

**Testimony on 2008 Foreign Assistance by
the United States Conference of Catholic Bishops and Catholic Relief Services to the
Subcommittee on Foreign Operations, Export Financing, and Related Programs
House Appropriations Committee**

May 4, 2007

The United States Conference of Catholic Bishops (USCCB) and Catholic Relief Services (CRS), the relief and development agency of the U.S. Catholic Bishops, thank the Subcommittee for the opportunity to present testimony on the FY 2008 International Affairs appropriations process.

Our nation's commitment to foreign aid is particularly important at this time when our country's global role is a focus of intense discussion. We appreciate this opportunity to share the values contained within the Church's social teaching that underline our nation's moral responsibility to those in need around the world. In addition, our perspective is informed by the practical experience of the relief and development work of CRS in 99 countries throughout the world.

I. Specific Priorities

Our specific priorities for international affairs appropriations in fiscal year 2008 seek to uphold human life and human dignity, support the development of poor nations, foster peace and improve our national and global security. They include:

- \$3 billion for the Millennium Challenge Corporation (MCC);
- \$2 billion for Title II Food Aid;
- \$5.78 billion (including funding from Health and Human Services appropriations) for morally and culturally responsible programs to combat HIV/AIDS, malaria and tuberculosis, with particular attention to Africa;
- substantial funding for humanitarian needs in Iraq, in addition to \$2.1 billion for reconstruction;
- \$1.1 billion for reconstruction needs in Afghanistan;
- priority funding for economic and social development in post-conflict countries transitioning towards better governance, including: Haiti, Liberia, the Democratic Republic of Congo (DRC), Sierra Leone (with substantial portions of the funding channeled through proven partners in the NGO community), as well as for continued implementation of the Comprehensive Peace Agreement in Southern Sudan;
- full funding for contributions to UN peacekeeping activities, especially in Sudan, Lebanon, the DRC and Haiti;
- an increased proportion of U.S. aid dedicated to social and alternative agricultural development and to victim assistance in Colombia, and strict human rights conditions on all U.S. military aid to Colombia and the Philippines;
- increased funding for the Migration and Refugee Assistance (MRA) and Emergency Refugee and Migration Assistance (ERMA) accounts to bring total funding to \$1.135 billion and \$90 million respectively to meet the needs of an ever-increasing global refugee population;

- \$1.06 billion for the International Development Association (IDA) for debt cancellation and poverty reduction programs in the world’s poorest countries; and
- at least \$207 million for debt relief primarily for the DRC and Liberia whose huge debt burdens create a major obstacle to the efforts of their new democratically-elected governments to restart economies ravaged by war.

Mexico City Policy: We reiterate our strong support for **retaining the Mexico City policy**, which prevents our foreign aid program from being misused to subsidize organizations that perform or promote abortions in developing nations. The Kemp-Kasten provision preventing the support of organizations involved in coercive population programs should also be retained. Under this provision, funding is denied to any organization determined by the President to be supporting or participating in the management of a program of coercive abortion or involuntary sterilization. To ensure that the President is free to make this determination the subcommittee should not earmark funds to the United Nations Population Fund (UNFPA), whose support for the coercive program in the People’s Republic of China has rendered it ineligible for U.S. funds in recent years.

II. Foreign Aid: Our Moral Imperative

Solidarity with those in need expresses a common hope for a stable and peaceful world. Despite the effectiveness of many U.S. foreign aid programs, much more needs to be done to respond to this challenge. Before us there is an opportunity to use our nation’s wealth and resources to uplift human life and dignity around the globe and to work for the common good.

In this year’s address to the Diplomatic Corps accredited to the Holy See, Pope Benedict XVI specifically focused on the level of international aid committed by the richer nations. He said, “[I]nitiatives have been undertaken to which the Holy See has not failed to pledge its support, at the same time reiterating that these projects must not supplant the commitment of developed countries to devote 0.7% of their gross domestic product to international aid.”¹

Achieving authentic human development requires that the basic human needs of all are met; that social, cultural, economic and political rights are protected; and that all peoples participate in shaping their own future. Meeting these moral obligations will help our nation build a safer and more secure world. As the late beloved Pope John Paul II said: “Development ultimately becomes a question of peace, because it helps to achieve what is good for others and for the human community as a whole.”²

Development is not just an aspiration but a right common to all people. It corresponds, then, to a duty imposed upon all of us, as peoples and nations, to collaborate in development, and in this, it is the responsibility of those who are stronger and richer to seek out, assist and empower those who are less so.

This teaching informs the work of two agencies of the United States bishops: Migration and Refugee Services (MRS) and Catholic Relief Services (CRS). MRS works to address the needs of those who flee terror in their homeland and seek international protection, and helps settle one-quarter of the refugees who enter the United States each year. CRS works in 99 countries

¹ Address of His Holiness Pope Benedict XVI to the Diplomatic Corps Accredited to the Holy See for the Traditional Exchange of New Year Greetings, January 8, 2007.

² Pope John Paul II, *Development and Peace*, January 1, 1987.

throughout the world, including more than 30 in Africa, and provides programs to address HIV/AIDS, health, education, building civil society, food security, agriculture, emergency relief and peace building. With 60 years of development experience, CRS knows firsthand both the tremendous needs and also the great potential of millions who live in poverty. CRS knows from experience how effective development programs can bring very real hope for prosperity and peace.

