been more critical as food insecurity statistics continue to march upward due to the confluence of conflict, climate change, and the lingering impacts of the COVID-19 pandemic. Even before Putin's further invasion of Ukraine in February, the global food security situation for hundreds of millions of people was at a precipice: 193 million people were in need of humanitarian food assistance, a 24 percent increase over 2020 and a nearly 80 percent increase compared to 2016.

Today, following Russia's further invasion of Ukraine, the situation has only deteriorated. Russia's invasion will reduce supplies of food and fertilizer, increasing global prices further and placing future harvests at risk. Globally, an additional 40 million more people – more than the total populations of New York City and Texas combined – could be pushed into poverty and food insecurity this year.

The impacts of this crisis are not felt evenly. Perhaps most devastatingly, after four consecutive failed rainy seasons, the Horn of Africa is experiencing an unprecedented, multi-season drought. As of July, nearly 19 million people across the region need emergency food assistance to meet basic needs, a 70 percent increase in needs compared to the regional drought just five years ago. If the rains fail for the fifth consecutive season, the window to prevent extreme outcomes and famine will undoubtedly close for some. Just last month, a multi-agency famine early warning group published an alert stating that the “threat of starvation looms for millions” in Somalia, Ethiopia, and Kenya.

Countries that are reliant on imports are particularly vulnerable to the global food crisis. For example, 90 percent of Yemen’s food supply must be imported. Following Russia’s further invasion of Ukraine, prices in Yemen have skyrocketed – the cost of flour has risen by 42 percent, bread by 25 percent, cooking oil by 63 percent, and sugar by 36 percent between January and May of this year, making food even more inaccessible for families. This year, 19 million people in Yemen are expected to face crisis or worse levels of food insecurity, an 18 percent increase over 2021.

Finally, following the Taliban takeover of Afghanistan last August, nearly 19 million people were experiencing crisis or worse levels of acute food insecurity. U.S.-funded humanitarian assistance has been critical in preventing worst-case food security outcomes, reaching more than 12 million people in 2022. Current food security projections predict that four million people will be *less* food insecure between June and November 2022 than during the same period in 2021 partially due to the significant scale-up of humanitarian assistance. However, the underlying causes of food insecurity, including widespread economic collapse and a lack of agricultural production, have not been resolved, underlining the importance of sustained humanitarian investments over the coming months.

USAID’s Response

Since the onset of this global crisis, USAID has been at the forefront of emergency response efforts. Our teams have been planning for dramatically increased need for well over a year and worked quickly to analyze the scope and depth of the problem, ensuring that our humanitarian and our development teams were closely linked. As the global scope and severity of the crisis became clear, we made bold programmatic decisions focusing our attention and resources on this emergency. In April of 2022, USAID took the extraordinary step of drawing down the full balance of \$282 million from the Bill Emerson Humanitarian Trust for the first time in nearly a decade – a step that allows us to fund a significant infusion of American-grown food commodities to countries that are at the highest risk of famine. When all associated costs of transporting and distributing the food commodities are factored in, the draw-down resulted in a

total of nearly \$670 million in additional U.S. food assistance. We anticipate that these resources will arrive at their destinations between October and December 2022, supplementing food stocks at a critical time.

Next, using the resources from the first Ukraine supplemental appropriation, we urgently directed funding to countries in the Horn of Africa and Yemen to support additional food security and nutrition programming. My team and I re-oriented BHA staff and programs to ensure that we have technical and support staff as well-prepared as possible to direct increasing resources to address increasing needs. And finally, we allocated and programmed funding from the second Ukraine supplemental very rapidly. We are now working to push the supplemental awards as quickly as possible to obligation – and have re-prioritized our procurement systems and are surging procurement staff to ensure that this critical funding is obligated as rapidly and responsibly as possible.

