

Proposed Testimony Submitted By Samuel Worthington, CEO, InterAction
for HACSFops Subcommittee Public Witness Hearing, April 2011

Chairwoman Granger, Congresswoman Lowey and Members of the Subcommittee:

My name is Sam Worthington and I am here today representing the 192 U.S.-based international development and humanitarian nonprofits that form InterAction's membership. Thank you for the opportunity to testify today, and thank you for your work steering this subcommittee in these extraordinarily challenging budget times. We understand that you don't set your subcommittee's spending allocation and are faced with very tough choices as you try to distribute a limited allocation among many valuable programs. My purpose today is to make the case for the importance and dollar-for-dollar value of the poverty-focused development and humanitarian accounts administered by USAID and the State Department, in the hope that you will give them the weight they deserve as you make your funding choices. Many of our members partner with USAID and the State Department through cooperative agreements; many others rely purely on private support. We are united, though, in our belief that our government's programs to provide a humanitarian helping hand and to help build a more stable and prosperous world are of vital importance to America's future.

Like most Americans, we support responsible steps to ensure the government's fiscal health, and we support spending cuts where those cuts will not harm our national interests and will actually contribute to a balanced budget in the long-term. Much of the recent budget-cutting fervor, however, is focused on generating good headlines today rather than on the harm we will be doing by generating much costlier outlays for ourselves in the future. In international affairs spending, we suggest that a balance must be struck between acting on short-term political pressures and working long-term to build a more stable and prosperous world that is in our moral, economic and strategic national interests and that will have more significant and lasting

budget balancing benefit. This is why the poverty-focused international development and humanitarian accounts are so important.

Just as long-term thinking is important for long-term fiscal health, so are considerations of efficiency and effectiveness. During the 1990's, USAID was asked to do more and more with less and less operating funding relative to the programming load. The result of these short-term and short-sighted savings was an agency that lost much of its knowledge base and was forced by personnel shortages to rely more and more on huge contracts and less on cooperative agreements with nonprofit organizations. In turn, this has lessened the agency's ability to leverage both the significant private resources NGOs bring to their work and the unique pool of expertise and local knowledge and contacts NGOs have developed over decades. Short-term budget savings were traded for reduced efficiency and less effective engagement with the developing world. This was, in our view, a penny-wise and pound-foolish trade-off. We have been pleased to see this subcommittee support recent increases to USAID's Operating Expenses requested by both this and the previous administration and we encourage you to continue to rebuild the agency's capacity. This will ensure that USAID's current reform efforts, known collectively as USAID Forward, will continue to increase the effectiveness of the agency's operations. These reforms, along with the plans laid out in the Quadrennial Diplomacy and Development Review and the Presidential Policy Directive on Global Development, clearly demonstrate good faith efforts by this administration to make every U.S. assistance dollar count.

On the programming side, we encourage you to support investments in long-term development through the Global Health and Child Survival account, the Development Assistance account, the International Organizations and Programs account and the Millennium Challenge Account. On the humanitarian side, we urge your support for International Disaster Assistance,

the refugee accounts, the Office of Transition Initiatives, P.L. 480 Title II Food for Peace grants and the peacekeeping accounts.

The humanitarian accounts are classic examples of doing well by doing good: they represent the compassionate helping hand of the American people to those stricken by disaster and war around the world, and together they are a long-term investment in a world with more stability, more prosperity and more good will for the United States. Funding for USAID's Office of U.S. Foreign Disaster Assistance (OFDA) has laid the foundation for peaceful transitions around the world. In Haiti, Darfur, southern Sudan and other hotspots, OFDA continues to lead the U.S. humanitarian response. For refugees, the president's request for the Migration and Refugee Assistance (MRA) account proposes a 13 percent decrease in funding from FY2010 levels. This type of reduction would require the State Department's Bureau of Population, Refugees and Migration (PRM) to cut lifesaving programs such as those for vulnerable refugees from Afghanistan, Somalia, Iraq and Burma.

It is important to note that in these humanitarian efforts, the U.S. does not go it alone. U.S. humanitarian efforts are often coordinated with or through the UN Office for the Coordination of Humanitarian Affairs (OCHA), the UN High Commissioner for Refugees, and the UN World Food Program. Adequate funding for the humanitarian accounts is thus not about the U.S. saving the world alone, but about doing our part alongside our allies and ensuring our leadership role in those efforts.

As you know, Madame Chair, much of the funding for the humanitarian accounts in the past has come in emergency supplementals. While sometimes such supplementals are called for—when unforeseeably large disasters strike—reliance on supplementals annually for foreseeable humanitarian needs creates funding uncertainties that result in less efficient use of

taxpayer dollars and, quite simply, in lives lost. The administration and Congress took the commendable step for FY2010 of breaking with that practice and fully funding the humanitarian accounts in the regular appropriation. We respectfully urge you to continue with that more fiscally responsible approach, and when you and your colleagues make comparisons to prior years' spending, we urge you to compare apples to apples by including supplemental funding in past years' totals.

Beyond responding to new challenges as they inevitably occur, the United States has a clear strategic interest in helping the world's poorest tackle structural barriers that drive poverty, disease and unrest. Targeted, outcome-driven development provides a hand up to the world's poorest to help them grow themselves into the allies and markets of tomorrow.

Funding for food security has enjoyed decades of bipartisan support, from the Marshall Plan to the U.S. response to the global food crisis of 2008, when more than 100 million additional people were pushed into hunger. This January, food prices rose to levels even higher than 2008 levels, making recent U.S. commitments to agricultural development and targeted nutrition interventions for the world's most vulnerable people more critical than ever.

Funding provided for the suite of global health programs through the Global Health and Child Survival account and the over-arching Global Health Initiative is also critical to protect the gains made against diseases like HIV/AIDS, tuberculosis and malaria, which sap the developing worlds' economic and human potential. In addition, helping the poorest countries strengthen their own health systems helps protect Americans against new and dangerous diseases.

Finally, funding is required to reduce harm and instability caused by weather-related shocks. U.S. funding for international climate change adaptation, clean energy technology and sustainable landscapes helps ensure both sustainable economic development and the resilience of

communities left increasingly vulnerable to floods, droughts and storms.

Before closing, Madame Chair, I would like to address the argument that recent increases in funding for the development and humanitarian accounts have been irresponsibly large and rapid because they were beyond the capacity of USAID to absorb and use them well. We can imagine increases of such a magnitude as to overwhelm an agency that has been starved of funding, but we have seen little evidence that the increases of recent years have been at that order of magnitude. What we have seen is in many ways the opposite: an agency getting sufficient resources to begin to return to its feet, to begin to have the strength to better budget and plan, the strength to initiate reforms, the ability to make better use of taxpayer resources and better fulfill its goals.

Madame Chair, out of the United States' current top 15 trading partners, 11 are graduates of U.S. foreign assistance programs. As our economy begins to recover and the economic and fiscal benefits of our trade with these countries grow, we will be reaping the benefits of those far-sighted investments made by members of this subcommittee decades ago. We look forward to partnering with you, the rest of Congress and the administration to continue to do our generation's part to build a more secure and prosperous world, and to pass along to our children and grandchildren a world of peace, prosperity and balanced budgets.

Thank you again for the opportunity to testify today, Madame Chair, and I would be happy to answer any questions you or the subcommittee might have.