

**Testimony Submitted to the
House Foreign Affairs Committee**

By

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Thank you Chairman Royce, Ranking Member Engel and Distinguished Members of the Committee. I am honored to be asked to testify on such an important subject and one that I deeply care about. Chairman Royce and Ranking Member Engel, I would especially like to thank you for your past efforts to modernize our food assistance programs.

During the Pope's recent visit to Washington he delivered a message ripe with hope and service. He asked Americans to share in his call for justice for the more than 800 million currently living in extreme poverty and hunger around the world. The Pope's rallying cry for compassion and generosity is echoed by the American farmer's dedication to feeding the world and fostering hope. His message of service continues to be embodied in the half-century of unwavering public support for astoundingly successful results-oriented programs like Food for Peace and more recently, Feed the Future. Over the past 60 years, Food for Peace has reached more than 3 billion of the world's neediest in almost 150 countries globally precisely when people are most vulnerable. More recently, Feed the Future has built on this legacy in precisely these countries to support the creation of resilient, self-sufficient communities. The impact of these life-saving interventions transforms communities and helps create lasting solutions to food insecurity. Now more than ever, action is crucial and, once again, will demonstrate Congressional leadership. Congress can seize on this opportunity to reform Food for Peace and authorize Feed the Future. Passing either of these bills on their own would send a powerful message that the US is serious about eliminating global hunger and position the US to address greater need going forward, and in this Congressional session you have the ability to advance two intertwined but separate aspects of global food security.

Importance of Global Food Security

The world is facing one of the greatest challenges of any generation: how to nutritiously feed an additional 2 billion people over the next 35 years. Chronic hunger and poverty coupled with slowing agricultural production, diminishing natural resources and infertile land create a toxic mix that could spell disaster. Despite this bleak vision, there is a path forward and with our knowledge, tools, and determination, the US can remain a global leader at the forefront of combating food insecurity and alleviating poverty. Leadership in this area is not only a moral prerogative, but is also crucial to protecting US national security interests. Following the food price spikes in 2008, millions were pushed into poverty and massive civil unrest spread across over 30 nations. In response, the international community made commitments to bolster development investments. Advancing development has a direct impact on the creation of stable, sustainable allies for the US and has clear importance to improving our national security.

The nature of food aid has changed rapidly since the inception of Food for Peace. Over the past two years, five Level-3 emergencies – the most severe designation given by the UN - required aid

deployments. US resources have been stretched in order to meet demand. Over the past year alone, Food for Peace has been called to address near-famine in South Sudan, a devastating earthquake in Nepal, the Ebola outbreak in West Africa, and combat the rising humanitarian crisis in Iraq and Syria. In these crises, recent advances enabled by new flexibilities proved extremely effective. The use of vouchers in Jordan and Lebanon, ready-to-use therapeutic food for severely malnourished children in South Sudan, and local and regional purchase in Nepal enabled our programs to react faster and in the most appropriate way, preventing millions of deaths in the aftermath. Despite the incremental advances, much more flexibility is needed to cope with the evolving demand and rising need.

Increasing demand on resources has not been the only challenge in recent years. In South Sudan, Food for Peace has been forced to deliver aid through air operations to reach the remote populations and refugee camps housing those fleeing conflict. The telltale fluffy rust-colored hair, stiff gait, and protruding belly of severe malnutrition is impacting children the most. In just one of the four main camps, over 1,200 children were diagnosed as acutely malnourished, literally starving. Due to the extraordinary need, USAID had to tap into the very seldom used Bill Emerson Humanitarian Trust to pull South Sudan back from the brink of famine and limit wider regional conflict. This summer, as the population prepared for the lean season, USAID announced an additional \$98 million in food assistance for the country, which includes 44,000 tons of in-kind commodities sent to the region.

Implementation has become infinitely more complicated. Addressing the massive and unprecedented humanitarian need in Syria, where the ongoing conflict is affecting almost 10 million people, has raised new and difficult obstacles to distribution. The massive migration and refugee crisis has created an increasingly complex environment in which we have seen the use of in-kind aid begin to have diminishing returns. In response to this rapidly changing, unstable, and intricate situation, Congress has helped to bolster life-saving interventions targeted to the needs of specific populations. Through flexibilities granted by Congress and the diversification of funding, such as the use of the International Disaster Assistance account, we were able to deploy stopgap humanitarian aid in the form of targeted cash transfers and vouchers to use in local markets, as well as local and regional procurement. The increased use of biometrics and other tracking mechanisms have helped ensure aid reaches the intended recipient and is used for its specific purpose.