The United States continues to be the world's leading humanitarian donor, providing over 40 percent of global humanitarian funding this year, with this number projected to rise in the coming weeks. USAID is working at record speed and scale to move a historic \$7 billion in supplemental International Disaster Assistance to address humanitarian needs from the global food security crisis and inside Ukraine. To date, USAID has already programmed over \$2 billion from the first Ukraine supplemental and over \$2.1 billion from the second Ukraine supplemental – nearly \$4.2 billion more than our normal programming – and plans to program the vast majority of the remainder by the end of 2022. This is an unprecedented amount of funding to have programmed in the short time since the passage of the supplementals in March and late May. USAID provided \$8 billion in humanitarian assistance in 2021, and we have increased our programming by nearly 50 percent this year utilizing our base appropriations, the BEHT, and the two supplemental appropriations. As the global food security crisis continues to unfold, a consistent infusion of resources into humanitarian programs through the fall and winter is required, thereby not breaking promises made today with humanitarian assistance, and ensuring that USAID expert staff can adapt programs to changing needs—for instance, our programming may look different depending on whether there is a fifth consecutive poor rainy season in the Horn this fall. It also gives us the time to fund new programs and work with different partners, including local partners.

In Africa alone, since last October, the United States will provide more than \$7 billion in humanitarian and food security assistance across the continent, subject to Congressional notification. This includes our announcement earlier this month of nearly \$1.2 billion in additional funding to Ethiopia, Kenya, and Somalia. This additional U.S. assistance will cover the majority of the \$1.8 billion urgently required by humanitarian organizations to support critical relief activities between May to December 2022. I just returned yesterday from Kenya

and Somalia and witnessed first-hand the role that U.S. humanitarian assistance is playing abroad.

In addition to prioritizing the response to the devastating crisis in the Horn of Africa, in coordination with USAID's Bureau for Resilience and Food Security, USAID/BHA identified 20 additional priority countries of immediate concern to target with humanitarian assistance based on baseline food insecurity levels, reliance on Russian/Ukrainian imports, and vulnerability to price shocks. Further, in recognition that this crisis transcends borders, USAID/BHA will also target nine countries hosting significant refugee populations that are reliant on food assistance.

The response to this crisis will not, and can not, be food assistance alone. Our response addresses the full range of life-threatening conditions that extreme hunger creates in a community. When communities face crisis levels of acute food insecurity, it affects every decision a family makes, forcing them to make impossible decisions with long-term impacts on their health and wellbeing. We know that hunger disproportionately impacts women and children as families take desperate measures when there is not enough to eat; for example, humanitarians documented increases of recruitment of children into armed groups in South Sudan and the sale of girls as sex slaves and domestic labor in Somalia during periods of acute food insecurity in these countries. To respond appropriately to the breadth of risks families are facing, in addition to direct food assistance, USAID is providing a comprehensive package of assistance: treatment for acute malnutrition, health services, clean water, safe shelter, and protection programs that aim to prevent and respond to gender based violence and protect children.

The United States continues to be the leader in humanitarian crisis response in substantial part due to the generosity and compassion of Congress and the American people. Today, we are covering 86 percent of the World Food Program's funding appeal. But other governments, foundations, people in the private sector, and anyone else who can help, must stand with us to meet this moment. It is essential that other countries look beyond approved budgets to help address the current gaps in assistance, especially those who might have more flexibility given the returns they are receiving from high commodity prices. Obviously, other donors also need to do more. In the meantime, we must do everything we can to stretch USAID dollars further.

Opportunities to Optimize U.S. Food Assistance

Given the scale and number of food insecurity crises worldwide, it is imperative that USAID has the appropriate authorities to fully optimize its delivery of international humanitarian assistance. The reauthorization of the Farm Bill, the reauthorization of the Global Food Security Act, and other legislative opportunities provide a pivotal moment for USAID to share lessons and to work together to maximize the impact of U.S. foreign assistance programs to meet today's challenges and prepare for tomorrow's.