With a greater awareness that our well-being as Americans is intrinsically linked to the well-being of those who live far from our shores, foreign aid is increasingly seen by many as capable of lifting up the weak and empowering people to realize their own dignity and destiny at the same time that it improves global security and peace.

III. Foreign Aid Reform and Transformational Diplomacy

USCCB and CRS have repeatedly focused on the importance of the **effectiveness of foreign aid programming** with the Committee. We welcome efforts to promote coherence in foreign assistance through a country-driven process that addresses duplication, complex delivery and procurement procedures and other inefficiencies. We acknowledge the relationship of development programs to broader strategic objectives, and have been monitoring the reform process closely since Secretary Rice's articulation of the doctrine of transformational diplomacy in January 2006. However, we have always maintained that the interests of poor and vulnerable people lie at the foundation of all foreign aid. We welcomed, therefore, the modified Framework for U.S. Foreign Assistance Programs that now includes the goal of "reducing widespread poverty."

Country-Focused, Objective-Based Framework: An Important First Step Forward

Now that **poverty reduction** has become an explicit goal of foreign aid, we look forward to programs that give priority to the needs of the poor and vulnerable even for countries with limited relationships with, or little strategic importance to, the United States. The adoption of a **country-focused approach** and framing aid programs in terms of specific objectives are welcome improvements. We hope that the categorization of countries in the Foreign Aid Framework will help identify more clearly the specific challenges to progress in reducing poverty, promoting human development and building security in troubled parts of our world. We thus believe the new assistance framework represents an important first step in foreign aid reform, a step we hope will be followed by broader and deeper reforms.

Concentration of Bilateral Aid in Too Few Countries

We note that 40% of the entire bilateral aid program is concentrated in six countries important to U.S. strategic interests related to either the "War on Terrorism" or the "War on Drugs." Only two of the six (Afghanistan and Pakistan) are classified by the World Bank as low income. While we strongly support reconstruction and peace-building in Iraq and Afghanistan, we believe that a greater share of foreign aid should be assigned particularly to the very poor among the more than 150 other developing countries. If U.S. strategic interests will continue to require a major injection of foreign aid resources into the six priority countries, and if poverty reduction is in fact to be a fundamental objective of U.S. foreign aid, this inevitably means that the overall foreign aid budget must be substantially increased.

Avoid Trade Offs in Funding

With regard to the composition of country programs, we are pleased that there has been a substantial increase over FY06 levels for activities related to the long-term development objectives:

Governing Justly and Democratically, Investing in People and Economic Growth. At the same time we note that this increase is attributable almost entirely to increases in funding for combating HIV/AIDS and other infectious diseases and for the Millennium Challenge Corporation. We support robust funding for these important initiatives, but we believe that a country-focused approach would require complementing HIV/AIDS funding with resources for other sectors. While HIV/AIDS funding for Africa, for example, is being increased, funding for basic education, safe water and economic growth on the continent actually decline from FY06 levels.

We support full funding of the Administration's request for \$3 billion for the MCC. Any reduction in funding would undermine the MCC as channel of support for well-governed countries through multi-year funding. Disruption in this program through insufficient funding would pose serious setbacks for countries that have worked hard to prepare eligibility, in many cases by enacting difficult policy reforms. The U.S. must continue to play its part.

At the same time, the MCC should not be funded at the expense of the large number of non-MCC low income countries with critical needs, including those emerging from conflict and moving towards better governance, such as Liberia, Haiti, the DRC and Sierra Leone. Funding for basic education and other sectors critical to poverty reduction should be increasing. At a minimum, the President's promise that MCC resources will be in addition to, and not in substitution for, other development and humanitarian funding should be kept.

Planning Cannot be Concentrated in Washington

Finally, we are concerned by initial indications that the new process for determining priorities has resulted in decisions that are the byproduct of top-down decision making, as opposed to a truly country-driven process. Our counterparts at USAID missions have expressed frustration with the lack of meaningful participation in the planning process. We understand the abbreviated timeline involved this year, and the tremendous work done to coordinate this new process; but the decision to base program and budget decisions almost entirely on strategic priorities crafted at Headquarters risks failing to incorporate the rich expertise and experience developed in the field.

A related concern is the absence of a clearly defined role for civil society. Adopting a country-needs focus highlights the need to take into account the experience and insight of local organizations closest to the reality that foreign aid is intended to impact. While the host government has the central role in designing and implementing a country's development policies and programs, close collaboration is needed also with civil society organizations, especially those who work on a daily basis with the poor and marginalized and are thus in a unique position to give voice to the needs of the weakest members of society. *CRS, through its network of partners in 99 countries, has the ability, through direct relationships with target beneficiaries, to provide USAID missions with information about the needs of the people most directly affected.*

Experience both in Washington and in the field reveals an often deficient process of consultation. In the absence of close collaboration with civil society and governments in both planning and implementing foreign assistance programs, aid programs will fail to reach their goal of reducing widespread poverty. We urge you to ensure that robust consultation—especially with civil society—be not only mandated for foreign assistance programming, but meaningfully undertaken by U.S. government agencies involved in the entire process.