Feeding the hungry during emergencies is the first step in helping communities stand on their own two feet. Helping them transition from dependence to self-sufficiency is the next step in advancing their dignity.

In Kenya, for example, Food for Peace emergency assistance during the lean season is coupled with Feed the Future resilience projects helping farmers adopt relatively simple, but effective technologies to improve water and land use specifically tailored for the tough climate of Kenya's drylands.

Alongside Food for Peace, Feed the Future is teaching rural small scale farmers new technologies and management practices to help them weather the difficult climate and enhance crop production. The results have been incredibly successful. In FY2014, 935,000 producers used new techniques to enhance growth, production, and sustainability of their farms. Feed the Future farmers earned \$14 million in new income from agricultural product sales in one year. Complementing emergency support with development efforts accelerates the recovery of the health and agricultural systems, and transforms a family's ability to weather emergencies. Coordinating across programs to

graduate beneficiaries from food aid and providing them with the tools to sustain themselves will dramatically increase our own abilities to tackle global food insecurity.

Feeding the hungry is not enough, one of our greatest assets is our agricultural technological know-how and we must continue to export this knowledge to teach the world how to feed itself.

Reforms Have Been Crucial to Meet Rising Need

By coupling the recent food aid reforms with other development efforts -- including Feed the Future, USAID, USDA and other U.S. government departments and agencies -- the United States has been able to better respond to disasters and create lasting sustainable development in a more efficient, precise, and effective manner. As the understanding of the best form of food aid evolves, Congress has helpfully supported the use of a wider array of tools. The 2014 farm bill granted an additional 7% in flexibility enabling USAID to reduce and almost eliminate monetization. Even this incremental increase has allowed the prioritization of the flexibility to use cash, vouchers, and local procurement for programs where in-kind aid cannot arrive in time or when in-kind aid is not appropriate, such as in Syria.

We know that monetization, the sale of US food abroad for cash to fund programming, loses an average of \$0.25 per taxpayer dollar spent in some cases. Procurement, shipping, commodity management, and commercial transactions are intensive and costly. Despite this, a 15% monetization requirement remains for Title II funding. There have been some reductions in monetization made possible through new flexibilities leading to a savings of \$21 million and an additional 570,000 beneficiaries reached, but the outdated, and in many cases harmful, process should be phased out completely.

Diversification of funding has also had a ripple effect on emergency and non-emergency initiatives. Thanks to Congress, the creation of accounts such as the Emergency Food Security Program, funded through the International Disaster Assistance account, allow the use of flexible funding streams for the distribution of emergency food aid. As a result, America's humanitarian efforts have been greatly improved in protracted conflicts like Syria and acute crises such as Typhoon Haiyan in the Philippines. Aid is delivered faster, cheaper and with strong controls against improper use.

The extensive damage left in the wake of the violent storm wrought both short-term needs for nutritious food, clean water, and shelter as well as the long-term demands on rehabilitation and redevelopment. Implementers were able to use flexible tools to address acute need while also preparing for secondary demands. Offering cash grants through IDA, the World Food Program bought regionally grown rice to meet the immediate demands on supplies and provided an economic boom to local producers in the first few weeks. They were then able to deploy 1,020 tons of rice from pre-positioned warehouses in Sri Lanka to provide a hold over as in-kind aid embarked on the long journey from the US. The flexibility inherent within this type of funding has allowed USAID and partners to use a number of tools in the toolbox to support an additional 14 million people in 39 countries and save countless lives in the first weeks.

Finally, the reduction of cargo preference to 50% in 2012 has freed resources to include an additional 800,000 more beneficiaries annually without any additional funding. It is important to stress that one delivery system of food aid is not always preferable over another -- they all have an appropriate time and an appropriate place -- rather it is necessary to give agencies the flexibility to determine the right assistance to execute in the proper context.

Over the years our food programs have been incredibly successful and Americans should be proud of this heritage of generosity. Thanks to Food for Peace programming, in Haiti, stunting prevalence has dropped by 16 percent and in the Democratic Republic of the Congo, we repaired 16 kilometers of irrigation canal and 27 kilometers of feeder road, raising annual incomes in the area by 42 percent. The impressive reductions of stunting in Feed the Future countries show how much these programs can do, even in a short time period. Stunting rates in Ghana have been cut almost in half, in Cambodia they have fallen by over a third. The fact is these programs have a proven track record of success and reforms will only enhance their ability to perform, to create staggering results and to make real strides.