Most urgently, USAID/BHA staff have moved mountains over the past several months to ensure that lifesaving assistance moved quickly to the people that need it most. However, it is clear that staffing has not kept pace with the growth in humanitarian budgets, reflecting decades of operating expense shortfalls to fund direct hire staff. This gap has been felt acutely in the Bureau for Humanitarian Assistance. In the face of today's crisis, USAID is surging additional Contracting Officer support from the Agency's limited Contracting Officer pool to move funding quickly, but more permanent solutions are needed. In addition to augmented Contracting Officer support, new authority to fund time-limited, non-career positions to support complex crisis programming, including humanitarian assistance, is essential to ensure that USAID's staffing can sustainably support high levels and standards of humanitarian programming.

Beyond urgent staffing needs, there are also upcoming opportunities to ensure that U.S. food assistance programs are delivered as efficiently as possible. USAID uses resources authorized under Title II of the Food for Peace Act for emergency and non-emergency food assistance programs. In Fiscal Year 2021, USAID provided nearly \$2.3 billion in Title II Food for Peace Act assistance, funding the procurement of nearly 1.7 million metric tons of food from the United States to serve a total of almost 28 million beneficiaries in 35 countries. Nearly 86 percent of Title II assistance was for emergency responses and approximately 14 percent was for non-emergency programming. In some cases, we see that buying U.S. commodities is cost-competitive with procurement from third countries.

In addition, USAID uses International Disaster Assistance resources authorized under the Foreign Assistance Act to respond to humanitarian emergencies and deliver market-based food assistance through the Emergency Food Security Program (EFSP). The EFSP is designed to mitigate the effects of manmade and natural disasters by utilizing innovative new approaches to delivering aid that support affected persons and the communities hosting them and build resilience and early recovery. The program offers partners greater flexibility to select the most appropriate modality for a given context, including cash, vouchers, or local, regional and international procurement of commodities.

Given the complex nature of today's crises, it is rare that needs can be met with a single approach. Rather, decades of humanitarian learning clearly show a comprehensive response that includes both direct food assistance, and multi-sectoral programming to prevent subsequent health, nutrition, or protection crises, delivers the greatest impact. Breaking down silos and increasing flexibility between the IDA and Title II accounts would allow USAID to more quickly pivot programming in rapidly changing contexts. Increasing flexibility between accounts would also eliminate the need for multiple awards to a single partner operating in a humanitarian context. A single award would allow for delivery of both U.S. in-kind food assistance, as well as robust wrap-around services to improve USAID's ability to implement multi-sectoral programs more efficiently.

The upcoming reauthorization of the Farm Bill also offers the opportunity to reduce administrative burdens on partners and create an ecosystem for a more diverse partner base by establishing a single associated cost category for Title II assistance. Currently, USAID has four associated cost categories that support the transportation, programming, implementation, and distribution of Title II food assistance under the Food for Peace Act: Section 202(e), Internal Transportation Storage and Handling (ITSH), ocean freight, and inland freight. Section 202(e) funds support the administrative costs of programming U.S. food assistance and are limited to 20 percent of available Title II funding. ITSH funding supports in-country costs directly associated with the movement, storage, distribution and implementation of U.S. food assistance. Ocean freight supports the cost of shipping the commodities on U.S.- or foreign-flag ships. Inland freight supports the cost of moving commodities from a port to land-locked countries. Tracking spending under these categories is a complex task, requiring partners to invest in complex, bespoke financial tracking systems. Establishing a single associated cost category would streamline budgets, reduce the risk of mismanagement of funds, and lower barriers to entry for new and/or local implementing partners while also maintaining appropriate financial oversight of authorized associated costs.

While BHA's programming portfolio is heavily focused on delivering lifesaving assistance in humanitarian emergencies, our work also includes critical non-emergency programs called Resilience Food Security Activities (RFSAs), authorized by the Food for Peace Act. RFSAs are unique, multi-year, non-emergency programs that help vulnerable people address the root causes of hunger and malnutrition in their communities, promote economic growth, minimize disaster risks, improve food security, and adapt to climate change. These programs are targeted in areas of recurrent crises and focus on fragile environments where conflict is endemic or disasters are prevalent. Given that program participants are likely to face multiple shocks during the lifetime of an award, RFSAs layer food assistance with interventions that are designed to strengthen resilience so that participants can bounce back faster after shocks.

Over the last decade, USAID has modernized RFSAs to make them as effective as possible. In particular, reforms made during the last Farm Bill reauthorization raised the cap of 202(e) resources to 20 percent of available Title II funding, giving USAID/BHA greater flexibility to support emergency programming, while also using the most appropriate modality and package of multisectoral programming interventions for each non-emergency program based on local context and beneficiary needs. As the cost of delivering on USAID's humanitarian mandate has increased, 202(e) resources are under greater pressure, limiting USAID/BHA's ability to support quality non-emergency program design and increasingly expensive emergency program logistics. As such, USAID/BHA must still use commodities procured in the United States in non-emergency programs, even when they are not the best choice to build resilience.

For example, due to the pressures on the 202(e) cap, partners were required to use 50 percent in-kind commodities in a recently awarded RFSA activity in Mozambique despite a Government of Mozambique prohibition of imported commodities for non-emergency purposes. Partners urged USAID/BHA to allow for greater flexibility and raised concerns that imported food assistance could be counterproductive to economic growth and improved resilience. However, to be compliant with U.S. law, USAID/BHA was unable to include more flexibility in the program and ultimately, the Ministry of Health required a memorandum of understanding to establish a limited list of allowable nutrition specific commodities, adding further logistical challenges to the program. Updating and revising the non-emergency authorities in the Food for Peace Act to make U.S. commodities a programming option, rather than a programming requirement, would give our partners increased flexibility to design innovative RFSA activities that are tailored to unique local drivers of hunger and build individual and community resilience in the face of recurrent shocks, like drought.

In addition to opportunities through the reauthorization of the Farm Bill, there are additional opportunities to maximize the reach of U.S. food aid programs through other legislative vehicles. As Russia's aggression in Ukraine drives fuel prices up, the cost of delivering humanitarian assistance continues to rise, particularly in terms of the cost of shipping aid overseas. Due to statutory requirements included in the Cargo Preference Act (CPA), USAID is required to ship at least 50 percent of all tonnage on U.S. flagged vessels. While USAID is committed to CPA compliance, it does generate significant costs for life-saving food assistance. On average, USAID pays approximately 25 percent more per metric ton (MT) to ship commodities on U.S.-flag vessels than foreign-flag vessels. In addition, in many cases, the U.S.-flag fleet cannot currently meet USAID's needs due to a lack of available ships. In FY 2021, USAID shipped 1.7 million metric tons of food assistance overseas and over 75 percent of those cargoes were shipped on bulk carriers. Today, there are only three U.S.-flag bulk vessels. These are significant inefficiencies, especially for a humanitarian operation working to keep pace with unprecedented levels of global hunger.

Conclusion

The confluence of conflict, climate change, COVID-19, and the war in Ukraine have created a perfect storm of hunger that is poised to devastate communities around the world. Thanks to Congress' leadership, the United States is prepared to move historic amounts of humanitarian assistance this year to save both lives and livelihoods today, and for months to come. As we face today's crisis, we must also continue looking for opportunities to maximize our assistance, ensuring the generosity of Americans most effectively reaches those in need.

We look forward to working with you as we respond to this emergency, and looking ahead, I welcome the opportunity to work with Congress to ensure our food security programs are flexible and fit-for-purpose in an increasingly hungry world.

Clearance Page for HFAC AtA Charles Testimony

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BHA/DAA: MWong	Clear	7/19/2022
BHA/FO: LPost	Clear w/ edits	7/18/2022
BHA/TPQ: KBrown	Clear	7/14/2022
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BHA/HBMO/BFD: KMcKenna	Clear	7/14/2022
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