Call to Action on Reform and the Path Forward

While incremental reforms have allowed for innovation and better results, there is more to be done. S. 525, the Food for Peace Reform Act of 2015 and H.R. 1567, the Global Food Security Act of 2015, together will more effectively tackle hunger and bolster American leadership around the world. Without these modernizing reforms, in the next ten years, our current system will become obsolete. Shipping costs will continue to be prohibitive, aid will reach less people and be less effective in combatting malnutrition, hunger and poverty, and most importantly American leadership will deteriorate in critical parts of the world.

The future food security challenges facing the world are massive. The global population is expected to grow to over 9 billion by 2050 and experts have suggested agricultural production must swell by at least 60% to accommodate this massive growth. The highest percentage of population changes will be concentrated in Sub-Saharan African and South East Asia, two regions already facing a myriad of food security challenges. The US Department of Defense has made clear that climate change could have wide-ranging implications for US national security due to social unrest spurred by reduced water availability, degraded agricultural production, higher prices, damage to infrastructure, and changes in disease patterns. The cost of implementation is also rising as efforts are increasingly concentrated in areas of protracted and ongoing conflict. Roughly one-third of the food assistance budget currently goes towards feeding people in active conflict zones.

A global food security strategy must be authorized by Congress as soon as possible. My thanks to Congressman Smith for sponsoring the legislation and to this Committee for taking the necessary steps to mark-up the Global Food Security Act of 2015. While obstacles do remain, I believe that Congress will find a way forward with that momentous legislation. Alongside food aid, development programming is the key to lifting communities out of poverty and onto the sustainable road to recovery. Encouraging lasting agricultural development is not just the right thing to do; it is also in the national interest of the US to create regional stability and in the economic interest of the private sector to ultimately foster new international markets through economic growth.

Reforms enhancing flexibility, eliminating monetization, and removing quotas increasing transportation costs will drastically increase the number of beneficiaries reached, increase the cost-effectiveness of these programs, and deliver better results. It is a triple win for the US budget, for the American taxpayers, and for our ability to reach those most in need.

In the most recent President's Budget, USAID requested an increase of 25% flexibility to use local procurement, cash, and vouchers when it is most appropriate rather than raising costs to accommodate current quotas. USAID states this would allow them to reach an additional two million emergency beneficiaries. While Title II requests will remain for US in-kind aid, such as the relief efforts deployed in South Sudan, flexibility in the tools utilized is essential to meeting future

needs, helping more beneficiaries, and ensuring funding streams are the most efficient. In places like Syria, flexibility to meet the needs of the diverse population is vital. Food for Peace and its partners are providing critical aid to displaced refugees and host communities affected by the ongoing conflict through a combination of flexible tools. Extensive research reports and ongoing oversight of these programs have concluded that the use of cash and vouchers to supplement aid have the same level of safeguards as the distribution of in-kind aid. Increasing the tools available would only expand, extend, and multiply their impact and influence.

Cargo preference laws also limit the potential success of the programs by diverting funding to transportation cost and away from beneficiaries. GAO reported the elimination of cargo preference would save \$44.9 million at USAID and would save \$62.2 million at USDA between 2011 and FY2014.

Reform legislation has been introduced in the Senate and I am hopeful productive dialogue continues in the House. The negotiation of complex issues is never easy, but reform is vital to US efforts. Support for emergency and non-emergency aid and fostering stable, resilient communities are one means to sustain US national security interests. Populations facing hunger, malnutrition, and desperate poverty with no opportunity for advancement are crippled in their ability to combat rising extremism or terrorism. By fostering growth, health, and production, these nations will become strong allies and support US national security interests. These efforts are not only to sustain America's historic leadership, but to help the hundreds of millions of families that could pull themselves out of poverty if change is enacted.

The Pope's message of compassion and service is a call to action for Catholics and all Americans. We have the ability to help feed, train, support, and lift millions of communities, families, and most especially children, out of a life of hunger and poverty -- if only we heed his call.

Thank you for the opportunity to speak with you today. I look forward to answering your questions.